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ANNUAL REPORT 2025

Published on April 20, 2026

I. Spokesperson and Deputy Spokesperson

Spokesperson

Name: Wang, Chia-Chen

Title: Vice President

Telephone: 886-3-2189988

E-mail: jane-wang@tsmt.com

Deputy Spokesperson

Name: Lin, Hung-Sen

Title: Vice President

Telephone: 886-3-2189988

E-mail: dyanlin@tsmt.com

II. Addresses and Telephone Numbers of Headquarters, Branches and Plants

Headquarters: No. 437, Taoying Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)

Telephone: 886-3-2189988

Branches: None

Taoying Plant: No. 437, Taoying Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)

Telephone: 886-3-2189988

Xinghua Plant: No. 7, Xinghua Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)

Telephone: 886-3-2189988

III. Stock Transfer Agent

Name: CTBC Bank Transfer Agency

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City,
Taiwan (R.O.C.)

Telephone: 886-2-66365566

Website: <https://www.ctbcbank.com>

IV. CPAs Auditing and Certifying the Financial Statements of the Most Recent Year

Certified Public Accountants: Lin, Kuan-Hung; Wang, Fang-Yu

Name of Accounting Firm: PricewaterhouseCoopers Taiwan

Address: 27F., No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Telephone: 886-2-27296666

Website: <http://www.pwc.com/tw>

V. Information Regarding Overseas Listed or Exchanged Securities

None

VI. Company Website

<https://www.tsmt.com>

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Chapter 1 Letter to Shareholders

I. Results of Operations in 2025:

In 2025, the global economy continued to be affected by geopolitical events and tariff trade wars, with ongoing supply chain restructuring increasing uncertainty in the business environment. However, as the Company adjusted its product shipment structure, revenue, gross profit, and net operating profit for 2025 all saw modest increases compared to 2024. Net profit after tax was slightly lower than 2024 due to exchange rate fluctuations, which increased non-operating foreign exchange losses.

(I) The Company's consolidated operating income in 2025 was NT\$49,877,415 thousand, an increase of 10.13% compared with the consolidated operating income of NT\$45,287,887 thousand in 2024, and the after-tax consolidated net profit of the owners of the parent in 2025 was NT\$2,746,078 thousand, a decrease of 5.52% compared with the after-tax consolidated net profit of NT\$2,906,467 thousand in 2024; and its basic EPS in 2025 was NT\$9.39.

(II) The state of research and development:

The Company stays committed to the improvement of precision SMT production processes, the development and introduction of techniques of advanced production processes, and continuously recruiting excellent engineering talent, thereby enhancing the manufacturing capabilities and R&D capabilities of high-end precision electronic products and key technologies to strive for business opportunities in the processing and manufacturing of various high-end electronic products, and aim for a diverse and high value-added product portfolio and production technology capabilities.

II. Outline of 2026 Business Plan:

(I) Business Policy

1. Continuing to implement various automated and intelligent manufacturing processes, enhancing production efficiency and technical capabilities, and implementing various systematic and digitizing analysis management.
2. Continuously innovating and improving process failure analysis capabilities and reducing production costs to enhance the overall competitiveness of the Company.
3. Upholding the spirit of integrity, speed and attitude, and provide customers with the best production and service solutions in terms of delivery and quality.

(II) Important Production and Sales Strategies

1. The Company continues to optimize and expand its overseas production bases, pursuing global deployment and diversification of products, customers, and manufacturing sites. The Vietnam and Mexico factories began mass production and shipment in 2025, and the Company will continue expanding its production bases in India and Vietnam in 2026 to address the challenges posed by geopolitical developments.
2. Continuing to invest in various development of advanced process technologies to reduce the operational risks which may arise from the life cycles and upgrading of consumer Electronics.
3. Strengthening supply chain platform management and customer relationship maintenance, thereby enhancing the overall response capability of the Company.

III. Future Prospects:

In the future, the Company will continue to improve the flexibility and efficiency of its operating methods in response to the demands of various products and market characteristics of the clients to provide customers with more complete services. In addition, in the face of much uncertainty in global economic and industrial changes, the Company will enhance the flexibility of regional production capacity, core technical capabilities and execution capabilities to face different technological integration and challenges with solid financial structures.

We hereby sincerely thank all shareholders, customers and suppliers for their support and recognition of the Company. The Company's management team and staff will uphold the spirit of continuous improvement, and continue to improve the Company's operating efficiency and profitability, fulfill our social responsibilities, and maintain stable and sustainable operations.

Chairman: Wu, Kai-Yun

Chapter 2 Corporate Governance Report

I. Information of Directors, President, Vice Presidents, Assistant Vice Presidents, and the Heads of Various Departments and Branches:

(I) Directors:

1. Information of Directors (I)

April 20, 2026

Title	Nationality	Name	Gender Age	Election (Appointment) Date	Tenure	Date Firstly Elected	Shareholding When Elected		Current Shareholding		Spouse and Minor Children Current Shareholding		Major Experience (Education)	Current Positions in the Company and Other Companies	Other Head, Director or Supervisor Who is Spouse or Relative within Second-degree Kinship		
							Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C.	Wu, Kai-Yun	Male 61-70 years old	2025.06.19	3	1995.02.23	11,899,653	4.07%	11,899,653	4.07%	11,389,085	3.90%	President of Taiwan Surface Mounting Technology Corp. Master of Management from Fudan University, Shanghai Cheng Shiu College of Technology, majored in Electrical Engineering R&D Engineer, Sampo Corporation Section Chief of MiTAC Computer Associate Manager of Efa Corp.	Chairman and Chief Executive Officer of TSMT, Director and President of Regent Manner Limited, Director of TSMT (BVI), RM (BVI), TSMT (Singapore), TSMT, Suzhou Regent Electron, TSMT (Suzhou), Regent (Ningbo), and Regent (Xiamen), Director (Legal Representative) of High-Toned Opto Technology Corp., Chairman (Legal Representative) of Fitivision Technology Inc.	Director	Wu, Yun-Chung	Father and Son
Director	R.O.C.	Lin, Wen-Ching	Male 61-70 years old	2025.06.19	3	1995.02.23	5,914,789	2.02%	5,914,789	2.02%	613,701	0.21%	Mechanical Engineering Department of Taiwan Institute of Technology Engineer of Taiwan Philips R&D Manger of Efa Corp.	Chairman of Hung Ta Plastics, Co., Ltd.	Director	Lin, Wen-Chang	Brothers
Director	R.O.C.	Wang, Chia-Chen	Female 51-60 years old	2025.06.19	3	2008.06.13	567,030	0.19%	567,030	0.19%	0	0	Accounting Department of Soochow University Senior Auditor of PricewaterhouseCoopers Taiwan	Director and Vice President of TSMT Director of TSMT (Singapore), TSMT (India), RMIH (India), TSMT Electronics (India), Regent (Ningbo) and Regent (Xiamen), Supervisor of Regent (Chengdu), Supervisor of High-Toned Opto Technology Corp., Supervisor (Legal Representative) of Fitivision Technology Inc., Chairman of BaiHong Investment Co., Ltd., and Chairman (Legal Representative) of Tai Ming Green Power Co., Ltd.	None	None	None
Director	R.O.C.	Shen, Li-Ting	Female 31-40 years old	2025.06.19	3	2025.06.19	0	0	0	0	0	0	Bachelor of Arts in Economics, Vanderbilt University, United States McKinsey & Company - Engagement Manager People Square Solutions - VP Solutions	Founder of General Water Technology	None	None	None
Director	R.O.C.	Wu, Yun-Chung	Male 31-40 years old	2025.06.19	3	2016.06.15	4,122,470	1.41%	4,122,470	1.41%	0	0	Master of Electrical Engineering and Energy System Engineering from Lehigh University, USA Project Manager of Regent Electron (Suzhou) Co., Ltd.	Director and President of TSMT, Director (Legal Representative) of Fitivision Technology Inc., and Tele System Communications Pte. Ltd., Director of TSMT Mexico, TSMT Vietnam, TSMT Electronics (India), Suzhou Regent Electron, TSMT (Suzhou), TSMT, Regent (Ningbo), Regent (Xiamen), and Regent (Chengdu), Executive Director of Regent (Chongqing), Regent (Dongguan), Regent (Hefei), and Ningbo Yongfu Trade Co., Ltd., and President of Fitivision Technology Inc., Regent (Hefei), Regent (Chongqing), and Regent (Xiamen)	Chairman	Wu, Kai-Yun	Father and Son
Director	R.O.C.	Lin, Wen-Chang	Male 71-80 years old	2025.06.19	3	1997.10.13	2,501,883	0.86%	2,501,883	0.86%	2,000,442	0.68%	Business Studies from Yu Da High School of Commerce and Home Economics Responsible Person of Tian Wei Motorcycle Co., Ltd.	Director of Hom Da Plastic Co., Ltd. Director of Jifanni Co., Ltd.	Director	Lin, Wen-Ching	Brothers
Director	R.O.C.	Hsu, Wei-Ting	Female 51-60 years old	2025.06.19	3	2025.06.19	1,411,000	0.48%	1,411,000	0.48%	64,657	0.02%	Master of Information Systems Management, Carnegie Mellon University, United States Manager of the Multinational Corporate Banking Department at Citibank	None	None	None	None
Independent Director	R.O.C.	Hwu, Shouu-Chyang	Male 71-80 years old	2025.06.19	3	2002.04.04	338,888	0.12%	338,888	0.12%	0	0	China Business Administration College Business Manager of Junchang Enterprise President of Chung Hung Industrial Co., Ltd.	Consultant of Chung Hung Industrial Co., Ltd.	None	None	None
Independent Director	R.O.C.	Chen, Meng-Ping	Female 51-60 years old	2025.06.19	3	2010.05.14	0	0	0	0	0	0	Accounting Department, Chinese Culture University Manager of KPMG Taiwan	CPA of DNDA CPA Firm Independent Director of Force Mos Technology Co., Ltd.	None	None	None
Independent Director	R.O.C.	Shih, Yu-Hua	Male 71-80 years old	2025.06.19	3	2023.06.16	0	0	0	0	0	0	Department of Shipping and Transportation Management, National Taiwan Ocean University Vice President of Li-Tzer Investment, Consultants Corporation., Limited.	None	None	None	None

Title	Nationality	Name	Gender Age	Election (Appointment) Date	Tenure	Date Firstly Elected	Shareholding When Elected		Current Shareholding		Spouse and Minor Children Current Shareholding		Major Experience (Education)	Current Positions in the Company and Other Companies	Other Head, Director or Supervisor Who is Spouse or Relative within Second-degree Kinship		
							Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C.	I, Tai-Ken	Male 61-70 years old	2025.06.19	3	2025.06.19	0	0	9,000	0.00%	0	0	Department of Electronic Engineering, Feng Chia University Maintenance Workshop Supervisor at the Utilities Department of China Steel Corporation	None	None	None	None

Note 1 The Company's shares held by directors in other person's name: None.

Note 2 If the Chairman and President or the person holding the equivalent position (top managerial officer) are the same person, spouse or immediate family, the reason, reasonableness, necessity, corresponding measures (such as increasing the number of independent directors, keeping more than half of the directors not concurrently serving as employees or managerial officers, etc.) and other related information shall be specified:

The Chairman of the Company and the President are relatives in the first degree of kinship, mainly because of improving operating efficiency and decision-making execution ability and considering the sustainable operation of the enterprise. The Chairman is responsible for the Group's major investment decisions, strengthening corporate governance and the operation of the Board of Directors. The President leads the Group Subsidiaries and affiliated companies to implement the operation strategy and achieve the Company's operation goals. At present, more than half of the Company's board members are not concurrently employees or managers. However, in order to strengthen the independence of the Board of Directors, the Company has increased the number of independent directors to improve the function of the Board of Directors and strengthen the supervisory function.

2. Major shareholders of corporate shareholders: N/A.
3. Major shareholders of major corporate shareholders: N/A.
4. Information of Directors (II)

(1) Disclosure of Professional Qualification of Directors and Independence of Independent Directors:

April 20, 2026

Name / Condition	Professional Qualification and Experience	Independence Status	Number of Other Public Companies He/She Concurrently Serving as Independent Director
Wu, Kai-Yun	<p>Mr. Wu, Kai-Yun, one of the founders of the Company, serves as the Chairman and President of the Company. He has over 30 years of experience in operation management, research and development, process engineering, procurement and logistics, as well as sales and marketing in the electronics industry, specializing in technology leadership, operational judgment and management, and leading the Company's continuous growth with proven results.</p> <p>The conditions specified in Article 30 of the Company Act did not occur to him/her.</p>	<p>The conditions specified in Article 3(1)-5 to Article 3(1)-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.</p>	0
Lin, Wen-Ching	<p>Mr. Lin, Wen-Ching, one of the founders of the Company, graduated from the Mechanical Engineering Department of Taiwan Institute of Technology and worked as an engineer at Taiwan Philips and as the R&D Manager of Efa Corp., specializing in the design and sales of molds for mechanical parts for electronic products, with professional knowledge of mechanical engineering and experience in industry development and management.</p> <p>The conditions specified in Article 30 of the Company Act did not occur to him/her.</p>	<p>The conditions specified in Article 3(1)-1 to Article 3(1)-2, Article 3(1)-5 to Article (3)1-9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" have not arisen.</p>	0
Wang, Chia-Chen	<p>Ms. Wang, Chia-Chen graduated from the Accounting Department of Soochow University and served as a Senior Auditor at PricewaterhouseCoopers Taiwan. She has been with the Company since 2000 and is familiar with the Company's organization and business operations, with professional knowledge and experience in finance and accounting.</p> <p>The conditions specified in Article 30 of the Company Act did not occur to him/her.</p>	<p>The conditions specified in Article 3(1)-3 and Article 3(1)-5 to Article 3(1)-9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" have not arisen.</p>	0
Shen, Li-Ting	<p>Ms. Shen Li-ting graduated from Vanderbilt University in the United States with dual bachelor's degrees in Economics and Mathematics. She served as Engagement Manager at McKinsey & Company and as VP of Solutions at People Square Solutions, and currently is the founder of General Water Technology, with experience in industry development and operations management.</p> <p>The conditions specified in Article 30 of the Company Act did not occur to him/her.</p>	<p>The conditions specified in Article 3(1)-1 to Article 3(1)-3, Article 3(1)-5 to Article 3(1)-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies did not occur to him/her.</p>	0
Wu, Yun-Chung	<p>Mr. Wu, Yun-Chung graduated from Lehigh University, USA with a bachelor's degree in Electrical Engineering and a master's degree in Energy Systems Engineering, and served as a Project Manager of Regent Electron (Suzhou) Co., Ltd. He currently serves as the President and Chief Technological Officer of the Group, focusing on the research and development of new SMT processes and the development of international customers, with the expertise and experience required for innovative research and development, automated process, business strategies and business development of the Company.</p> <p>The conditions specified in Article 30 of the Company Act did not occur to him/her.</p>	<p>The conditions specified in Article 3(1)-5 to Article 3(1)-9 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.</p>	0

Lin, Wen-Chang	Mr. Lin, Wen-Chang graduated from Yu Da High School of Commerce and Home Economics, and was formerly the Responsible Person of Tian Wei Motorcycle Co., Ltd, with the expertise and experience required for operation management and business development of the Company. The conditions specified in Article 30 of the Company Act did not occur to him/her.	The conditions specified in Article 3(1)-1 to Article 3(1)-2, Article 3(1)-5 to Article (3)1-9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have not arisen.	0
Hsu, Wei-Ting	Ms. Hsu Wei-ting graduated from Carnegie Mellon University in the United States with a master's degree in information systems management. She served as a Manager in Citibank's Multinational Corporate Department, with expertise and experience in financial management, financial investments, and related fields. The conditions specified in Article 30 of the Company Act did not occur to him/her.	The conditions specified in Article 3(1) of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have not arisen.	0
Hwu, Shoou-Chyang	Mr. Hwu, Shoou-Chyang graduated from China Business Administration College and served as the Business Manager of Junchang Enterprise and the President of Chung Hung Industrial Co., Ltd., with the expertise and experience required for operation management and business development of the Company. The conditions specified in Article 30 of the Company Act did not occur to him/her.		0
Chen, Meng-Ping	Ms. Chen, Meng-Ping graduated from the Accounting Department of Chinese Culture University and served as the Manager of KPMG in Taiwan. She is currently a CPA of Dnda CPA Firm and an independent director of Force Mos Technology, with professional knowledge and background in finance, accounting, and corporate governance. The conditions specified in Article 30 of the Company Act did not occur to him/her.	The conditions specified in Article 3(1) of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies did not occur to him/her. Besides, neither he nor his spouse or relatives within second-degree kinship serve as director of the Company or affiliated companies nor hold shares of the Company (or hold shares in the name of others).	1
Shih, Yu-Hua	Mr. Shih, Yu-Hua graduated from the Department of Shipping and Transportation Management of National Taiwan Ocean University and served as the Vice President of Li-Tzer Investment, Consultants Corporation., Limited., with the expertise and experience required for operation management and business development of the Company. The conditions specified in Article 30 of the Company Act did not occur to him/her.		0
I, Tai-Ken	Mr. I, Tai-Ken graduated from the Department of Electrical Engineering at Feng Chia University and served as Section Manager of the Equipment Maintenance Shop in the Utilities Department of China Steel Corp, with expertise and experience required for business management and the Company's business development. The conditions specified in Article 30 of the Company Act did not occur to him/her.		0

(2) Diversification and Independence of the Board of Directors:

A. Diversification of the Board of Directors:

- (A) Adopt candidate nomination system, and regarding the list of director candidates nominated by the shareholders and directors, submit to the Shareholders’ Meeting for election after being passed by Resolution of the Board of Directors.
- (B) The Company established “Code of Practice on Corporate Governance”, where, “Chapter III Strengthen the effectiveness of the Board of Directors” established policy for diversification of board members.

In accordance with Article 20 of “Code of Practice on Corporate Governance”:

The Board Members shall be generally equipped with knowledge, skills and quality necessary for executing their duties. In order to achieve ideal objective of corporate governance, the Board of Directors shall be

equipped with operation judgment capability, accounting and financial analysis capability, operation & management capability, risk management capability, crisis handling capability, industrial knowledge, international market outlook, leadership and decision-making capability on the whole.

(C) The 15th Board of Directors of the Company consists of 11 directors, and includes 4 female directors (accounting for 36.36%), and 4 independent directors (accounting for 36.36%), besides, the number of natural person directors accounts for up to 100%, and seeing from the list of board directors of the Company, they are all equipped with operation judgment, leadership & decision-making, administrative management, international market outlook and crisis handling capability, etc. on the whole.

(D) Implementation of diversification policy

Core of Diversification	Basic Constitution						Industrial Experience and Professional Capability								
	Nationality	Gender	Equipped with employees' identity	Age					Tenure Seniority of Independent Director	Administrative Management	Industry Knowledge	Information Technology	Accounting & Finance	Leadership & Decision-Making	Risk Management
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	71-80 years old							
Name of Director															
Wu, Kai-Yun	R.O.C.	Male	v			v				v	v	v		v	v
Lin, Wen-Ching	R.O.C.	Male					v			v	v			v	v
Wang, Chia-Chen	R.O.C.	Female	v			v				v	v		v		v
Shen, Li-Ting	R.O.C.	Female		v						v	v	v	v		v
Wu, Yun-Chung	R.O.C.	Male	v	v						v	v	v		v	v
Lin, Wen-Chang	R.O.C.	Male						v		v	v			v	v
Hsu, Wei-Ting	R.O.C.	Female				v					v	v	v		v
Hwu, Shou-Chyang	R.O.C.	Male						v	v	v	v			v	v
Chen, Meng-Ping	R.O.C.	Female				v			v	v			v		v
Shih, Yu-Hua	R.O.C.	Male						v		v	v				v
I, Tai-Ken	R.O.C.	Male					v			v	v				v

(E) Specific management objectives and current achievement condition of diversification policy

Specific management objectives	Current achievement condition
Among the members of the Board of Directors, the number of directors co-acting as managerial personnel of the Company shall not exceed 1/3 of director seats.	Achieved.
Among the members of the Board of Directors, the number of female directors shall not be less than (including) 1.	Achieved; there are total 4 female directors in the 15th Board of Directors.
Among the members of the Board of Directors, the number of independent directors shall not be less than one-third of the total board numbers.	Achieved; there are total 4 independent directors in the 15th Board of Directors.
There shall be at least one independent director equipped with accountant's certificate, finance or enterprise management.	Achieved.

B. Independence of the Board of Directors

- (A) The 15th Board of Directors of the Company sets 4 independent directors, accounting for 36.36%, and the qualification and independence of the independent directors are inspected regularly every year, which all conform to the qualification conditions in “Establishment of Independent Directors of Public Offering Companies and the Measures to be Followed”. They neither have direct or indirect interest relationship with the Company within the execution scope of business, nor have the conditions listed in Article 3(1) mentioned above two years before being elected and during their term of office. The Company has obtained a declaration of independence from each independent director.
- (B) The Company regularly inspects independence of the board directors, and results show that they conform to independence conditions, please refer to “Disclosure of Professional Qualification of Directors and Independence of Independent Directors” for detailed information.

(II) Information of President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments:

April 20, 2026

Title	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Shareholding of Spouse and Minor Children		Major Experience (Education)	Current Positions in Other Companies	Managerial Officers Who are Spouses or the Relatives within Second-degree Kinship		
					Shares	%	Shares	%			Title	Name	Relation
CEO	R.O.C.	Wu, Kai-Yun	Male	2023.01.01	11,899,653	4.07%	11,389,085	3.90%	President of Taiwan Surface Mounting Technology Corp. Master of Management from Fudan University, Shanghai Cheng Shiu College of Technology, majored in Electrical Engineering R&D Engineer, Sampo Corporation Section Chief of MiTAC Computer Associate Manager of Efa Corp.	Chairman and Chief Executive Officer of TSMT, Director and President of Regent Manner Limited, Director of TSMT (BVI), RM (BVI), TSMT (Singapore), TSMT, Suzhou Regent Electron, TSMT (Suzhou), Regent (Ningbo), and Regent (Xiamen), Director (Legal Representative) of High-Toned Opto Technology Corp., Chairman (Legal Representative) of Fitivision Technology Inc.	President	Wu, Yun-Chung	Father and Son
President	R.O.C.	Wu, Yun-Chung	Male	2023.01.01	4,122,470	1.41%	0	0.00%	Master of Electrical Engineering and Energy System Engineering from Lehigh University, USA Project Manager of Regent Electron (Suzhou) Co., Ltd.	Director and President of TSMT, Director (Legal Representative) of Fitivision Technology Inc., and Tele System Communications Pte. Ltd., Director of TSMT Mexico, TSMT Vietnam, Suzhou Regent Electron, TSMT (Suzhou), Regent (Ningbo), Regent (Xiamen), and Regent (Chengdu), Executive Director of Regent (Chongqing), Regent (Dongguan), Regent (Hefei), and Ningbo Yongfu Trade Co., Ltd., and President of Fitivision Technology Inc., Regent (Hefei), Regent (Chongqing), and Regent (Xiamen)	CEO	Wu, Kai-Yun	Father and Son
Vice President	R.O.C.	Chen, Yuan-Te	Male	2008.07.01	61,808	0.02%	0	0.00%	Master of Industrial Engineering from Chung Yuan Christian University Assistant Vice President of Philips, Taiwan	None	None	None	None
Vice President	R.O.C.	Lin, Hung-Sen	Male	2006.01.01	5	0.00%	0	0.00%	EMBA from National Central University Team Leader of Production Division of Xu Bang Technology	Chairman (Legal Representative) and President of High-Toned Opto Technology Corp. Director (Legal Representative) of Tai Ming Green Power Co., Ltd. and Fitivision Technology Inc. Director of BaiHong Investment Co., Ltd., TSMT (India), and RMIH (India)	None	None	None
Vice President	R.O.C.	Wang, Chia-Chen	Female	2007.11.30	567,030	0.19%	0	0.00%	Accounting Department of Soochow University Senior Auditor of PricewaterhouseCoopers Taiwan	Director and Vice President of TSMT Director of TSMT (Singapore), TSMT (India), RMIH (India), Regent (Ningbo) and Regent (Xiamen), Supervisor of Regent (Chengdu), Supervisor of High-Toned Opto Technology Corp., Supervisor (Legal Representative) of Fitivision Technology Inc., Chairman of BaiHong Investment Co., Ltd., and Chairman (Legal Representative) of Tai Ming Green Power Co., Ltd.	None	None	None
Assistant Vice President	R.O.C.	Lee, Kun-Chen	Male	2010.03.08	9,290	0.00%	0	0.00%	MBA from Royal Roads University, Canada Senior MIS Manager of Meitai Communications Co., Ltd. Director of Technical Services of Coretronic Corporation Director of Sales of Coretronic Display Solution	None	None	None	None
Financial Manager	R.O.C.	Su, Chia-Ling	Female	2010.05.14	355	0.00%	0	0.00%	Master of International Business from Soochow University Finance Officer of Silicon Application Corp.	None	None	None	None
Accounting Manager	R.O.C.	Chang, Hui-Ling	Female	2010.05.14	3,466	0.00%	0	0.00%	Bachelor of Business Administration, Yuan Ze University Section Chief of Finance Department of TMT PCB Co., Ltd.	None	None	None	None
Chief Internal Auditor	R.O.C.	Cheng, Yun-An	Female	2005.06.10	12,556	0.00%	0	0.00%	Department of Banking and Finance from Tamkang University Audit Specialist of San Lien Technology Corp.	None	None	None	None

Note 1 Those who currently serve in their respective positions on the publication date of the Annual Report.

Note 2 The Company's shares held in other person's name: None.

Note 3 If the President or the person holding the equivalent position (top Managerial Officer) and Chairman are the same one person, spouse or immediate family, the reason, reasonableness, necessity, corresponding measures (such as increasing the number of Independent Directors, keeping more than half of the Directors not concurrently serving as employees or Managerial Officers, etc.) and other related information shall be specified:

The Chairman of the Company and the President are relatives in the first degree of kinship, mainly because of improving operating efficiency and decision-making execution ability and considering the sustainable operation of the enterprise. The Chairman is responsible for the Group's major investment decisions, strengthening corporate governance and the operation of the Board of Directors. The President leads the Group Subsidiaries and affiliated companies to implement the operation strategy and achieve the Company's operation goals. At present, more than half of the Company's board members are not concurrently employees or managers. However, in order to strengthen the independence of the Board of Directors, the Company has increased the number of independent directors to improve the function of the Board of Directors and strengthen the supervisory function.

(III) Remuneration paid to directors, supervisors, President and Vice President in the most recent year:

1. Remuneration to Directors:

December 31, 2025

Unit: thousand shares/NT\$ thousand

Title	Name	Remuneration								Total Remuneration (A, B, C, and D) and Ratio in Net Profit after Tax (%) (Note 10)		Remuneration Paid to Concurrent Employees								Total Remuneration (A, B, C, D, E, F and G) and Ratio in Net Profit after Tax (%) (Note 10)		Remuneration paid by parent company or invested companies other than the Company's subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Severance Pay (B)		Remuneration to Directors (C) (Note 3)		Business Execution Fees (D) (Note 4)				Salaries, Bonuses, and Allowances, etc. (E) (Note 5)		Severance Pay (F)		Employee Remuneration(G) (Note 6)						
		TSMC	All Companies in the Financial Statements (Note 7)	TSMC	All Companies in the Financial Statements (Note 7)	TSMC	All Companies in the Financial Statements (Note 7)	TSMC	All Companies in the Financial Statements (Note 7)	TSMC	All Companies in the Financial Statements (Note 7)	TSMC	All Companies in the Financial Statements (Note 7)	TSMC	All Companies in the Financial Statements (Note 7)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Companies in the Financial Statements (Note 7)	
Chairman and CEO	Wu, Kai-Yun	-	720	-	-	11,800	12,520	-	-	11,800.43	12,520.46	17,914	62,525	-	-	8,500	-	8,500	-	38,214.139	83,545.304	None
Director	Lin, Wen-Ching	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Director and Vice President	Wang, Chia-Chen	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	2,948	2,948	108	108	3,000	-	3,000	-	7,956.029	7,956.029	
Director	Shen, Li-Ting	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Director and President	Wu, Yun-Chung	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	13,762	15,949	108	108	10,000	-	10,000	-	25,770.94	27,957.102	
Director	Lin, Wen-Chang	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Director	Hsu, Wei-Ting	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Independent Director	Hwu, Shouu-Chyang	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Independent Director	Chen, Meng-Ping	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Independent Director	Shih, Yu-Hua	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	
Independent Director	I, Tai-Ken	-	-	-	-	1,900	1,900	-	-	1,900.07	1,900.07	-	-	-	-	-	-	-	-	1,900.07	1,900.07	

- Please specify the policies, systems, standards and structure of and for payment of remuneration to Independent Directors, and their relevance with the amount of the remuneration based on the duties, risks and, time undertaken and spent by Independent Directors and other factors: If the Company makes profits, its Board of Directors will resolve the amount of remuneration to Directors in accordance with the Articles of Incorporation, and determine reasonable remuneration by referring the general payment level in the industry and the duties, risks and time undertaken and spent by them and other factors.
- In addition to the disclosure made in the above table, the remuneration received by the Company's Directors for the services provided by them (such as acting as consultants for the Parent Company/all the companies listed in the Financial Statements/non-employees of re-investment business, etc.) in the most recent year: None.

Table of Remuneration Ranges

Ranges of the Remuneration paid to the Company's Directors	Name of Director			
	Total of (A+B+C+D)		Total of the First Seven Remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in the Financial Statements (Note 9) H	The Company (Note 8)	All Companies in the Financial Statements (Note 9) I
Less than NT\$1,000,000				
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Lin, Wen-Ching, Shen, Li-Ting Wang, Chia-Chen, Wu, Yun-Chung Lin, Wen-Chang, Hsu, Wei-Ting Hwu, Shoou-Chyang, Chen, Meng-Ping Shih, Yu-Hua, I, Tai-Ken	Lin, Wen-Ching, Shen, Li-Ting Wang, Chia-Chen, Wu, Yun-Chung Lin, Wen-Chang, Hsu, Wei-Ting Hwu, Shoou-Chyang, Chen, Meng-Ping Shih, Yu-Hua, I, Tai-Ken	Lin, Wen-Ching, Shen, Li-Ting Lin, Wen-Chang, Hsu, Wei-Ting Hwu, Shoou-Chyang, Chen, Meng-Ping Shih, Yu-Hua, I, Tai-Ken	Lin, Wen-Ching, Shen, Li-Ting Lin, Wen-Chang, Hsu, Wei-Ting Hwu, Shoou-Chyang, Chen, Meng-Ping Shih, Yu-Hua, I, Tai-Ken
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)			Wang, Chia-Chen	Wang, Chia-Chen
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Wu, Kai-Yun	Wu, Kai-Yun		
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)			Wu, Yun-Chung	Wu, Yun-Chung
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)			Wu, Kai-Yun	
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)				Wu, Kai-Yun
NT\$100,000,000 and above				
Total	11 persons	11 persons	11 persons	11 persons

- Note 1 Names of Directors shall be presented respectively, and the amount of remuneration paid to them shall be disclosed collectively.
- Note 2 It means the amount of the remuneration paid to Directors in the most recent year (including the salaries, job-related remuneration, separation pay, bonuses, and incentives etc. paid to Directors).
- Note 3 The amount of the remuneration paid to Directors in the most recent year as approved by the Board of Directors shall be filled out.
- Note 4 It means the business execution fees paid to Directors in the most recent year (including transport allowances, special allowances, various allowances, accommodation and vehicle allowances, and the costs for provision of physical goods and services, etc.). If housing, car or other vehicle, or exclusively individual expenditure is provided, the nature and costs of such provisions, the actual or market-level rent paid, the gasoline expenses and other payments shall be disclosed.
- Note 5 It means salary, job-related remuneration, separation pay, various bonuses, incentives, and transport, special, various, accommodation and driver allowances, etc. paid to the Directors who concurrently serve as employees (including concurrently serving as President, Vice President, other Managerial Officers and employee) in the most recent fiscal year. If housing, car or other vehicle, or exclusively individual expenditure is provided, the nature and costs of such provisions, the actual or market-level rent paid, the gasoline expenses and other payments shall be disclosed. Payroll expenses listed as IFRS 2 "Payment based on shareholdings," including employee warrants, new restricted employee shares, and capital increase by cash options, etc., shall be counted as remuneration.
- Note 6 If employee remuneration (including stocks and cash) was paid to the Directors who concurrently serve as employees (including concurrently serving as President, Vice President, other Managerial Officers and employee) in the most recent year, the amount of the employee remuneration paid in the most recent year as approved by the Board of Directors shall be disclosed.
- Note 7 Please disclose the aggregate amount of the remunerations paid to the Company's Directors by all the companies listed in the Consolidated Financial Statements (including the Company).
- Note 8 The aggregate amount of the remunerations paid to the Company's Directors shall be disclosed together with their names in the relevant remuneration range.
- Note 9 The aggregate amount of the remunerations paid to the Company's Directors by all the companies listed in the Consolidated Financial Statements (including the Company) shall be disclosed together with their names in the relevant remuneration range.
- Note 10 Net profit after tax refers to the net profit after tax specified in the individual Financial Statements of the most recent year.
- Note 11 It refers to the amount of the remuneration paid by the invested companies other than the Company's subsidiaries.

2. Remuneration to President and Vice President:

December 31, 2025

Unit: thousand shares/NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Special Expense (C) (Note 3)		Employee Remuneration (D) (Note 4)				Total Remuneration (A, B, C and D) and Ratio in Net Profit after Tax (%) (Note 8)		Remuneration paid by parent company or invested companies other than the Company's subsidiaries (Note 9)
		The Company	All Companies in the Financial Statements (Note 5)	The Company	All Companies in the Financial Statements (Note 5)	The Company	All Companies in the Financial Statements (Note 5)	The Company		All Companies in the Financial Statements (Note 5)		The Company	All Companies in the Financial Statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Wu, Kai-Yun	7,414	52,025	-	-	10,500	10,500	8,500	-	8,500	-	26,414 0.96	71,025 2.59	None
President	Wu, Yun-Chung	6,214	8,401	108	108	7,548	7,548	10,000	-	10,000	-	23,870 0.87	26,056 0.95	
Vice President	Chen, Yuan-Te	3,103	3,103	108	108	3	3	3,000	-	3,000	-	6,214 0.23	6,214 0.23	
Vice President	Lin, Hung-Sen	2,755	2,755	108	108	0	0	2,500	-	2,500	-	5,363 0.20	5,363 0.20	
Vice President	Wang, Chia-Chen	2,948	2,948	108	108	0	0	3,000	-	3,000	-	6,056 0.22	6,056 0.22	

Table of Remuneration Ranges

Range of the Remuneration Paid to the Company's President and Vice Presidents	Name of President and Vice President	
	The Company (Note 6)	All Companies in the Financial Statements (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Chen, Yuan-Te, Lin, Hung-Sen, Wang, Chia-Chen	Chen, Yuan-Te, Lin, Hung-Sen, Wang, Chia-Chen
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Wu, Kai-Yun, Wu, Yun-Chung	Wu, Yun-Chung
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)		Wu, Kai-Yun
NT\$100,000,000 and above		
Total	5 persons	5 persons

Note 1 President and Vice Presidents shall be presented based on their names respectively, and the amount of remuneration paid to them shall be disclosed collectively.

Note 2 The salaries, job-related remuneration and separation pay paid to President and Vice Presidents in the most recent year shall be filled out.

Note 3 The bonuses, incentives, transport allowances, other allowances, accommodation and vehicle allowances, the costs for provision of physical goods and services, and other remuneration paid to President and Vice Presidents in the most recent year shall be filled out. If housing, car or other vehicle, or exclusively individual expenditure is provided, the nature and costs of such provisions, the actual or market-level rent paid, the gasoline expenses and other payments shall be disclosed. If company drivers are assigned to these executive officers, please indicate compensations paid to the drivers, but these payments will not be counted as remuneration of the executive officers. Payroll expenses listed as IFRS 2 "Payment based on shareholdings," including employee warrants, new restricted employee shares, and capital increase by cash options, etc., shall be counted as remuneration.

Note 4 The amount of the remuneration (including stocks and cash) paid to President and Vice Presidents in the most recent year as approved by the Board of Directors shall be filled out. If such remuneration cannot be estimated, an estimation for this year shall be calculated in proportion of the remuneration actually paid in last year, and the amount shall be filled out in the table "Names of the Managerial Officers who receive employee remuneration and the distribution status".

Note 5 Please disclose the aggregate of the remuneration paid to the Company's President and Vice Presidents by all companies included in the consolidated financial statements (including the Company).

Note 6 The aggregate amount of the remunerations paid to the President and Vice Presidents by the Company shall be disclosed together with their names in the relevant remuneration range.

Note 7 The aggregate amount of the remunerations paid to the Company's President and Vice Presidents by all the companies listed in the Consolidated Financial Statements (including the Company) shall be disclosed together with their names in the relevant remuneration range.

Note 8 Net profit after tax refers to the net profit after tax specified in the individual Financial Statements of the most recent year.

Note 9

a The amount of the remuneration paid to the Company's President and Vice Presidents by the invested companies other than the Company's subsidiaries shall be expressly filled out in this column.

b Any amount of remuneration paid to the Company's President and Vice Presidents by the invested companies other than the Company's subsidiaries shall be filled out in Column E of the Table of Remuneration Ranges, and this column shall be renamed as "All Invested Companies."

c Remuneration refers to the remuneration, compensation (including employee, director and supervisor remuneration), business execution fee, and other related amount paid to the Company's President and Vice Presidents for serving as the director, supervisor, or managerial officer of the invested companies other than the Company's subsidiaries.

* The remuneration disclosed here is not the same in concept as income defined in the Income Tax Law. This table, therefore, is only for the purpose of disclosure, not for taxation.

3. Remuneration for the top five highest-paid managers:

December 31, 2025

Unit: thousand shares/NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Special Expense (C) (Note 3)		Employee Remuneration (D) (Note 4)				Ratio of Total Remuneration (A, B, C and D) in Net Profit after Tax (%) (Note 6)		Remuneration paid by parent company or invested companies other than the Company's subsidiaries (Note 7)
		The Company	All Companies in the Financial Statements (Note 5)	The Company	All Companies in the Financial Statements (Note 5)	The Company	All Companies in the Financial Statements (Note 5)	The Company		All Companies in the Financial Statements (Note 5)		The Company	All Companies in the Financial Statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Wu, Kai-Yun	7,414	52,025	-	-	10,500	10,500	8,500	-	8,500	-	26,414 0.96	71,025 2.59	None
President	Wu, Yun-Chung	6,214	8,401	108	108	7,548	7,548	10,000	-	10,000	-	23,870 0.87	26,056 0.95	
Vice President	Chen, Yuan-Te	3,103	3,103	108	108	3	3	3,000	-	3,000	-	6,214 0.23	6,214 0.23	
Vice President	Lin, Hung-Sen	2,755	2,755	108	108	0	0	2,500	-	2,500	-	5,363 0.20	5,363 0.20	
Vice President	Wang, Chia-Chen	2,948	2,948	108	108	0	0	3,000	-	3,000	-	6,056 0.22	6,056 0.22	

Note 1 The term "top five highest-paid managers" refers to the Company's managerial officers. The criteria for identifying these managerial officers are based on the definition of "managerial officer" as specified in the Tai-Tsai-Cheng-3-Tze No. 0920001301 issued by the Securities and Futures Institute of the Ministry of Finance on March 27, 2003. As for the principles for calculating and identifying the "top five highest-paid managers," it is based on the total amount of salary, severance pay, bonuses, special expenses, and employee remuneration received by the Company's managerial officers from all entities within the consolidated financial statements. This total (i.e., the total of A, B, C, and D) is then ranked to identify the top five highest-paid managers.

Note 2 The salaries, job-related remuneration and separation pay paid to the top five highest-paid managers in the most recent year shall be filled out.

Note 3 The bonuses, incentives, transport allowances, other allowances, accommodation and vehicle allowances, the costs for provision of physical goods and services, and other remuneration paid to the top five highest-paid managers in the most recent year shall be filled out. If housing, car or other vehicle, or exclusively individual expenditure is provided, the nature and costs of such provisions, the actual or market-level rent paid, the gasoline expenses and other payments shall be disclosed. If company drivers are assigned to these executive officers, please indicate compensations paid to the drivers, but these payments will not be counted as remuneration of the executive officers. Payroll expenses listed as IFRS 2 "Payment based on shareholdings," including employee warrants, new restricted employee shares, and capital increase by cash options, etc., shall be counted as remuneration.

Note 4 The amount of the remuneration (including stocks and cash) paid to the top five highest-paid managers in the most recent year as approved by the Board of Directors shall be filled out. If such remuneration cannot be estimated, an estimation for this year shall be calculated in proportion of the remuneration actually paid in last year, and the amount shall be filled out in the table "Names of the Managerial Officers who receive employee remuneration and the distribution status".

Note 5 Please disclose the aggregate amount of the remunerations paid to the Company's top five highest-paid managers by all the companies listed in the Consolidated Financial Statements (including the Company).

Note 6 Net profit after tax refers to the net profit after tax specified in the individual Financial Statements of the most recent year.

Note 7

- a The amount of the remuneration paid to the Company's top five highest-paid managers by the invested companies or the parent company other than the Company's subsidiaries shall be expressly filled out in this column.
- b Remuneration refers to the remuneration, compensation (including employee, director and supervisor remuneration), business execution fee, and other related amount paid to the Company's top five highest-paid managers for serving as the director, supervisor, or managerial officer of the invested companies or the parent company other than the Company's subsidiaries.

4. Names of the managerial officers who receive employee remuneration and the distribution status: December 31, 2025

Unit: thousand shares/NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Profit after Tax (%)
Managerial officer	CEO	Wu, Kai-Yun	0	29,250	29,250	1.07%
	President	Wu, Yun-Chung				
	Vice President	Chen, Yuan-Te				
	Vice President	Lin, Hung-Sen				
	Vice President	Wang, Chia-Chen				
	Assistant Vice President	Lee, Kun-Chen				
	Financial Manager	Su, Chia-Ling				
	Accounting Manager	Chang, Hui-Ling				

Note 1 The Managerial Officers who were serving in their respective positions at the end of 2025 shall be filled out in this table, and the amount of remuneration paid to them shall be disclosed collectively.

Note 2 Net profit after tax refers to net profit after tax in the parent company only financial statements of 2025.

Note 3 The scope of managerial officers shall be defined in the following manner, as per the Securities and Futures Institute's decree under Tai-Tsai-Cheng-3-Tze No. 0920001301 dated March 27, 2003:

- (1) President and equivalents
- (2) Vice President and equivalents
- (3) Assistant Vice President and equivalents
- (4) Head of Financial Department
- (5) Head of Accounting Department
- (6) Other people managing the Company's affairs and being entitled to sign instruments on behalf of the Company.

(IV) Comparison of Remuneration to Directors, President and Vice Presidents in the Most Recent Two Fiscal Years; Ratio of Total Remuneration to Net Income; Remuneration Policies, Standards and Portfolios; Procedures for determining remuneration; and Correlation Between Remuneration and Performance/Projected Risks:

1. Analysis on the ratio of the total remuneration paid to the Company's Directors, President and Vice Presidents by the Company and all the companies listed in Consolidated Financial Statements (including the Company) in the most recent two years in net profit after tax:

Item	Ratio of Total Remuneration in Net Profit after Tax			
	2025		2024	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Director	3.17%	4.90%	2.63%	4.08%
President and Vice President	2.47%	4.18%	2.06%	3.48%

2. The remunerations to the Company's Directors are paid from surplus, and the remunerations to President and Vice Presidents include salaries, bonuses, employee remuneration and employee warrants, etc.
3. The remunerations to the Company's Directors, and Managerial Officers are determined by its Remuneration Committee by referring to the general payment level in the industry, and the time spent, duties assumed and personal goals achieved by them, their performance in other positions, the remuneration paid by the Company to the persons holding equivalent positions in recent years, the achievement of the Company's short-term and long-term business goals, and the Company's financial status, etc., and the Remuneration Committee check their annual and long-term performance goals regularly, and submit its suggestions to the Board of Directors for discussion.

II. Implementation of Corporate Governance

(I) Operation of the Board of Directors:

The meeting of the Board of Directors were held for 6 times (A) in the most recent year (2025), with the attendance by the Directors as follows:

Title	Name	Attendance in Person B	Attendance by Proxy	Rate of Attendance in Person (%) [B/A]	Remark
Chairman	Wu, Kai-Yun	6	0	100%	Re-elected on June 19, 2025.
Director	Lin, Wen-Ching	6	0	100%	Re-elected on June 19, 2025.
Director	Shen, Shian-Ho	1	1	50%	Discharged on June 19, 2025.
Director	Shen, Li-Ting	3	1	75%	Elected on June 19, 2025.
Director	Wang, Chia-Chen	6	0	100%	Re-elected on June 19, 2025.
Director	Wu, Yun-Chung	5	1	83%	Re-elected on June 19, 2025.
Director	Lin, Wen-Chang	6	0	100%	Re-elected on June 19, 2025.
Director	Hsiao, Hsueh-Fong	2	0	100%	Discharged on June 19, 2025.
Director	Hsu, Wei-Ting	3	1	75%	Elected on June 19, 2025.
Independent Director	Hwu, Shoou-Chyang	5	1	83%	Re-elected on June 19, 2025.
Independent Director	Chang, May-Yuan	1	1	50%	Discharged on June 19, 2025.
Independent Director	I, Tai-Ken	4	0	100%	Elected on June 19, 2025.
Independent Director	Chen, Meng-Ping	5	1	83%	Re-elected on June 19, 2025.
Independent Director	Shih, Yu-Hua	6	0	100%	Re-elected on June 19, 2025.

Other mentionable items:

- I. If any of the following conditions occurs to the Board of Directors, the date and session of the meeting of the Board of Directors, contents of proposal(s), all Independent Directors' opinions and the Company's reaction response to such opinions shall be specified:
 - (I) For the matters listed in Paragraph 3 of Article 14 of Securities and Exchange Act, please refer to Chapter 2 of this Annual Report, and the important resolutions made by the Shareholders' Meeting and the Board of Directors as specified in the Corporate Governance Report (#page 37#): They were agreed and approved by all the Independent Directors presented at the meeting.
 - (II) Other resolutions by the Board meetings which were objected to or subject to qualified opinions by independent directors and were recorded or declared in writing: None.
- II. Recusal of Directors from voting due to conflicts of interests: Directors avoided themselves from the discussion and voting related to their remuneration.
- III. For the evaluation cycles, evaluation periods, scope and method of evaluation, and contents of evaluation for evaluating the performance of the Board members (on themselves or peers), refer to the table below.

Cycle	Period	Scope	Method	Content
Once a year	January 1, 2025 to December 31, 2025	Performance Evaluation of the Board of Directors, Individual Board Members, and Functional Committees	Internal Self-Evaluation of the Board as a Whole, Individual Board Members, and Functional Committees	The performance evaluation of the Board as a whole includes participation in the operation of the Company, quality of the Board's decision making, composition and structure of the Board, election and continuing education of the directors, and internal control. The performance evaluation of individual Board members includes alignment of the goals and missions of the Company,

					<p>awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.</p> <p>The performance evaluation of functional committees includes participation in the operation of the Company, understanding of the responsibilities of the functional committee, enhancement of decision-making quality, composition and appointment of committee members, and internal control.</p>
<p>IV. Evaluation on the achievement of the goal of enhancing the function of the Board of Directors (such as establishing Audit Committee and increasing information transparency) in the current year and the most recent year:</p> <ol style="list-style-type: none"> The Company has the "Rules and Procedures of Board of Director Meetings," and announces the important resolutions made by its Board of Directors, in real time, on the website designated by competent authority, in accordance with competent authority's relevant orders and regulations, and discloses its latest business and financial status in its website, with a good implementation. The Company established Remuneration Committee on October 25, 2011 to assist the Board of Directors to regularly evaluate and determine the remuneration for Directors and Managerial Officers, and regularly review the evaluation on the performance of Directors and Managerial Officers, as well as the remuneration policies, systems, standards and structures. Please see #Page 24# of this Annual Report for operation of the Remuneration Committee. The Company established Audit Committee on June 13, 2019 to exercise the powers and assume the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations. Please see #Page 17# of this Annual Report for operation of the Audit Committee. The Company comprehensively reelected its Directors at the regular meeting of its shareholders' meeting held on June 19, 2025, with 11 Directors (including 4 Independent Directors) elected, to improve the Board of Directors' function and corporate governance. Evaluation on the Board of Directors' performance: The Company formulated the "Board of Directors Performance Self-Assessment Regulations" on April 27, 2020, and it plans to issue performance self-evaluation questionnaires to all the members of the Board of Directors in the December of each year from 2020 to facilitate self-evaluation. These evaluations assess both the overall operation of the Board and the individual performance of each director. Beginning in 2024, performance evaluations for functional committees were also added. 					

(II) Operation of Audit Committee:

The meeting of the Audit Committee was held for 5 times (A) in the most recent year (2025), with the attendance as follows:

Title	Name	Attendance in Person B	Attendance by Proxy	Rate of Attendance in Person (%) [B/A]	Remark
Convener	Chen, Meng-Ping	4	1	80%	Re-elected on June 19, 2025.
Member	Chang, May-Yuan	1	1	50%	Discharged on June 19, 2025.
Member	I, Tai-Ken	3	0	100%	Elected on June 19, 2025.
Member	Hwu, Shoou-Chyang	4	1	80%	Re-elected on June 19, 2025.
Member	Shih, Yu-Hua	5	0	100%	Re-elected on June 19, 2025.

Other mentionable items:

I. If any of the following conditions occurs to Audit Committee, the date, session and content of the meeting, objection and reservation of the Board of Directors, contents of major proposal(s), Audit Committee's resolution(s) and the Company's reaction response to such opinions shall be specified:

(I) For the matters listed in Paragraph 5 of Article 14 of Securities and Exchange Act, please refer to Chapter 2 of this Annual Report, and the important resolutions made by the Shareholders' Meeting and the Board of Directors as specified in the

Corporate Governance Report (#page 37#): They were submitted to the Board of Directors for resolution and approval after they have been agreed by over half of all members of Audit Committee, and there is no agreement by over two-thirds of all Directors without approval by Audit Committee.

(II) In addition to the aforementioned matters, other matters not approved by Audit Committee but approved by more than two-thirds of all Directors: None.

II. Regarding recusals of Independent Directors from voting due to conflicts of interests, the names of the Independent Directors, contents of proposals, reasons for recusal, and participation in voting shall be specified: None.

III. Communication by Independent Directors with Internal Audit Manager and CPAs (including significant matters, methods, and results of the communication about the company's financial and business conditions)

(I) Communication between Independent Directors and the Internal Audit Manager

Policies for communication between Independent Directors and the Internal Audit Manager:

The Company's Internal Audit Manager regularly makes quarterly internal audit report, on the implementation of audit, internal operation, auditor's training, its major opinions on external and internal audit and their improvement, at the meeting of Audit Committee in each quarter; In case of any significant abnormality, the meeting will be convened at any time.

Summary on the past communication between Independent Directors and Internal Audit Manager:

Date	Method of Communication	Contents of Communication	Result of Communication
2025/3/10	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 4th quarter in 2024.	Independent Directors did not express any opinion.
2025/4/29	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 1st quarter in 2025.	Independent Directors did not express any opinion.
2025/8/12	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 2nd quarter in 2025.	Independent Directors did not express any opinion.
2025/10/31	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 3rd quarter in 2025.	Independent Directors did not express any opinion.
2025/12/29	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 4th quarter in 2025.	Independent Directors did not express any opinion.
		Prepare Internal Audit Office's 2026 Audit Plan for the Company	and submit to the Board of Directors after adoption.

(II) Communication by the Company's Independent Directors with CPAs

Policies for communication by Independent Directors with CPAs:

The Company's Audit Committee is composed of all Independent Directors. CPAs communicates with Independent Directors about the Company's financial status, major adjustments, and the impact brought by the amendment to laws, in each quarter, and report the audit on internal control to Independent Directors once a year at the least.

Summary on the past communication between Independent Directors and CPAs:

Date	Contents of Communication	Result of Communication
2025/3/10	1. Completion by CPAs of audit on the Company's 2024 financial statements in accordance with financial rules, and explanation about the issues related to audit by sending the letter to independent	The Independent Directors made reply and did not express any other opinions on the communicated matters. The annual financial statements were approved by the Audit Committee, submitted to and approved by the

		<p>directors.</p> <ol style="list-style-type: none"> 2. Communication about the major issues in the Audit Report. 3. Explanation by CPAs to Independent Directors about major adjustments. 	Board of Directors, and announced and reported to the competent authority as scheduled.
	2025/4/29	<ol style="list-style-type: none"> 1. Completion by CPAs of audit on the Company's 2025 Q1 Financial Statements, and explanation about that by sending letter. 2. Explanation by CPAs to Independent Directors about major adjustments. 	The Independent Directors made reply and did not express any other opinions on the communicated matters. The Q1 financial statements were approved by the Audit Committee submitted to and approved by the Board of Directors, announced and reported to the competent authority as scheduled.
	2025/8/12	<ol style="list-style-type: none"> 1. Completion by CPAs of audit on the Company's 2025 Q2 Financial Statements, and explanation about that by sending letter. 2. Explanation by CPAs to Independent Directors about major adjustments. 	The Independent Directors made reply and did not express any other opinions on the communicated matters. The Q2 financial statements were approved by the Audit Committee, and submitted to and approved by the Board of Directors, announced and reported to the competent authority as scheduled.
	2025/10/31	<ol style="list-style-type: none"> 1. Completion by CPAs of audit on the Company's 2025 Q3 Financial Statements, and explanation about that by sending letter. 2. Explanation by CPAs to Independent Directors about major adjustments. 	The Independent Directors made reply and did not express any other opinions on the communicated matters. The Q3 financial statements were approved by the Audit Committee, and submitted to and approved by the Board of Directors, announced and reported to the competent authority as scheduled.

(III) Implementation of corporate governance and deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons thereof

Evaluation Item	Implementation Status			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons thereof
	Yes	No	Summarized Statements	
I. Does the Company formulate and disclose its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established "Corporate Governance Principles" in order to protect shareholders' rights and interests, strengthen the function of the Board of Directors, value stakeholders' rights and interests, and improve information transparency. For more information, please visit the Company's website.	No deviation
II. Company's shareholding structure and shareholders' interests				
(I) Does the Company have its internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations and follow the procedures faithfully?	✓		The Company's stockholder services section is responsible for dealing with shareholders' suggestions, doubts, disputes and litigations. There is also a special web-page and an e-mail box on the corporate website to receive questions and suggestions from shareholders.	No deviation
(II) Does the Company maintain a list of its major shareholders who actually control the company and the ultimate owners of those controlling shares?	✓		The Company keeps track of the latest shareholding record of insiders (Directors, Managerial Officers and major shareholders holding more than 10% the shares of the Company).	No deviation
(III) Does the Company establish and implement a risk control system and a firewall mechanism for relationship with its affiliates?	✓		The Company has drawn up "Guidelines for Supervision and Governance of Subsidiaries" and "Guidelines for Financial Operation Procedures with Stakeholders, Group Corporations and Specific Companies" to control the risks and maintain the firewalls.	No deviation
(IV) Does the Company establish internal rules against insider trading of securities taking advantage of undisclosed information?	✓		The Company has set up "Preventive Rules Against Insider Trading" to regulate all the Company's insiders and employees as well as anyone who gets to know important internal information because of his/her identity, profession or relations in order to forbid any possible insider trading. The Company also does relevant internal training and propagation from time to time.	No deviation
III. Composition and Duties of the Board of Directors				
(I) Does the Board of Directors make diversification policy, specific management objective and implement in details?	✓		The members of the Board of the Company have already been diversified in professional background, gender and work field. This makes the Board's structure robust. The Company has four female members in the Board of Directors, in order to implement and promote the policy of gender equality in China, and increase female participation in decision-making and improve the structure of the Board of Directors.	No deviation
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	In terms of functional committee, the Company at present only sets up the Remuneration Committee and the Audit Committee and has the "Organic Regulations of the Company Remuneration Committee" and the "Organic Regulations of the Company Audit Committee" It will set up other functional committees in the future in accordance with laws and regulations and depending on operating needs.	Same as Summarized Statements
(III) Does the company have the measures for evaluating the performance of the Board of Directors and the evaluation method, and evaluate performance regularly each year, report the evaluation results to the Board of Directors, and use the results for reference for each individual Director's remuneration and nomination for election?	✓		The Company has the "Board of Directors Performance Self-Assessment Regulations" and, from 2020, implements evaluations on the performance of directors in accordance with such Regulation, reports the evaluation results to the Board of Directors, and uses the results for reference for each individual director's remuneration and nomination for election.	No deviation
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		The Company's Board of Directors evaluates the independence of CPAs annually not only by self-assessments of independence and submitted by themselves, but also a "written statement of impartiality" in order to make sure if they meet the independence requirements. For the assessment criteria of CPA independence, please refer to Note 1.	No deviation

Evaluation Item	Implementation Status			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons thereof
	Yes	No	Summarized Statements	
IV. Is the TWSE/TPEx Listed Company configured with appropriate number of qualified personnel for corporate governance, and does it appoint Corporate Governance Manager to be responsible for its governance-related affairs, including but not limited to providing the data required by Directors and Supervisors for execution of business, assisting Directors and Supervisors to comply with laws and decrees, dealing with the affairs related to the meetings of the Board of Directors and the shareholders' meeting in accordance with laws, and making minutes of the meetings of the Board of Directors and the shareholders' meeting?	✓		On April 30, 2021, the Company appointed the Corporate Governance Manager, who, along with the Stock Affairs Unit, is in charge of corporate governance-related matters, including organizing the meetings of the Board of Directors and the shareholders' meeting, making meeting minutes, changing corporate registrations, regularly reviewing and revising "Corporate Governance Principles" and relevant measures, providing the data required by Directors and Supervisors for the execution of business, and regularly arranging training programs for Directors and Supervisors. For details of the continuing education of the Corporate Governance Manager in 2025, please refer to Note 2.	No deviation
V. Does the Company maintain communication channels for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), designate a special stakeholders section on its website, and respond appropriately to all the issues stakeholders care for in terms of corporate social responsibilities?	✓		The Company has a spokesperson system and designates a "Stakeholders Section" on its website to provide the latest corporate news or information, and makes proper responses to the important issues about Corporate Social Responsibility that stakeholders are concerned about.	No deviation
VI. Does the company entrust any professional stock affairs agency to manage the affairs of the shareholders' meeting?	✓		The Company's commissions CTBC Bank Co., Ltd. for dealing with shareholder affairs and organizing shareholder meetings.	No deviation
VII. Disclosure of Information (I) Does the Company have a website to disclose information about its financial status and corporate governance?	✓		The Company discloses timely corporate information on its website (https://www.tsmt.com).	No deviation
(II) Does the Company have other method for disclosure of information (such as developing English website, appointing designated people to be responsible for collection and disclosure of its information, implementing spokesman system, and placing corporate meeting procedures on its website)?	✓		The Company has assigned the stock affairs section for collecting and disclosing corporate information. In order to actualize the spokesman system, The Company has designated a spokesperson and a Deputy Spokesperson. If the Company holds investor conference meeting, it will disclose the meeting information on the MOPS and its website.	No deviation
(III) Does the Company publish annual Financial Statements within the last two months at the end of fiscal year, and publish its Financial Statements of the first, second and third quarters as well as its operating status of each month before the specified deadline?	✓		The Company publishes and reports its annual Financial Statements within 75 days after the end of a fiscal year, and publishes and reports its Financial Statements of the first, second and third quarters as well as its operating status of each month before the specified deadline.	No deviation
VIII. Does the company have other important information which can help others to understand the implementation status of corporate governance (including but not limited to employees' rights and interests, staff care, relations with investors and suppliers, stakeholders' rights, training for directors and supervisors, the implementation of risk management policies, risk measurement standards and customer policies, and purchase of liability insurances by the company for directors and supervisors)?	✓		<ol style="list-style-type: none"> 1. For the system and measures adopted and taken by the Company for employees' rights and interests, staff care, relations with investors and suppliers, and stakeholders' rights, etc., please refer to "Chapter 5. Operation Overview" of the Annual Report. 2. For the training of directors and supervisors: Please refer to Note 2: "Training for Directors and Supervisors in 2025". 3. Implementation of risk management policies and risk measurement standards: Please refer to "Chapter 5. Review, Analysis and Risk Assessment on Financial Status and Financial Performance" of the Annual Report. 4. Implementation of customer policies: The Company is committed to improving quality and professional technologies to provide customers with the best services and products. 5. The Company has purchased liability insurance for its Directors, Supervisors and important officers, with the limit for each compensation request and the cumulative compensation limit for the whole year of USD 3,000 thousand. 	No deviation
IX. Please describe improvements made according to the corporate governance evaluation made in the latest fiscal year by the Corporate Governance Center of the Taiwan Stock Exchange Corporation (TWSE), and provide priority improvements and measures to be taken for improvements that have yet to be carried out. (not required if it is not an evaluated company) Improvement in 2025: More than half of the independent directors have served no more than three terms. Matters and measures of priority enhancement: the term of office for all independent directors shall not exceed three terms.				

Note 1 Criteria for Evaluation on CPAs' Independence

Evaluation Item	Results of Evaluation	Compliance with Independence
1. Employed by the Company for a regular position, receives from it a fixed salary, is a Board member or supervisor.	No	Yes
2. Currently or in the most recent two years, the CPA does/did not hold any posts in the Company, such as the director, manager or any post which significantly influences the auditing work, neither did company promise its CPA any foregoing post.	No	Yes
3. A spouse or a relative within the second degree of kinship of the Company's owners or managers.	No	Yes
4. The CPA or his/her spouse or minor child is the Company's investor or has profit-sharing relation with the Company.	No	Yes
5. The CPA or his/her spouse or minor child has made loans to or from the Company.	No	Yes
6. The CPA provides management consultations or other none-certification services which would affect his/her independence.	No	Yes
7. The CPA meets requirements set by authorities regarding rotation, acting on behalf of other CPAs, or other practices which could affect his/her independence.	No	Yes

Note 2 Training for Directors and Supervisors in 2025

Name	Organizer	Course Name	Hours
Hsu, Wei-Ting	Securities and Futures Institute	2025 Annual Prevention of Insider Trading Promotion Conference	3
	Securities and Futures Institute	2025 Insider Stock Trading Legal Compliance Promotion Seminar	3
I, Tai-Ken	Securities and Futures Institute	2025 Insider Stock Trading Legal Compliance Promotion Seminar	3
	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
Wang, Chia-Chen (Also the Corporate Governance Manager)	Accounting Research and Development Foundation of the Republic of China	Corporate ESG: Analysis of Relevant Court Cases and Legal Liabilities Concerning Environment, Society, and Governance	3
	Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
	Accounting Research and Development Foundation of the Republic of China	Practical Approaches to Information Security Awareness and Risk Management That Directors, Supervisors, and Senior Executives of Listed and OTC Companies Should Possess	3
	Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
	Accounting Research and Development Foundation of the Republic of China	Sustainability Disclosure Standards: Developments in Sustainability, Climate-related Information, and Annual Reporting	3
	Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
	Accounting Research and Development Foundation of the Republic of China	Latest Corporate Governance Evaluation Indicators and Practical Analysis	3
	Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1

Name	Organizer	Course Name	Hours
Chen, Meng-Ping	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
Shen, Li-Ting	Securities and Futures Institute	How Should Directors and Supervisors Without a Background in Finance or Accounting Review Financial Reports	3
Hwu, Shoou-Chyang	Taiwan Stock Exchange	IR&Engagement New Trend: ESG and Sustainable Investment Forum	3

(IV) If the Company has the Remuneration Committee, the Remuneration Committee's composition, duties and operation shall be disclosed:

1. Profiles of the Members of the Remuneration Committee

Identity (Note 1)	Condition	Professional Qualification and Experience	Independence Status	Number of Other Public Companies in Which He or She is Concurrently Serving as an Independent Director
	Name			
Independent Director (Convener)	Hwu, Shoou-Chyang	(Note 2)		0
Independent Director	Chen, Meng-Ping			1
Independent Director	Shih, Yu-Hua			0

Note 1 Please indicate the role of each member as independent director, or others.

Note 2 For professional qualification and experience and independence of independent directors, please refer to "Information of Directors (II)" of this annual report.

2. Duties of Remuneration Committee

The Company established Remuneration Committee on October 25, 2011, and made "Organization Rules for Remuneration Committee", which is responsible for implementing suggestions, evaluating and supervising the remuneration to the Company's Directors and Managerial Officers, etc. and their remuneration policies, so as to assist the Board of Directors in managing remuneration. The Remuneration Committee determines compensations to the highest-ranking members of the corporate governance team and executive officers in accordance with their professional qualifications and the Company's performance.

3. Information about operation of Remuneration Committee

(1) There are three members in the Company's Remuneration Committee.

(2) Tenure of the current members of the Remuneration Committee is from June 19, 2025 to June 18, 2028, and the Remuneration Committee held 2 meetings (A) in 2025, with the qualification and attendance of its members as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Rate of Attendance in Person (%) [B/A]	Remark
Convener	Hwu, Shoou-Chyang	2	0	100%	Reappointment on June 19, 2025
Member	Chen, Meng-Ping	2	0	100%	Reappointment on June 19, 2025
Member	Chang, May-Yuan	0	1	0%	Discharged on June 19, 2025
Member	Shih, Yu-Hua	1	0	100%	Appointed on June 19, 2025

Other mentionable items:

I. If the Board of Directors does not adopt, or wishes to amend, the proposals of the Remuneration Committee, please state the date and session of the meeting of the Board of Directors, the contents of proposal(s), the resolutions made by the Board of Directors, and the Company's response to the Remuneration Committee's opinions (if the remuneration approved by the Board of Directors is higher than the Remuneration Committee's suggested amount, please state the difference and reasons): None.

II. For the decisions made by the Remuneration Committee, if any member has objection or qualified opinions which are recorded or stated in writing, the date and session of the meeting of the Remuneration Committee, the contents of proposal(s), all member's opinions, and the response to such opinions shall be specified: None.

III. The reason for the discussion and the results of the resolutions made by the Remuneration Committee, and the Company's response to the Committee member's opinions

The 7th meeting of the 5th-term Remuneration Committee held on March 10, 2025:

1. The proposal for Managerial Officer's remuneration payment policies, systems, standards and structure was approved. After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.

2. The proposal for the remuneration to Managerial Officers was approved. After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.

3. The proposal for the remuneration to employees, Directors and Supervisors in 2024 was approved. After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.

4. The proposal for the payment standards of the remuneration to Directors was approved. After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.

The 1st meeting of the 6th-term Remuneration Committee held on October 31, 2025:

1. The proposal for approving the amendment of the Company's "Organic Regulations of the Company Remuneration Committee". After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.
2. The proposal for payment of employee cash remuneration to Managerial Officers in 2024 was approved. After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.
3. The proposal for the method of evaluating the year-end bonus to Managerial Officers and its payment standards in 2025 was approved. After the Committee Chairman has asked each member for their opinion, this motion was passed unanimously without any revision and then submitted to the Board of Directors for approval.

(V) Deviations of Implementation Condition of Sustainable Development from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons:

Item	Deviation of the implementation condition			From "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summarized Statements	
I. Does the Company establish governance architecture of promoting sustainable development, and set full time (or part-time) dedicated unit for promoting sustainable development, and is it handled by the senior managements authorized by the Board of Directors, and what is the supervision condition by the Board of Directors?	✓		<p>1. To continue promoting and implementing the Company's sustainable development strategies and goals, the Company has established the ESG Sustainable Development Committee. The President serves as the highest decision-making executive for sustainable development strategies, responsible for reviewing the material topics and validating the sustainability strategies in the annual sustainability report. The Deputy General Manager of the General Management Department serves as the Director of Sustainable Development, responsible for overseeing the tasks of the five major work groups: Corporate Governance, Employee Care, Environmental Sustainability, Social Responsibility, and Product/Customer Care. These five work teams are composed of department heads from relevant departments and effectively integrate resources to implement sustainability strategies across all departments and offices.</p> <p>2. The Sustainable Development Committee reports to the Board of Directors on the execution effectiveness of the sustainable strategies and projects at least once a year.</p> <p>3. The Board of Directors evaluates the feasibility of the strategies or provides recommendations based on the management's report content, and tracks implementation progress while urging management to assess adjustments to the planning matters.</p>	No deviation
II. Does the Company evaluate the environmental, social, and corporate governance risks related to the Company's operation based on the materiality, and formulate related risk management policies or strategies?	✓		The Company actively implements risk prevention and loss control, integrating risk management measures into daily internal control operations. Each department is required to conduct regular self-reviews and participate in education and training, which are then evaluated for effectiveness by senior executives, ensuring that risks can be effectively controlled within an acceptable range. Through the establishment of risk indicators and a risk event reporting mechanism, we consolidate business information, identify potential risks, and highlight the main risks. We also provide regular updates on the risk monitoring situation to the risk management supervisor. After identification, measurement, and assessment by the risk management organization, the Company's primary risk items include market risk, financial risk, and credit risk. The actual operating situation is regularly reported to the Board of Directors to effectively prevent and control corporate risks and enhance the resilience of sustainable operation.	No deviation
III. Environmental issues (I) Does the Company establish suitable environmental management system	✓		<p>1. The Company has been committed to maintaining its corporate image over the years, pledging to abide by the legal requirements of the countries where it conducts business activities. The Company also conducts regular assessments of environmental and safety regulations, assisting</p>	No deviation

Item	Deviation of the implementation condition		Summarized Statements	From “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons												
	Yes	No														
based on the characteristics of its industry?			<p>the Company in establishing risk management measures and operational requirements. The Company continually internalizes legal regulations into Company policies or implementation procedures and disseminates them to employees through relevant educational and training programs. All factories obtained certifications such as ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, ISO 9001:2015 Quality Management System, and IECQ QC08000:2017 Hazardous Substance Process Management System. These certifications ensure compliance with environmental, labor, and occupational safety regulations and provide a safe working environment for employees.</p> <p>2. The Company’s facilities that have passed third-party verification under ISO 14064-1 include the Taoying Factory, Hsinghua Factory, Suzhou Factory, and Chongqing Factory.</p>													
(II) Is the Company committed to increasing the utilization efficiency of energies, and using the renewable materials with low impact on environment?	✓		<p>The Company actively promotes energy reduction policies to continuously reduce the consumption of energy and resources, enhance usage efficiency, and reduce the impact of environmental burdens.</p> <table border="1"> <thead> <tr> <th>Item No.</th> <th>Item</th> <th>Objective</th> <th>Base Year Data</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Continue to promote energy-saving initiatives</td> <td>1% increase in annual cumulative electricity savings</td> <td>2.84% in 2015</td> <td>1.32%</td> <td>1.22%</td> </tr> </tbody> </table>	Item No.	Item	Objective	Base Year Data	2024	2025	1	Continue to promote energy-saving initiatives	1% increase in annual cumulative electricity savings	2.84% in 2015	1.32%	1.22%	No deviation
Item No.	Item	Objective	Base Year Data	2024	2025											
1	Continue to promote energy-saving initiatives	1% increase in annual cumulative electricity savings	2.84% in 2015	1.32%	1.22%											
(III) Does the company evaluate the potential risks and opportunities for enterprises arising from climate changes at present and in the future, and take countermeasures related thereto?	✓		To adapt to global climate change and international environmental trends, the Company conducted an inventory of GHG within the organization. Through a systematic inventory and list of GHG, the Company aims to accurately understand its current GHG and, based on the inventory results, further invest in GHG management and reduction planning. The goal is to effectively reduce GHG and mitigate the impact of climate change on the environment.	No deviation												
(IV) Has the company calculated the greenhouse gas emission, water consumption, and total weight of waste over the past two years, and formulated greenhouse gas reduction, water-saving, and other waste management policies?	✓		<p>The Company conducted a GHG inventory based on the guidelines of the GHG Protocol, using the Operational Control Act to inventory "direct GHG" and "energy indirect GHG" related to operations within the boundary. This covers various GHG types, including carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCS), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3).</p> <p>The Company has established policies for the reduction of energy and resource consumption, greenhouse gas emissions, and environmental impacts. It regularly compiles data on energy and resource usage, as well as greenhouse gas and environmental emissions, for management purposes. Relevant information is disclosed annually in the ESG Report.</p>	No deviation												

Item	Deviation of the implementation condition			From “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summarized Statements	
IV. Social Issues				
(I) Does the Company formulate appropriate management policies and procedures in accordance with relevant regulations and the International Convention of Human Rights?	✓		The Company formulates working rules in accordance with local regulations and international human rights conventions, and carries out protection for employees in respect of age, working hours, leaves, and gender, etc., ensuring the rights and benefits of employees. The Company established the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace", conducts educational training courses on workplace sexual harassment, and regularly holds RBA human rights awareness and training programs, such as new employee training and annual educational training. Diversified communication channels for employees are also provided, including by paper and electronic means. Each year, issues are identified in accordance with laws and regulations as well as company policies to ensure the implementation of human rights protection.	No deviation
(II) Does the Company have and offer proper employee benefits (including remuneration, leave, and other benefits), and reflect the business performance or results in employee remuneration appropriately?	✓		The Company conducts an annual performance evaluation for all employees as the basis for remuneration and promotion. Each year, it also refers to external industry salary and benefit surveys to periodically review salary and benefit measures, adjusting employee salaries in a timely manner to retain outstanding employees. In addition, the Company also provides differentiated bonuses and employee compensation based on the Company’s operating conditions for the current year and individual performance, in order to attract and retain outstanding colleagues. The Company regularly holds labor-management meetings and distributes important matters and promotional content to each unit, allowing employees to stay informed of the latest internal policies.	No deviation
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for employees on a regular basis?	✓		<p>The Company has established a range of measures in accordance with the Occupational Safety and Health Act to create a high-quality occupational health and safety environment for the Company, all while ensuring the effectiveness of the occupational health and safety management system certification.</p> <p>Short-term:</p> <ol style="list-style-type: none"> 1. Zero cases of severe workplace accidents were recorded 2. The number of accidents classified as minor or above is ≤ 10 <p>Medium-term</p> <p>Continuously enhance safety and health facilities and equipment safety in factories, while promoting employee safety awareness and training. Reinforce fire emergency response training and drills to establish a safe and healthy working environment and improve overall safety culture.</p> <p>Additionally, the Company holds fire safety courses and drills every six months and regularly hires professional personnel to inspect and update firefighting equipment as necessary, aiming to establish a safe working environment. In the current year, there have been zero incidents of fire, fatalities, or injuries, with no fire-related incidents occurring.</p>	No deviation

Item	Deviation of the implementation condition			From "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summarized Statements	
(IV) Does the Company have effective career and competence development and training plans for its employees?	✓		The Company provides comprehensive education and training courses and diverse learning channels to cultivate knowledge, skills, and positive and proactive work attitude required in the workplace to meet the needs of current work and future development of each and every employee.	No deviation
(V) Does the Company comply with relevant laws, regulations and international guidelines regarding the health and safety, privacy, marketing and labeling, etc. for the customers of its products and services, and have related policies and compliant procedures to protect consumers' or customers' rights and interests?	✓		The Company highly values after-sales service for every customer. When customers provide feedback, whether it's criticism or suggestions related to our products, we view these as opportunities for improvement and take them seriously. To ensure a swift and efficient response, we have established a Customer Complaint Handling Procedures. When the Quality Assurance Department receives a customer complaint, we promptly take appropriate measures and follow the procedure for improvements. Through effective communication with customers and timely handling of customer complaints, we aim to understand and improve customer satisfaction with the products, technology, quality, and delivery schedule.	No deviation
(VI) Does the Company have supplier management policies requiring suppliers to comply with the regulations related to environment protection, occupational safety and health or labor rights etc., and supervise their compliance?	✓		The Company has established supplier management policies requiring suppliers to comply with the regulations related to environment protection, occupational safety and health or labor rights etc. The regulations clearly stipulate that "the contract shall be terminated or canceled at any time, in case of violation by supplier of the Company's sustainable development policy which causes significant impact on environment and society" in its standard contracts when signing new contracts or renewing contracts.	No deviation
V. Does the Company prepare reports, such as its Sustainability Report, in accordance with internationally recognized rules and guidelines, to disclose its non-financial information? Has the company received assurance or certification on the aforesaid reports from a third party accreditation institution?	✓		The Company has prepared the Sustainability Report, which is prepared mainly in accordance with GRI Standards published in 2021 by the Global Reporting Initiative (GRI) and the Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. It also references the framework of the Task Force on Climate-Related Financial Disclosures (TCFD).	No deviation
VI. If the Company has its own "Sustainable Development Best Practice Principles" formulated in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please specify the deviation of its implementation from its "Sustainable Development Best Practice Principles": The Company has formulated its "Sustainable Development Best Practice Principles" and adheres to the principles of sustainable development practices set by TWSE/TPEX listed companies: <ol style="list-style-type: none"> I. Implement corporate governance. II. Develop a sustainable environment. 				

Item	Deviation of the implementation condition		Summarized Statements	From “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
III. Maintain social welfare. IV. Enhance disclosure of corporate sustainability information. There is no significant deviation between its operational results and the established principles.				
VII. Other important information which can help to understand the implementation status of sustainable development: In addition to conducting annual GHG assessments, the Company's various factory locations have also obtained ISO certifications, including ISO 14001 and ISO 45001. In 2023, the Company also implemented the ISO 50001 Energy Management System. In 2024, the Taiwan, Suzhou, and Chongqing factories obtained the ISO 14064-1 certification. The objective is to enhance sustainability through systematic verification, aiming for low-pollution and low-carbon operations. TSMT is fully committed to becoming an energy-efficient, carbon-reducing, and Earth-caring enterprise. The Company will continuously enhance its strategies and actions in governance, social, and environmental aspects, aligning with the United Nations' 2030 Sustainable Development Goals (SDGs) and international ESG trends. This is to ensure that various ESG initiatives yield concrete benefits and long-term impact, promoting economic growth, environmental sustainability, and social inclusivity, fulfilling corporate social responsibility, creating sustainable business value, and collectively striving towards the vision of global economic, social, and environmental sustainability.				

1. Implementation status of climate-related information:

Item	Deviation of the implementation condition
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and Management.	<p>The Board of Directors of the Company is the highest governing body overseeing climate change management. It is responsible for promoting and supervising climate-related issues, targets, risk management, and implementation performance to support the Company's sustainable operation.</p> <p>The Company's ESG Sustainable Development Committee is responsible for identifying the key climate risks and opportunities related to its operations. The President oversees and drives the development of the climate change strategies. Each year, the Committee holds regular meetings to assess and track environmental management data and the effectiveness of relative initiatives, and reports its findings to the Board of Directors.</p>
2. Describe how the identified climate-related risks and opportunities impact the Company's business, strategy, and financial planning in the short, medium, and long term.	<p>Based on the analysis of the climate risk and opportunity matrix, it can be determined that the climate transition risks that have a significant impact on the Company are the strengthening of emission reporting obligations and changes in customer behavior. The physical risks include the "increased severity and frequency of extreme weather events (typhoons, floods, heavy rainfall, etc.)". The climate opportunities include adopting low-carbon energy projects and implementing energy-saving measures. For details on the impact and management strategies related to climate issues</p> <p>Short term (1-5 years): The preparatory period for operational transformation, during which the market changes and demands are observed, and the supply chain is integrated to continuously strengthen resilience.</p> <p>Medium term (5 to 15 years): Develop low-carbon products to meet the new market demand during the transition period toward the net zero era.</p> <p>a) The inability to meet customer or stakeholder demands has led to a decrease in orders and a decline in revenue. Currently, the Company has received requests from customers for carbon emission data disclosure. In order to maintain</p>

	<p>stable cooperative relationships with customers, the Company has been investing in climate change and environmentally related governance in recent years to enhance its corporate competitiveness and avoid potential risks—such as failing to meet the expectations of customers or stakeholders—which could result in reduced orders and declining revenue.</p> <p>b) The business incurred losses due to production disruptions. Climate change has become a global concern, marked by a rise in extreme weather events. This is expected to worsen regional water and energy challenges, compelling businesses to confront an array of physical operational risks. These risks include potential disruptions to operations and production lines, heightened challenges in allocating water resources due to more severe droughts and floods, and the possibility of supplier interruptions. These challenges are likely to result in additional costs for recovery, delays in product delivery, increased operating expenses and equipment expenditures, impacting corporate profitability.</p> <p>c) Reduce energy usage costs. The Company specializes in the processing and manufacturing of PCB boards. The primary source of energy for production operations is electricity. Therefore, if the relevant factories can enhance energy efficiency, conduct maintenance and upkeep, replace high-efficiency equipment or components for lighting, power, air conditioning, or other energy-consuming equipment, or even install a self-use renewable energy generation system, it can reduce the Company's long-term operational costs.</p> <p>Long term (15 to 30 years): Form strategies with national net-zero targets as the reference direction, gradually developing improvement plans such as emissions reduction.</p>
3. Describe the impact of extreme weather events and transition actions on finances.	Extreme climate events such as high temperatures and heavy rain may have led to an increase in operating costs. In addition, in response to the trend toward low-carbon and net-zero carbon, the introduction of low-carbon products and renewable energy usage have caused operating costs to rise.
4. Describe the integration of climate risk identification, assessment, and management processes into overall risk management system.	The Company's ESG Sustainable Development Committee held a meeting on climate change risks and opportunities, bringing together the Environmental Sustainability Team and the Product/Customer Care Team to assess climate-related risks and opportunities for the Company. Based on the TCFD framework, the Company has categorized the issues into three major categories: transition risks, physical risks, and opportunities. By considering the likelihood, severity, and duration of impacts, the significant risk values for each issue have been evaluated, and a risk and opportunity matrix has been created. Ultimately, the Company has identified and summarized four major climate-related risks and opportunities, including two transition risks, one physical risk, and one opportunity. The ESG Sustainable Development Committee formulates specific response strategies and measures based on the assessment results, including risk transfer, risk avoidance, and risk mitigation, and annually tracks and monitors the implementation of each plan.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be disclosed.	The Company does not use scenario analysis.
6. If there is a transition plan to address climate-related risks, please provide a description of the plan's content, as well as the indicators and objectives used to identify and manage physical and transition risks.	The Company has formulated any material transition plan.
7. If using internal carbon pricing as a planning	While no such plans have been implemented yet, internal discussions are actively underway regarding the potential adoption of

tool, explain the basis for price determination.	an internal carbon pricing mechanism.
8. If climate-related goals are set, the activities covered, GHG scope, planning schedule, and annual progress should be explained. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsets or the quantity of RECs should be specified.	The Company has been conducting an inventory of GHG within the organization, following the guidelines of the GHG Protocol. Based on the inventory results, we will develop a more proactive plan for reducing GHG. In the future, each factory will continue to independently complete the GHG inventory for the previous year and plan to conduct GHG verification to enhance and ensure the accuracy of the GHG inventory results.
9. GHG inventory and assurance status, along with reduction targets, strategies, and concrete action plans (also provided in Sections 1-1 and 1-2).	Please refer to Tables 1-1 and 1-2 for details.

1-1. Recent Two-Year Company Greenhouse Gas Inventory and Assurance Status

1-1-1 Greenhouse Gas Inventory Information:

Disclose the GHG emissions for the most recent two years (in metric tons of CO ₂ e), emissions intensity (metric tons of CO ₂ e per NT\$1 million), and the scope of data coverage.	
The Company conducted a GHG inventory based on the guidelines of the GHG Protocol, using the Operational Control Act to inventory "direct GHG" and "energy indirect GHG" related to operations within the boundary. This covers various GHG types, including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCS), perfluorinated compound (PFCS), sulfur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃).	
GHG Emissions in 2024	
Factory Area	Scope 1 and Scope 2 (in metric tons of CO ₂ e)
Taiwan Factory	6,396.25
Regent Electron (Suzhou)	46,635.14
Regent Electron (Chongqing)	7,261.97
The 2025 GHG emissions data for TSMT will be available in the 2025 TSMT Sustainability Report.	

- Note 1 Direct emissions (Scope 1, which refers to emissions that come directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, which refers to indirect GHG emissions resulting from the generation of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, which refers to emissions generated by the Company's activities that are not classified as energy indirect emissions, but rather come from sources owned or controlled by other companies).
- Note 2 The data on direct emissions and energy indirect emissions shall be managed in accordance with the schedule stipulated in Article 10, Section 2 of these guidelines. Information on other indirect emissions may be disclosed voluntarily.
- Note 3 Greenhouse Gas Inventory Standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1, published by the International Organization for Standardization (ISO).
- Note 4 The intensity of GHG emissions can be calculated per unit of product/service or revenue; however, it is essential to specify the data calculated based on revenue (in millions of New Taiwan Dollars).

1-1-2 Greenhouse Gas Assurance Information:

Provide a description of the assurance status for the most recent two years as of the annual report publication date, including the scope of assurance, the assurance provider, the assurance standards applied, and the assurance opinion.				
The Company has a capital of NT\$2.92 billion. All consolidated subsidiaries are required to complete greenhouse gas inventories by 2027, individual company greenhouse gas assurance by 2028, and consolidated subsidiary assurance by 2029.				
Assurance Status of the Company for 2024				
Factory Area	Assurance Scope	Assurance Institution	Assurance Criteria	Assurance Opinion
Taiwan Factory	Scope 1, Scope 2, and Scope 3	American Systems Registrar (ASR ASIA)	ISO14064-1:2018	Verified Statement of Assurance Obtained at a Reasonable Assurance Level
Suzhou Factory	Scope 1, Scope 2, and Scope 3	WIT Assessment	ISO14064-1:2018	Verified Statement of Assurance Obtained at a Reasonable Assurance Level
Chongqing Factory	Scope 1, Scope 2, and Scope 3	WIT Assessment	ISO14064-1:2018	Verified Statement of Assurance Obtained at a Reasonable Assurance Level

- Note 1 The process shall follow the timeline prescribed by Article 10, Section 2 of these guidelines. If the Company has not obtained a complete GHG assurance opinion by the annual report publication date, it shall state that “complete assurance information will be disclosed in the Sustainability Report.” If the Company does not prepare a Sustainability Report, it shall state that “complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and disclose the full assurance information in the following year’s annual report.
- Note 2 The assurance organization must comply with the relevant regulations for sustainability reporting established by the Taiwan Stock Exchange Corporation and the Taipei Exchange.
- Note 3 For disclosure content, please refer to the best practice examples available on the Taiwan Stock Exchange Corporate Governance Center website.

1-2. Greenhouse Gas Reduction Targets, Strategies, and Concrete Action Plans

Disclose the baseline year and corresponding data for GHG reduction, reduction targets, strategies, concrete action plans, and the progress made toward achieving the reduction targets.
<p>The Company has been conducting an inventory of GHG within the organization, following the guidelines of the GHG Protocol. Based on the inventory results, we will develop a more proactive plan for reducing GHG. In the future, each factory will continue to independently complete the GHG inventory for the previous year and plan to conduct GHG verification in all factories to enhance and ensure the accuracy of the GHG inventory results.</p> <p>Short-term Goals:</p> <ol style="list-style-type: none"> 1. Gradually advance the Group to complete the consolidated greenhouse gas inventory and establish greenhouse gas reduction targets. 2. Utilize the ISO 14001 Environmental Management System and ISO 50001 Energy Management System to continue reviewing and improving, reducing energy consumption and costs, and enhancing the effectiveness of energy management. 3. Carry out equipment replacement and upgrades and optimize the production process to reduce energy waste. <p>Medium to Long-term Goals:</p> <ol style="list-style-type: none"> 1. Evaluate cost-effectiveness and, on this basis, seek to gradually increase the share of renewable energy used each year through solar power, either generated for self-consumption or procured externally. 2. Continue to deliberate on energy saving and carbon reduction research and development initiatives, gradually investing in the development of low-carbon products and services. 3. Achieve net zero emissions by 2050.

- Note 1 Shall be carried out in accordance with the schedule established by the provisions of Article 10, Section 2 of these guidelines.
- Note 2 The base year should be the year in which the GHG inventory is completed based on the consolidated financial reporting boundary. For example, according to the directive stipulated in Section 2, Article 10 of these guidelines, companies with paid-in capital of NT\$10 billion or more must complete the inventory for fiscal year 2024 by 2025. Therefore, the base year would be 2024. If a company completes the consolidated financial report inventory earlier, it may designate that earlier year as the base year. Additionally, the base year data may be calculated based on a single year or an average of multiple years.
- Note 3 For disclosure content, please refer to the best practice examples available on the Taiwan Stock Exchange Corporate Governance Center website.

(VI) Implementation of ethical corporate management and deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons thereof:

Evaluation Item	Implementation Status			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons thereof
	Yes	No	Summarized Statements	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have ethical corporate management policy approved by the Board of Directors, and disclose, in its rules and external documents, its ethical corporate management policies and practices, as well as the commitment of the Board of Directors and senior managements to implement management policy?	✓		The "Ethical Corporate Management Best Practice Principles" is approved by the resolution made by the Company's Board of Directors, and the Board of Directors and senior managements undertake to implement ethical corporate management policy actively and supervise its implementation.	No deviation
(II) Does the Company have risk evaluation mechanism against unethical conduct, regularly analyze and evaluate the business activities with high risks of unethical conduct within its business scope, and plan to make unethical conduct prevention scheme, at least covering the measures for prevention of the acts specified in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has "Ethical Corporate Management Best Practice Principles" and "Corporate Codes of Conduct," specifically specifying the matters that the Company's staff should care about at work, and prohibiting staff from receiving and offering bribes and directly or indirectly providing or receiving any unreasonable gifts, entertainment, or other improper benefits to establish business relationships or influence business transactions.	No deviation
(III) Does the Company specify the procedures, guidelines, punishment for violation and compliant system in unethical conduct prevention scheme, and implement them, and regularly review the scheme before amendment?	✓		The Company has "Ethical Corporate Management Best Practice Principles" and "Corporate Codes of Conduct," specifically specifying the matters that the Company's staff should care about at work, and prohibiting staff from receiving and offering bribes and directly or indirectly providing or receiving any unreasonable gifts, entertainment, or other improper benefits to establish business relationships or influence business transactions.	No deviation
II. Fulfillment of Integrity Management				
(I) Does the Company evaluate business partners' ethical corporate management records, and specify ethical corporate management-related clauses in the business contracts signed with trading partner?	✓		The Company has mechanisms for reviewing business customers and contractors, and always specifies therein the rights and obligations of the two parties upon conclusion of contracts, and signs confidentiality clause.	No deviation
(II) Does the Company have dedicated unit under the Board of Directors to promote ethical corporate management, and regularly (at least once every year) report its ethical corporate management policy and unethical conduct prevention scheme to the Board of Directors, and supervise their implementation?	✓		The Company's Internal Audit Office is responsible for designing policies and preventive measures in relation to corporate integrity. It also supervises and reports to the Board of the Company regularly regarding the implementation.	No deviation
(III) Does the Company have interest conflict prevention policy, provides appropriate channel for statement, and implement them?	✓		The Company has the "Procedures for Employee Reporting." In case of interest conflict or any other related matters, the Company's employees may report it through employee whistle-blowing mailbox, in addition to report to their immediate leaders.	No deviation
(IV) Does the Company have effective accounting and internal control systems established to implement ethical corporate management, and draft internal audit plan based on the results of the evaluation made by internal audit unit on the risk of unethical conduct, and check the implementation of the unethical conduct prevention scheme according to the audit plan, or entrust CPAs to conduct the same?	✓		The Company has its internal management measures, and its internal control system operates in a good condition, and its internal audit unit indeed implements various audits properly.	No deviation
(V) Does the Company regularly conduct internal and external training on ethical corporate management?	✓		During new employee training sessions, the Company announces its ethical corporate management specially, and its procurement unit promote ethical corporate management principles to suppliers from time to time, so as to eliminate unethical business conducts. The Company regularly conducts general training for its staff in each year, with the courses for advocating the Corporate Codes of Conduct for employees, the contents of which promoting ethical corporate management, and there were 2,419 persons accepted the training in 2025.	No deviation

Evaluation Item	Implementation Status			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons thereof
	Yes	No	Summarized Statements	
III. Implementation of the Company's Whistle-blowing System (I) Does the Company have specific whistle-blowing and rewarding system, as well as accessible whistle-blowing channel, and designate appropriate and dedicated acceptance person against the whistle-blowing object?	✓		The Company has the "Procedures for Employee Reporting." In case of interest conflict or any other related matters, the Company's employees may report it through employee whistle-blowing mailbox, which will be accepted and dealt with by the Company's HR unit, in addition to report to their immediate leaders.	No deviation
(II) Does the Company have the standards for investigating, and the procedures for accepting, the whistle-blowing issues, and subsequent measures to be made after investigation, and related confidentiality mechanism?	✓		The Company has "Procedures for Employee Reporting," specifying the standards for investigating, and the procedures for accepting, the whistle-blowing issues, as well as related confidentiality mechanism.	No deviation
(III) Does the company take measures to protect whistle-blowers from suffering bad things due to whistle-blowing?	✓		The Company has "Procedures for Employee Reporting," specifying the standards for investigating, and the procedures for accepting, the whistle-blowing issues, as well as related confidentiality mechanism.	No deviation
IV. Enhanced Disclosure of Information Does the company disclose the contents of its Ethical Corporate Management Best Practice Principles and its implementation results on its website and MOPS?	✓		The Company have posted its "Ethical Corporate Management Best Practice Principles" and "Corporate Codes of Conduct" on its website, and discloses the results of their implementation in Sustainability Report.	No deviation
V. If the company has its own "Ethical Corporate Management Best Practice Principles" formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please specify the deviation of its implementation from the "Ethical Corporate Management Best Practice Principles": The Company has "Ethical Corporate Management Best Practice Principles," without major deviation of its implementation from the "Ethical Corporate Management Best Practice Principles."				
VI. Other important information for better understanding of the status of the Company's ethical corporate management (e.g., The Company has reviewed and revised its principles) The Company promotes annually its ethical corporate management policies and rejection to any improper benefits to its business partners.				

(VII) Other important information which can help others to understand the implementation status of the corporate governance:

1. Safeguarding shareholders' rights and interests:

The Company emphasizes shareholders' right to know and abides by rules of information disclosure by frequently and timely informing shareholders of its financial status, business operations, insiders' shareholdings and the status of its corporate governance on corporate website or MOPS.

2. Strengthening the functions of the Board of Directors:

The Company has adopted equal, fair and open procedures for electing board directors and a cumulative voting system to adequately reflect shareholders' opinions. The professional qualifications of the four independent the Company's directors as well as limitations on their shareholdings and serving multiple positions, and their independent status all meet requirements stipulated in the "Securities and Exchange Act", the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and rules of the Taiwan Stock Exchange.

3. Valuing stakeholders' interests:

The Company maintains open communication channels with correspondent banks and other creditors, employees, suppliers, and stakeholders and values as well as protects their legitimate rights.

4. Increasing information transparency:

The Company faithfully fulfills its obligations, establishes online reporting system for disclosure of information, designates dedicated persons to be responsible for collection and disclosure of information, and establishes spokesperson system, in accordance with relevant laws and regulation, in order to ensure timely and appropriate disclosure of decision-related information which may affect shareholders and stakeholders.

(VIII) For implementation of internal control system, the following shall be disclosed:

1. Statement of Internal Control:

Please visit the MOPS (URL: <https://mops.twse.com.tw>) and select "Corporate Governance" under the "Company Regulations/Internal Control" section for the announcement of the "Internal Control Declaration" for a single company.

2. If the Company entrusts CPAs to audit internal control system, CPAs' Audit Report shall be disclosed: N/A.

(IX) During the most recent year and the current year up to the printing date of this annual report, major resolutions of shareholders' meeting and board meetings:

1. Important resolutions made by the Board of Directors:

Date of Resolution	Important resolutions made by the Board of Directors
17th meeting of 14th-term 2025.03.10	<ol style="list-style-type: none"> 1. The proposal to distribute remuneration for employees and directors in 2024 was approved. 2. 2024 Individual Financial Statements and Consolidated Financial Statements were recognized. (Note) 3. 2024 Annual Business Report were approved. 4. The 2024 Profit Distribution Proposal was approved. 5. 2024 "Statement of Internal Control" was approved. (Note) 6. The proposal for reelection of Directors was approved. 7. The proposal for releasing newly elected Directors from non-competition was approved. 8. The proposal for amending to the "Articles of Incorporation" was approved. 9. The definition of the scope of the Company's "frontline employees" was approved. 10. The proposal for determining the date, agenda and proposal period of and for shareholders' regular meeting in 2025 was approved. 11. The proposal for the appointment of CPAs and evaluation of their independence was approved. (Note) 12. The amendment to the Company's "Organic Regulations of the Company Audit Committee" was approved. 13. <u>TSMT Technology (India) Pvt. Ltd.</u> was approved. (Note) 14. The proposal for the policies, systems, standards, and structures of managerial officers' remuneration was approved. 15. The proposal for the remuneration to managerial officers was approved. 16. The proposal for the payment standards of the remuneration to directors was approved. 17. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)
18th meeting of 14th-term 2025.04.29	<ol style="list-style-type: none"> 1. 2025 Q1 Financial Statements were approved. 2. The proposal for the review of the qualifications of candidates for directors and independent directors was approved. 3. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)
1st meeting of 15th-term 2025.06.19	<ol style="list-style-type: none"> 1. The election of the Chairman. 2. The proposal for the appointment of the members of the Company's 6th Remuneration Committee was approved. 3. Approval of stipulating the record date of ex-dividends by earnings distribution. 4. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)
2nd meeting of 15th-term 2025.08.12	<ol style="list-style-type: none"> 1. 2025 Q2 Financial Statements were approved. 2. The proposal for capital expenditure of the subsidiary <u>TSMT Electronics (India) Pvt. Ltd.</u>'s Phase 1 building plan was approved. (Note) 3. The intercompany loan from the Company to its subsidiary <u>TSMT Technology (Singapore) Pte. Ltd.</u> was approved. (Note) 4. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)
3rd meeting of 15th-term 2025.10.31	<ol style="list-style-type: none"> 1. 2025 Q3 Financial Statements were approved. 2. The proposal for amending the Company's "Organic Regulations of the Company Remuneration Committee" was approved. 3. The proposal for payment of employee cash remuneration to managerial officers in 2024 was approved. (Note) 4. The proposal for the method of evaluating the year-end bonus in 2025 to Managerial Officers and its payment standards was approved. (Note) 5. The proposal for amending the Company's "Internal Control System" was approved. (Note) 6. The proposal for capital increase of the second-tier subsidiary <u>TSMT Technology (India) Pvt. Ltd.</u> was approved. (Note) 7. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)

Date of Resolution	Important resolutions made by the Board of Directors
4th meeting of 15th-term 2025.12.29	<ol style="list-style-type: none"> 1. The proposal for formulation of 2026 Internal Audit Plan for the Company was approved. (Note) 2. The Company's 2026 annual operating budget and capital expenditure budget was approved. 3. The proposal for amending the definition of the scope of the Company's "frontline employees" was approved. 4. The proposal for amending the Company's "Internal Control System" was approved. (Note) 5. The acquisition of the right to use real estate assets by <u>Regent Electron (Suzhou) Co., Ltd.</u> from its related party, <u>Taiwan Surface Mounting Technology (Suzhou) Co., Ltd.</u>, was approved. (Note) 6. The proposal for the Company to engage in derivative financial commodity transaction was approved. (Note) 7. The proposal to transfer treasury shares repurchased by the Company to employees was approved. (Note)
5th meeting of 15th-term 2026.03.10	<ol style="list-style-type: none"> 1. The proposal to distribute remuneration for employees and directors in 2025 was approved. 2. 2025 Individual Financial Statements and Consolidated Financial Statements were recognized. (Note) 3. 2025 Annual Business Report were approved. 4. The 2025 Profit Distribution Proposal was approved. 5. 2025 "Statement of Internal Control" was approved. (Note) 6. The proposal for the amendments to the Company's "Procedures for the Third Share Buyback and Transfer to Employees" was approved. 7. The proposal for establishing the Company's "Procedures for Repurchasing Treasury Shares" was approved. 8. The proposal for determining the date, agenda and proposal period of and for shareholders' regular meeting in 2026 was approved. 9. The proposal for the appointment of CPAs and evaluation of their independence was approved. (Note) 10. The proposal for the policies, systems, standards, and structures of managerial officers' remuneration was approved. 11. The proposal for the remuneration to managerial officers was approved. 12. The proposal for the payment standards of the remuneration to directors was approved. 13. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)

Note 1 The matters listed in Article 14-5 of the Securities and Exchange Act.

2. Implementation of the resolutions made at the 2025 regular shareholders' meeting:

- (1) Recognition on 2024 financial statements
Implementation: It was approved by the resolution made at the 2025 regular shareholders' meeting.
- (2) Recognition on 2024 profit distribution proposal
Implementation: the Profit Distribution Proposal was approved at the 2025 regular shareholders' meeting, and payment of the cash dividends on August 8 is approved at the meeting of the Board of Directors on June 19, 2025.
- (3) The proposal for amending to the "Articles of Incorporation" was approved.
Implementation: It was approved by the resolution made at the 2025 regular shareholders' meeting. The change of registration was approved by the Administration of Commerce on August 14, 2025. The Company has operated in accordance with the amended "Articles of Incorporation", which has been disclosed on the MOPS and the Company's website.
- (4) Election of the 15th Directors.
Implementation: The elected directors are: Wu, Kai-Yun, Lin, Wen-Ching, Wang, Chia-Chen, Shen, Li-Ting, Wu, Yun-Chung, Lin, Wen-Chang, and Hsu, Wei-Ting, and the elected independent directors are: Chen, Meng-Ping, Hwu, Shou-Chyang, Shih, Yu-Hua, and I, Tai-Ken. The term of office of the new directors is from June 19, 2025 to June 18, 2028, and the change of registration was approved by the Administration of Commerce on August 14, 2025.
- (5) The proposal for releasing newly elected Directors from non-competition restrictions was approved.
Implementation: It was approved by the resolution made at the 2025 regular shareholders' meeting.

(X) If any director or independent director has different opinions, recorded or stated in writing, on any important resolution approved at the meeting of the Board of Directors in the most recent

year and in the current year as of the publication date of the Annual Report, the main contents of the opinions shall be specified: None.

III. Information Regarding CPAs' Audit Fees:

Unit: NT\$ thousand

Name of accounting firm	Name of CPAs	Audit Fees	Non-audit Fee					Total	Period Covered by CPA's Audit	Remark
			Design of System	Company Registration	Human Resource	Other	Sub-total			
PricewaterhouseCoopers Taiwan	Lin, Kuan-Hung	8,925	-	-	-	2,176	2,176	11,101	2025 full year	(Note)
	Wang, Fang-Yu									

Note 1 Others are transfer fee and services fee for GHG inventory assurance, foreign investment consulting, enterprise mater data, and reports.

- (I) The accounting firm that was replaced and the audit fees that were paid in that year were lower than those paid in the previous year: None.
- (II) Where accounting fee paid for a year was 10% (or above) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: None.

IV. Replacement of CPAs:

(I) About the former CPAs

Date of replacement	March 12, 2024		
Reasons and explanations for the change	The change is an internal adjustment of the accounting firm, changing from CPAs Lin, Kuan-Hung and Chiu, Chao-Hsien to CPAs Lin, Kuan-Hung and Wang, Fang-Yu.		
The change of CPAs is due to the termination or non-acceptance of the appointment of the appointee or CPA.	Situation	Party	Appointee
	Voluntary termination of the appointment	CPA	-
	Non-acceptance of the appointment (any more)	CPA	-
Opinions and reasons for issuing unqualified audit reports within the most recent two years	N/A		
Any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or procedure of audit
			Other
	None	V	
Description			
Other disclosure matters (Those that shall be disclosed in Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of these Standards)	N/A		

(II) About the successor CPAs

Name of accounting firm	PricewaterhouseCoopers Taiwan
Name of CPAs	CPAs Lin, Kuan-Hung and Wang, Fang-Yu
Date of appointment	March 12, 2024
Prior to the appointment, the accounting treatment or accounting principles for particular transactions and the results of consultation on possible issuance of financial reports	N/A
Written opinions of the successor CPAs on matters on which the former CPAs disagreed	N/A

- (III) Reply from the former CPAs on the matters described in Items 1 and Item 2-3, Subparagraph 5, Article 10 of the Standards to be recorded in the annual report of public companies: N/A.
- V. If the Company's Chairman, President, or Managerial Officers in charge of finance or accounting held any post in the certified Accounting Firm or its affiliated enterprises in the most recent year, his/her/their name(s), title(s) and employment period shall be disclosed: None.
- VI. Equity transfer and change in equity pledge by directors, independent directors, managerial officers, and the shareholders holding over 10% of the Company's shares, in the most recent year and in the current year as of the publication date of the Annual Report
- (I) Changes in the shareholding of Directors, Independent Directors, Managerial Officers, and the shareholders holding over 10% of the Company's shares:

Title	Name	2025		Current Year as of April 20th	
		Shareholding Increase (Decrease)	Pledged Holding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and CEO	Wu, Kai-Yun	-	-	-	-
Director	Lin, Wen-Ching	-	-	-	-
Director	Shen, Shian-Ho (Note 1)	-	-	-	-
Director	Shen, Li-ting (Note 2)	-	-	-	-
Director and Vice President	Wang, Chia-Chen	-	-	-	-
Director and President	Wu, Yun-Chung	30,000	-	-	-
Director	Lin, Wen-Chang	-	-	-	-
Director	Hsiao, Hsueh-Fong (Note 1)	-	-	-	-
Director	Hsu, Wei-Ting (Note 2)	-	-	-	-
Independent Director	Hwu, Shou-Chyang	-	-	-	-
Independent Director	Chang, May-Yuan (Note 1)	-	-	-	-
Independent Director	I, Tai-Ken (Note 2)	9,000	-	-	-
Independent Director	Chen, Meng-Ping	-	-	-	-
Independent Director	Shih, Yu-Hua	-	-	-	-
Managerial Officer	Chen, Yuan-Te	-	-	-	-
Managerial Officer	Lin, Hung-Sen	-	-	-	-
Managerial Officer	Lee, Kun-Chen	-	-	-	-
Financial Manager	Su, Chia-Ling	-	-	-	-
Accounting Manager	Chang, Hui-Ling	-	-	-	-

Note 1 Discharged on June 19, 2025.

Note 2 Appointed on June 19, 2025.

(II) Equity transfer with Related Party: None.

(III) Shares Pledge with Related Party: None.

VII. Relationship among the Top Ten Shareholders:

April 19, 2026

Name	In-person Shareholding		Shareholding of Spouse and Minor Children		Shareholding by Nominee Arrangement		The names of and relations between/among the top 10 shareholders who are related parties, or spouse, or the relatives within second-degree kinship		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Capital Tip Customized Taiwan Select High Dividend ETF	14,529,000	4.97	-	-	-	-	-	-	
Wu, Kai-Yun	11,899,653	4.07	11,389,085	3.90	-	-	Wang, Ying-Nien	Spouse	
							Wu, Yun-Chung	Son	
Wang, Ying-Nien	11,389,085	3.90	11,899,653	4.07	-	-	Wu, Kai-Yun	Spouse	
							Wu, Yun-Chung	Son	
Yuanta Taiwan High Dividend Low Volatility ETF	10,077,000	3.45	-	-	-	-	-	-	
Yu Chieh Investment Limited Representative: Xu, Shi-Jie	9,506,471	3.25	-	-	-	-	-	-	
Hua Nan Commercial Bank serves as the custodian for the segregated account of the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund.	6,913,000	2.36	-	-	-	-	-	-	
Lin, Wen-Ching	5,914,789	2.02	613,701	0.21	-	-	-	-	
New Labor Pension Funds	4,168,800	1.43	-	-	-	-	-	-	
Wu, Yun-Chung	4,122,470	1.41	-	-	-	-	Wu, Kai-Yun	Father	
							Wang, Ying-Nien	Mother	
Chia Yuan Investment Co., Ltd. Representative: Shen, Shian-Ho	4,006,000	1.37	-	-	-	-	-	-	
Information not available									

VIII. Number of Shares of Invested Enterprises Held by the Company, the Company's Directors, Independent Directors, Managerial Officers, or the Entities Directly or Indirectly Controlled by the Company, and Calculation of Consolidated Shareholding Ratio

December 31, 2025; Unit: share

Invested Companies (Note)	Investment by the Company		Investment by Directors, Independent Directors, Managerial Officers, or the Entities Directly or Indirectly Controlled by the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
TSMC(BVI)	104,000,000	100.00	-	-	104,000,000	100.00
Taiwan Surface Mounting Technology Co., Ltd.	9,999	99.99	1	0.01	10,000	100.00
TSMC(SINGAPORE)	90,000,000	100.00	-	-	90,000,000	100.00
High-Toned Opto Technology Corp.	7,926,991	85.24	580,242	6.24	8,507,233	91.48
BaiHong Investment Co., Ltd.	10,999,000	99.99	-	-	10,999,000	99.99
Fitivision Technology Inc.	5,000,000	100.00	-	-	5,000,000	100.00
Tele System Communications Pte. Ltd.	9,485,000	94.85	265,000	2.65	9,750,000	97.50
TSMC(USA)	1,000,000	100.00	-	-	1,000,000	100.00

Note 1 Invested by the Consolidated Company using the equity method.

Chapter 3 Capital Overview

I. Capital and Shares:

(I) Source of Capital:

Unit: thousand shares; NT\$ thousand

MM/YY	Price for Issuance (NT\$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Payment by using other Properties Instead of Cash	Other
1990/03	10	1,200	12,000	1,200	12,000	NT\$12,000 thousand of cash increase in capital	None	-
1991/10	10	2,000	20,000	2,000	20,000	NT\$8,000 thousand of cash increase in capital	None	-
1994/08	10	2,500	25,000	2,500	25,000	NT\$5,000 thousand of cash increase in capital	None	-
1995/03	10	3,700	37,000	3,700	37,000	NT\$12,000 thousand of cash increase in capital	None	-
1997/11	10	14,500	145,000	14,500	145,000	NT\$108,000 thousand of cash increase in capital	None	-
1998/07	10	19,900	199,000	19,900	199,000	NT\$54,000 thousand of cash increase in capital	None	-
1999/09	10	40,000	400,000	25,500	255,000	NT\$21,250 thousand of capital transferred from capital reserves NT\$19,750 thousand of capital transferred from surplus reserves NT\$15,000 thousand of cash increase in capital	None	Note 1
2000/08	10	40,000	400,000	33,000	330,000	NT\$50,000 thousand of capital transferred from surplus reserves NT\$25,000 thousand of cash increase in capital	None	Note 2
2001/08	10	40,000	400,000	40,000	400,000	NT\$70,000 thousand of capital transferred from surplus reserves	None	Note 3
2002/08	10	60,000	600,000	49,000	490,000	NT\$90,000 thousand of capital transferred from surplus reserves	None	Note 4
2003/06	10	66,000	660,000	60,000	600,000	NT\$110,000 thousand of capital transferred from surplus reserves	None	Note 5
2004/08	10	130,000	1,300,000	66,600	666,000	NT\$66,000 thousand of capital transferred from surplus reserves	None	Note 6
2005/08	10	130,000	1,300,000	73,810	738,100	NT\$72,100 thousand of capital transferred from surplus reserves	None	Note 7
2005/11	10	130,000	1,300,000	83,810	838,100	NT\$100,000 thousand of cash increase in capital	None	Note 8
2006/01	10	130,000	1,300,000	85,019	850,190	NT\$12,090 thousand converted from employee warrants	None	Note 9
2006/02	10	130,000	1,300,000	86,748	867,480	NT\$17,290 thousand converted from employee warrants	None	Note 10
2006/08	10	200,000	2,000,000	99,748	997,480	NT\$130,000 thousand of cash increase in capital	None	Note 10
2006/10	10	200,000	2,000,000	116,660	1,166,602	NT\$169,122 thousand of capital transferred from surplus reserves	None	Note 11
2006/12	10	200,000	2,000,000	116,890	1,168,902	NT\$2,300 thousand converted from employee warrants	None	Note 12
2007/01	10	200,000	2,000,000	117,948	1,179,482	NT\$10,580 thousand converted from employee warrants	None	Note 12
2007/02	10	200,000	2,000,000	117,968	1,179,682	NT\$200 thousand converted from employee warrants	None	Note 12
2007/03	10	200,000	2,000,000	118,110	1,181,102	NT\$1,620 thousand converted from employee warrants	None	Note 12
2007/06	10	200,000	2,000,000	140,142	1,401,417	NT\$220,315 thousand of capital transferred from surplus reserves	None	Note 12
2007/12	10	200,000	2,000,000	141,245	1,412,447	NT\$11,030 thousand converted from employee warrants	None	Note 13
2008/01	10	200,000	2,000,000	141,531	1,415,307	NT\$2,860 thousand converted from employee warrants	None	Note 13
2008/07	10	200,000	2,000,000	167,245	1,672,445	NT\$257,137 thousand of capital transferred from surplus reserves	None	Note 13
2009/08	10	200,000	2,000,000	178,777	1,787,766	NT\$115,321 thousand of capital transferred from surplus reserves	None	Note 14
2010/02	10	250,000	2,500,000	198,777	1,987,766	NT\$200,000 thousand of cash increase in capital	None	Note 15
2010/07	10	250,000	2,500,000	218,444	2,184,442	NT\$196,668 thousand of capital transferred from surplus reserves	None	Note 16
2011/08	10	300,000	3,000,000	240,289	2,402,887	NT\$218,444 thousand of capital transferred from surplus reserves	None	Note 17
2012/08	10	300,000	3,000,000	257,109	2,571,089	NT\$168,202 thousand of capital transferred from surplus reserves	None	Note 18
2012/11	10	300,000	3,000,000	257,173	2,571,729	NT\$640 thousand converted from employee warrants	None	Note 19
2013/08	10	300,000	3,000,000	270,032	2,700,315	NT\$128,586 thousand of capital transferred from surplus reserves	None	Note 20
2014/08	10	300,000	3,000,000	280,833	2,808,328	NT\$108,013 thousand of capital transferred from surplus reserves	None	Note 21
2014/11	10	300,000	3,000,000	281,308	2,813,078	NT\$4,750 thousand converted from employee warrants	None	Note 22
2015/03	10	300,000	3,000,000	281,332	2,813,318	NT\$240 thousand converted from employee warrants	None	Note 23
2015/08	10	500,000	5,000,000	295,398	2,953,984	NT\$140,666 thousand of capital transferred from surplus reserves	None	Note 24
2018/11	10	500,000	5,000,000	292,398	2,923,984	NT\$30,000 thousand of decrease in capital from treasury stocks	None	Note 25

- Note 1 The registration is changed as approved by J(088)SZ No. 135586 Document on September 28, 1999.
 Note 2 The registration is changed as approved by J(089)SZ No. 129918 Document issued on August 17, 2000.
 Note 3 The registration is changed as approved by J(090)SZ No. 09001319320 Document on August 23, 2001.
 Note 4 The registration is changed as approved by JSSZ No. 09101327810 Document on August 13, 2002.
 Note 5 The registration is changed as approved by JSSZ No. 09201178740 on June 6, 2003.
 Note 6 The registration is changed as approved by JSSZ No. 09301132390 on August 3, 2004.
 Note 7 The registration is changed as approved by JSSZ No. 09401166360 on August 24, 2005.
 Note 8 The registration is changed as approved by JSSZ No. 09401235430 on November 25, 2005.
 Note 9 The registration is changed as approved by JSSZ No. 09501004700 on January 11, 2006.
 Note 10 The registration is changed as approved by JSSZ No. 09501175090 on August 10, 2006.
 Note 11 The registration is changed as approved by JSSZ No. 09501223980 on October 3, 2006.
 Note 12 The registration is changed as approved by JSSZ No.09601157430 on July 12, 2007.
 Note 13 The registration is changed as approved by JSSZ No. 09701206420 on August 15, 2008.
 Note 14 The registration is changed as approved by JSSZ No. 09801183170 on August 14, 2009.
 Note 15 The registration is changed as approved by JSSZ No. 09901030660 on February 10, 2010.
 Note 16 The registration is changed as approved by JSSZ No. 09901149400 on July 15, 2010.
 Note 17 The registration is changed as approved by JSSZ No. 10001180590 Document on August 8, 2011.
 Note 18 The registration is changed as approved by JSSZ No. 10101157490 Document on August 3, 2012.
 Note 19 The registration is changed as approved by JSSZ No. 10101231840 Document on November 8, 2012.
 Note 20 The registration is changed as approved by JSSZ No. 10201158960 Document on August 6, 2013.
 Note 21 The registration is changed as approved by JSSZ No. 10301159450 Document on August 8, 2014.
 Note 22 The registration is changed as approved by JSSZ No. 10301228930 Document on November 7, 2014.
 Note 23 The registration is changed as approved by JSSZ No. 10401056110 Document on March 31, 2015.
 Note 24 The registration is changed as approved by JSSZ No. 10401163710 Document on August 7, 2015.
 Note 25 The registration is changed as approved by JSSZ No. 10701141320 Document on November 16, 2018.

Unit: Shares

Shareholding Category	Authorized Capital				Remark
	Issued Shares (Listed)		Un-issued Shares	Total	
	Registration Changed	Registration Yet to be Changed			
Common shares	292,398,353	0	207,601,647	500,000,000	

Information regarding declaration

Type of Securities	Planned Issuing Number		Issued Amount		Purpose and Effect for Issued Shares	Scheduled Issuance Period of Shares Not Issued	Remark
	Total Shares	Authorized Amount	Shares	Price			
None							

- (II) List of major shareholders: Shareholders who hold more than 5% of the total shares or whose proportion of equity is in the top 10

April 19, 2026

Name of Major Shareholders	Shareholding	Shareholding	%
Capital Tip Customized Taiwan Select High Dividend ETF		14,529,000	4.97
Wu, Kai-Yun		11,899,653	4.07
Wang, Ying-Nien		11,389,085	3.90
Yuanta Taiwan High Dividend Low Volatility ETF		10,077,000	3.45
Yu Chieh Investment Limited		9,506,471	3.25
Hua Nan Commercial Bank serves as the custodian for the segregated account of the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund.		6,913,000	2.36
Lin, Wen-Ching		5,914,789	2.02
New Labor Pension Funds		4,168,800	1.43
Wu, Yun-Chung		4,122,470	1.41
Chia Yuan Investment Co., Ltd.		4,006,000	1.37

- (III) The Company's dividend policy and implementation status:

1. Dividend policy formulated as per the Articles of Incorporation:

- (1) The Company's net income before tax before deducting the remuneration to employees and Directors should be used to make up for aggregated losses, no less than 5% of any remainder shall be allocated as the employees' remuneration and no more than 1% shall be allocated as the Directors' remuneration.

No less than 10% of the remuneration to employees shall be allocated to entry-level employees. Employees' remuneration and Directors' remuneration may be distributed in the form of cash or stocks, subject to a resolution adopted by a majority vote at a Board meeting attended by two-thirds of the total number of Directors and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Employees' compensation shall be paid in stock or cash, including employees of affiliated companies who meet certain conditions.

- (2) The Company's surplus at the end of the accounting year shall be first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal capital reserve and special capital reserve by law or reversal. The remainder plus previous retained earnings shall be allocated by the Board's proposal and subject to approval at the shareholders' meeting. If it is done by issuing new shares, it shall be distributed after the resolution of the shareholders' meeting; when it is done by way of cash distribution, in compliance with the provisions of Paragraph 5 of Article 240 of the Company Act, the Board of Directors shall be authorized to reach a resolution of the Board meeting from at least two-thirds of the directors in attendance and the approval from more than half of the attending directors, and the Board of Directors then report the said resolution to the shareholders' meeting.

The Company may, through a resolution the Board meeting from at least two-thirds of the directors in attendance and the approval from more than half of the attending directors, make all or part of the legal capital reserve and capital surplus stipulated in Article 241 of the Company Act be distributed in cash, and the Board of Directors then report the said resolution to the shareholders' meeting.

- (3) The Company adopts the policy of remaining dividends, and profit distribution proposal will be made by the Board of Directors, depending on the profits obtained by the Company and its funding status in the current year, according to the Company's future operation planning, business development, capital expenditure budget, capital requirements and other factors. The dividend may be distributed in the form of cash dividend or stock dividend, however, the ratio of cash dividend shall be no less than 20% of the total dividend distributed.

2. The dividend distribution resolved by the Board of Directors:

- (1) The proposal of withdrawing NT\$1,608,190,942 from undistributed profits as cash dividends (NT\$5.5 per share) to shareholders was approved at the meeting of the Board of Directors held on March 10, 2026, and submitted to the 2026 regular shareholders' meeting.
- (2) For this case, the yield had been calculated in accordance with the current outstanding shares of 292,398,353 shares.

(IV) Impact on the Company's Business Performance and EPS Resulting from Unpaid Dividends Distribution Proposed at the shareholders' meeting: The Company did not distribute unpaid dividends this year, so it is not applicable.

(V) Remuneration to employees and directors:

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation

The Company's net income before tax before deducting the remuneration to employees and Directors should be used to make up for aggregated losses, no less than 5% of any remainder shall be allocated as the employees' remuneration and no more than 1% shall be allocated as the Directors' remuneration. No less than 10% of the remuneration to employees shall be allocated to entry-level employees.

Employees' remuneration and Directors' remuneration may be distributed in the form of cash or stocks, subject to a resolution adopted by a majority vote at a Board meeting attended by two-thirds of the total number of Directors and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Employees' compensation shall be paid in stock or cash, including employees of affiliated companies who meet certain conditions.

2. The basis for estimating the amount of the remuneration to employees and directors for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

(1) The basis for estimating the amount of the remuneration to employees and directors: After the profit before the employees' and directors' remuneration is deducted from the current income before tax offset prior accumulated unappropriated earnings, the Company shall estimate and present the remunerations within the amount stipulated in the Articles of Incorporation by referring the allotment and withdrawal condition of previous years.

(2) Basis for calculating the number of shares to be distributed as employee rewards: N/A.

(3) Accounting treatment for any difference between the actually distributed amount and estimated amount: It shall be treated as changes in estimation, and adjusted and recorded in the account of its payment year.

3. The distribution of remuneration approved by the Board of Directors:

(1) The proposal for distributing NT\$182,200 thousand of employee remuneration and NT\$30,800 thousand of directors' remuneration in cash in 2025 was approved by the Board of Directors on March 10, 2026.

(2) If there is any discrepancy between the above-mentioned amount and current estimated amount of recognized expenses, the amount, causes and treatment of such discrepancy shall be disclosed: None.

(3) The amount of any employee remuneration distributed by shares, and its ratio in the sum of the after-tax net profit and employee remuneration as stated in current individual financial statements: N/A.

4. Actual distribution of remuneration to employees and directors (including the number, amount, and price of shares distributed), and where there was a difference with the recognized remuneration for employees and directors, the amount, cause, and treatment shall be described

(1) The Company actually distributed NT\$185,000 thousand of employee remuneration and NT\$28,000 thousand of Directors' remuneration in 2025 from the profits of 2024.

(2) Difference with the recognized remuneration for employees and directors, the amount, cause, and treatment: There is no difference with the recognized remuneration, thus it is not applicable.

(VI) Buyback of The Company's Shares:

1. Completed

April 20, 2026

Buyback tranche	The 3rd time
Purpose of buyback	Transfer of shares to employees
Buyback period	December 30, 2025 to February 26, 2026
Buyback price range	NT\$66.5 to NT\$148 per share
Type and quantity of shares bought back	3,413,000 shares of common stock
Total amount of shares bought back	NT\$328,214 thousand
Repurchased shares as a percentage of planned repurchase quantity (%)	34.13%
Number of shares canceled or transferred	0 shares
Cumulative shares of the Company held	3,413,000 shares
Cumulative shares held as a percentage of total issued shares (%)	1.17%

2. Currently in Process: None.

- II. Issuance of Corporate Bonds: None.
- III. Issuance of Preferred Shares: None.
- IV. Issuance of Global Depository Receipts: None.
- V. Issuance of Employee Warrants: None
- VI. New Shares Issued for M&A or Acceptance of Other Company's Shares: None
- VII. Implementation of Capital Utilization Plan: None

Chapter 4 Operation Overview

I. Business Activities

(I) Business Scope

1. Major contents of business activities:

- (1) Design, processing, manufacturing and trading of TFT-LCD panels and other electronic products and circuit board surface structure.
- (2) Import and export of the commodities referred to in the preceding items.
- (3) The businesses that are not prohibited or restricted by law, except for those which are subject to special approval.
- (4) For information regarding the main business scope of the Company's subsidiaries, please visit the Market Observation Post System (URL: <https://mops.twse.com.tw>), and select "Electronic Document Download/Related Party Transaction Reports" under the single company section.

2. Operating proportion:

Unit: NT\$ thousand

Item Year	OptoElectronics Products		LED Light Bars (Panels)		Memory Module		Other		Total	
	Operating income	Percentage (%)	Operating income	Percentage (%)	Operating income	Percentage (%)	Operating income	Percentage (%)	Operating income	Percentage (%)
2024	18,013,323	39.78	8,717,569	19.25	3,375,906	7.45	15,181,089	33.52	45,287,887	100.00
2025	18,383,320	36.86	9,529,310	19.10	7,869,844	15.78	14,094,941	28.26	49,877,415	100.00

3. The Company's current products (services):

- (1) The design, processing and manufacturing of circuit board SMT for the electronic products such as the control panel of thin film liquid crystal display, the audio/video home appliance information products such as LED LIGHT BAR, LCD TVs motherboards, digital camera FPCB, home appliance control panel, and information products such as Wireless network.
- (2) The design, processing and manufacturing of substrate for automotive electronics products.
- (3) The design, processing and manufacturing for the products such as LED lighting for general consumer electronic, LED lighting and FPCB-COF related.
- (4) The design, processing and manufacturing for intelligence home appliance products.
- (5) The processing and manufacturing for touch module substrates.
- (6) The assembly and manufacturing for electric motorcycles module.
- (7) The design, processing and manufacturing for intelligence wearable devices products.
- (8) The assembly, processing and manufacturing for source / communication products.
- (9) The processing and manufacturing for medical equipment module.
- (10) The processing and manufacturing for intelligence electronic white-board modules.
- (11) The processing and manufacturing for smart phone modules.
- (12) The processing and manufacturing of memory modules, graphics card GPU modules.
- (13) The processing and manufacturing for new back-lit display module of Mini LED.

4. New products (services) that plan to develop:

- (1) The design, processing, and manufacturing of modules related to 5G communication applications.
- (2) The processing and manufacturing for related sensing module of new energy vehicles.
- (3) The processing and manufacturing of micro mass transfer process.
- (4) Processing and manufacturing of optical communication modules.

(II) Industry overview

1. Current status and future development of industry:

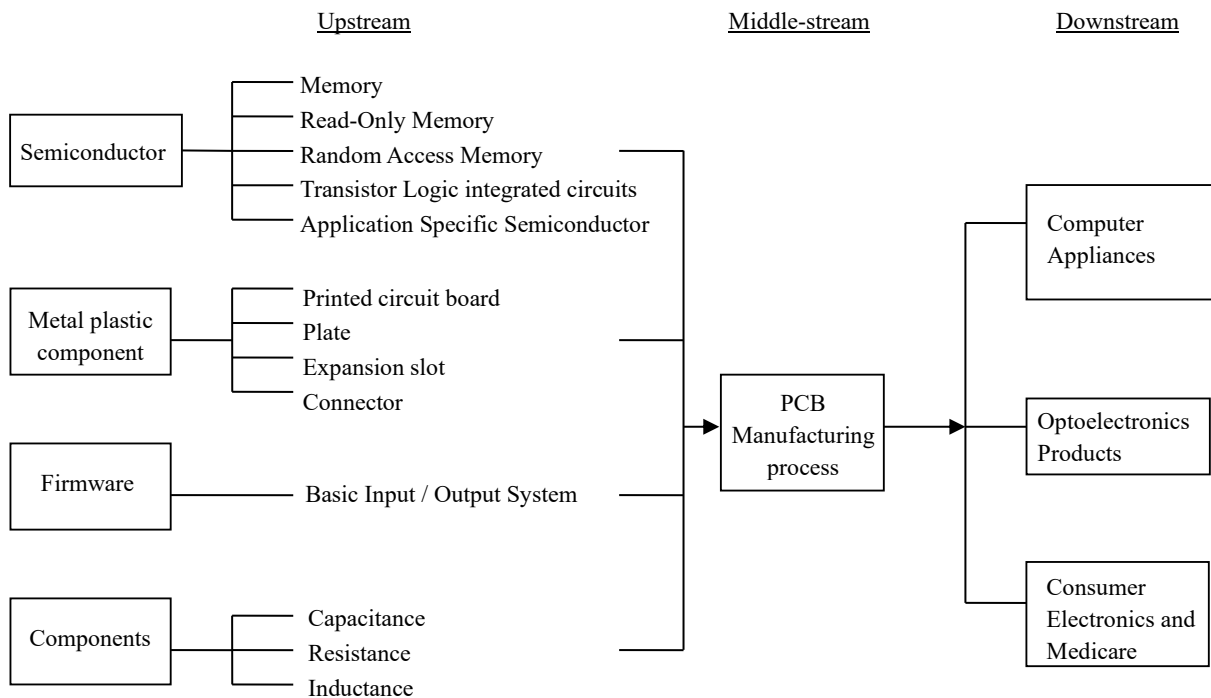
The processing and manufacturing of PCB substrate is a process that processing and assembling microprocessor, memory and other related electronic components on substrate through SMT technique by using high-speed machines in order to interconnect distributing circuit on the substrate to utilize the design function of PCB substrate. Moreover, the current SMT technique has been widely applied in different kinds of electronic products such as communication, optoelectronics and consumer electronics. The Company is mainly engaged in PCB substrate processing and manufacturing as well as LED light bar production and sale. Therefore, the company's business is part of the electronic hardware industry, and its processing services cover information, optoelectronics, electric vehicles, and information appliances, etc.

When electronic hardware products are manufactured, from design and component manufacturing to assembly and shipment, PCB substrate processing plays a crucial role in the manufacturing process. If this process is not handled properly, it is bound to affect product quality. In the past, information and electronics manufacturers built up their own processing line to process and manufacture PCB substrates. Only those with insufficient capacity could be outsourced and passed to professional processing manufacturers to undertake those sporadic orders, hence the size of this industry is generally small. Consequently, most small professional processing manufacturers for PCB substrates are limited by their size and equipment. They can only work on the substrate surface mounting in the beginning stage or manual DIP in the following manufacturing process. In recent years, information and electronics manufacturers gradually outsource PCB processing and manufacturing as the increasingly fine division of labor in the electronics industry as well as seeking for rapid expansion of production capacity and minimizing the investment and risk of equipment. As a consequence, providing specialized assembly foundry to have more potential growing space.

2. Relations among up-, middle- and downstream industries

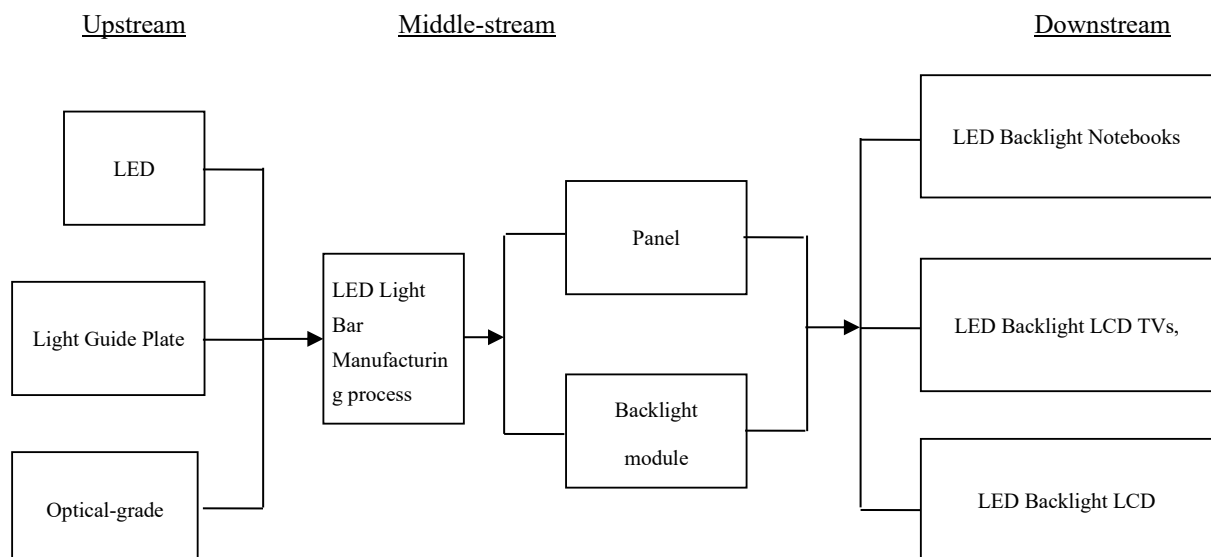
A. The relation among PCB with up-, middle- and downstream

In terms of the upstream and downstream linkages in the PCB assembly and manufacturing industry, the upstream is suppliers of semiconductors, metal plastic components, firmware and components, and the downstream is manufacturers of computers and peripherals, photoelectric products and consumer electronics. Due to the electronic hardware industry in Taiwan relies on the professional of division of labor system, up-, middle- and downstream of industries have cooperated together very well. At present, most of the major semiconductor, metal plastic component, and component products can be independently supplied by Taiwan's manufacturers. Furthermore, with the development of upstream and downstream techniques, the industry is becoming more mature. The relations among up-, middle- and downstream companies for the Company's PCB substrate assembly and processing industry are summarized as followed:



B. Relation among LED light bar and up-, middle- and downstream

The LED light bar products produced by the Company are the main components needed by mid-stream manufacturers for the panel, backlight module, and so on. The up-stream is LED, light guide plate and optical-grade suppliers and the down-stream is LED backlight notebooks and LCD products manufacturers. The relations among Up- and Downstream are summarized as follows:



3. Product trends:

In recent years, as the development trend of Electronics are light, thin, short, small, high function, greater color saturation, and energy efficiency, the strategy of specialized foundry management is constantly developing new manufacture process and developing new technology, such as Mini LED and small-pitch LED backlight technologies, as well as improving manufacturing process in yield quality, focusing on the develop trend of product market and striving for stable customers with high quality.

4. Competition in market:

The electronic industry has outsourced PCB substrate assembly, processing and manufacturing process. Considering that the outsourced manufacturers mainly focus on their SMT capacity, manufacturing technology, product quality and delivery speed, PCB substrate assembly and processing not only need to invest huge funds to purchase machines, but also need to cultivate a number of professionals and technical personnel to develop new manufacturing process, so that PCB substrate assembly and processing manufacturers have the trend of large-scale and capital-intensive. At present, there are many manufacturers entering into this industry in Taiwan, so it is very competitive. The orders of electronic products are all in the hands of well-known domestic and overseas manufacturers at the moment, so we can maintain long-term cooperative relationship with customers. In addition to productivity, technology and delivery speed, the quality of employees and the high stability of yield quality would be important competitive advantages.

(III) R&D overview

1. R&D expenses invested in the most recent year as of the publication date of the Annual Report:

Unit: NT\$ thousand

Year	2024	2025
R&D expenses	769,633	772,066
Operating income	45,287,887	49,877,415
R&D as a percentage of operating revenue	1.70%	1.55%

2. Technologies and products developed successfully:
- (1) In 2012, entering foundry business of LED Lighting:
 - (2) In 2012, entering foundry business of SSD due to the quality and technology has been recognized by the international manufacturers, and a variety of applications in the field of international well-known manufacturers attention and cooperation. Future prospects. TSMC will continuously endeavor to produce SSD products with leading technology and quality, and it also provides customers with more complete product lines and services.
 - (3) In 2012, TSMC began to engage in touch product OEM businesses:
In response to the trend of "touch whirlwind," making consumers all over the world experience how convenient and amazing it is that user-friendly touch panel bring to us, to that end, the Company proactively invests SMT production in touch panels related field as well as focuses on the R&D and innovation of SMT production technology related field, including smartphone touch panel FPC assembly + under fill manufacturing process and tablet touch control panel and Windows 8 touch control panel assembly + UV resin production technology, which makes the Company successfully enter this new industry.
 - (4) In 2012, entering the foundry business of 2nd Lens full LED array back-lit LB products:
From traditional LED LB assembly evolving into second manufacturing process, 2nd Lens SMT, meanwhile, introducing automatic dispenser to conduct thermosetting adhesives attached and Lens assembly production technology.
 - (5) In 2012, entering the foundry business of 3D panels and 4K2K high-resolution panels:
With the coming digital family generation in new 3D digital media, in response to the rise and breakthrough in TV application aspect specifications in production technology, the Company thus has dedicated to R&D technology of related manufacturing process. In order to meet customers' need, the development of the display technology towards naked eye 3D and polarization 3D and of the SMT production technology towards 4K2K high-resolution panels. The production technology has been perfect and can provide customers completed SMT production line service.
 - (6) In 2013, entering the foundry business of electric scooter module:
 1. The R&D technology that the Company has put into related manufacturing process towards the development of module assembly and production technology. In 2014, in addition to being perfect production technology and setting up one person with direct line and phone, the Company also passed TS16949 certification to increase the product value-added, improve the market reputation and competitiveness of manufacturers and distributors, and affirm product quality. The Company obtained certification from customers and became a qualified supplier, successfully entering the new industry.
 2. In 2014, the Company dedicated itself to the electric scooter production-related field more proactively. In view of meeting the customer's needs, the Company continuously improves manufacturing process and invests in the related equipment R&D technology, which is used in BMS, ECU, Light control and vending machine module. The current production technology is perfect, which can provide customers completed SMT production line service.
 3. In 2015, in order to meet customers' needs, the Company continuously invests the R&D technology and equipment manufacturing process, which is home charging electrical changing station module used in electric scooter production. The current production technology is perfect, which has passed customers' certification. It can provide customers completed SMT and module assembly production line service.
 - (7) In 2015, entering the foundry business of lighting and intelligence home appliance products assembly:
In response to these future world current trends in energy conservation, the Company involves in the technology of relevant lighting products from the aspects of R&D, manufacturing process, assembly and testing, in the meantime, meets customers' needs and has improving production technology. Besides, the Company has set up a post-assembly production line and a laboratory for improving product experiments. Moreover, the laboratory has passed relevant RA, FA, UL, UL and Energy Star Certification.
In response to the "Internet of Things," the consumers experience the intelligent convenience of life brought by the boundless. The Company proactively invests the field of Internet of Things related products manufacturing process as well as keeps focusing on the R&D and innovation of production technology related fields in new products, including smartwatch (precision assembly and waterproof testing), wristband (ultrasonic plastic welding and waterproof testing), scale (using ultrasonic welding, which utilizes SUS solder wire and glass surface ITO to weld). The Company has successfully stepped into this new industry.
 - (8) In 2016, entering the Bonding business of smartphone chip module

The Company pro-actively keeps investing the R&D technology and jig equipment in ACF Bonding manufacturing process, plus it has capability of the diversified and innovative SMT manufacturing process and COF Bonding technology. It current has passed pass the international electric telecommunication certification and become a qualified supplier. The current telecommunication chip module production technology is perfect enough to provide customers of all related fields complete back-end processes and assembly services.

In 2016, entering the foundry business of fingerprint recognition module

As the fingerprint recognition development has been a fad again these years, there is a breakthrough in the optical and capacitive sensing technology. The Company not only has perfect leading SMT technology, but also keeps investing the R&D technology and jig equipment in fingerprint recognition module related manufacturing process. It was finally recognized by the international manufacturers in 2016 and successfully introduced into mass production in 2017, which accelerates the penetration of fingerprint identification into the consumer electronics market to provide users a safer and more convenient certificated mechanism than password.

In 2016, entering the foundry business of medical module

The Company not only keeps improving manufacturing process, but also invests R&D technology and equipment without considering cost. In 2016, except for being perfect production technology, the Company has been assigned by customers to do foundry of human apparent temperature patch module. Furthermore, it has passed ISO13485 certification in 2017 Q4, which has made the products have value-added and the quality of product are also gaining recognition from ISO.

In 2016, entering the foundry business of dashcam vehicle module

Since 2014, it has entered the electric scooter-related field. In addition to keep improving the manufacturing process and investing in the related equipment R&D technology, it also passed TS16949 certification in the same year. With the advantage of leading SMT manufacturing process, Dashcam products have obtained recognition from customers in 2016. It is not only a big success in entering new industry, but it also starts a new milestone.

- (9) In 2017, entering the foundry business of fingerprint recognition vehicle module

As the fingerprint recognition development has been a fad again these years, the Company not only has perfect leading SMT technology, but also keeps investing fingerprint recognition module related manufacturing process. Expanding from mature electronic devices and mobile phone products to vehicle products, the Company keeps investing fingerprint recognition vehicle module manufacturing process. From R&D development to jig equipment related manufacturing process. It is expected to be successfully introduced into mass production through customer certification in 2019 Q4, bringing a faster, safer and more convenient mechanism for car drivers than keys.

- (10) In 2017, entering the foundry business of electric vehicle module:

Since in 2014, the Company has invested related manufacturing process R&D technology of vehicle product module, and it has been developing assembly manufacturing process of vehicle product module. Moreover, passing TS16949 certification has made the products have more value-added, higher market reputation and competitiveness among manufacturers and distributors. In 2017, the Company in module manufacturing has expanded from electric scooter components to electric vehicle. The electric vehicle module was in progress on obtaining IATF16949 revision certification in the same year and passed the certification in 2018Q2, which made the quality of products of car recognized.

- (11) In 2018, entering the foundry business of smartphone module:

In 2017, the Group established a factory in India in order to cooperate with local Indian mobile phone brands and international ODM factories and enter the assembly and production manufacturing process of smartphone module.

In 2018, expanding capacity and entering the foundry business of high-class DRAM module.

In 2018, entering the foundry business of electric vehicle peripheral product module:

Since the Company entered the manufacturing process of electric scooter module in 2013, it has been focusing on the development of production technology in new module products. In 2018, the Company entered the manufacturing process of four-wheels electric vehicle peripheral product module, then started mass production in 2019. Apart from the quality of vehicle products has been recognized by the international manufacturers, the Company will be more capable of providing customers of all related fields complete back-end processes and assembly services.

- (12) In 2019, successfully entering the foundry business of electric vehicle module and Mini LED SMT process

After entering the development field of manufacturing process for the peripheral product modules of four-wheel electric vehicles for the first time in 2018, the Company continued to improve its manufacturing and process planning, and applied them in vehicle door handle sensors, and its vehicle door handle sensors were finally accepted by major international customers in the fourth

quarter of 2019, and it is expected to be put into mass production in the first quarter of 2020. In the future, the Company will cooperate with customers in their demands for diversified product, and continue to actively invest in the R&D of the modules related to electric vehicles to provide customers with more comprehensive services.

In 2019, entering the foundry business of Mini LED SMT process

The Company invested in the research of the manufacturing process of Mini LED in 2017, and continued to invest in the development of manufacturing process and equipment in 2018, and continued to cooperate with customers to optimize the manufacturing process and made a breakthrough in respect of technology in 2019~2021, and it has been put into mass production in 2021, which enables the Company to enter another new milestone regarding its manufacturing process.

- (13) In 2020, continuing to perfect the processes of sensing module of electric vehicles
In 2020, the Company continued to invest in new process and equipment and optimize processes, to improve the yield and efficiency on the sensor module for electric vehicle doors, and put the electric vehicle module into mass production in the second quarter. In the future, the Company will continue to actively invest in research and development of relevant module process and product verification in electric vehicle field.
- (14) In 2020, successfully entering the foundry business of GPU module
In 2020, the Company started to develop the graphics card module. In addition to continuously improving the processes, the Company actively cooperated with the customers to develop high-end graphics cards, and continued to invest in new R&D process and R&D equipment, and successfully made trial production in the fourth quarter of 2020, and put the module into mass production in the first quarter of 2021, setting a new milestone for its manufacturing processes.
- (15) In 2021, entering the foundry business of Mini LED module process successfully
The Company actively invest in research on Mini LED process in 2017, and continuously updated the process and increased equipment development in 2019~2020, and actively cooperated with customers in making development and verification, and as a leading manufacturer of SMT technology, the Company continuously optimized the process and broke through bottleneck constantly, and put the module into mass production in 2021 successfully, and in the future, it is expected that Mini LED will be able to introduce application of more products, and we will continue to optimize the process and simplify the cost to meet customers' requirements.
- (16) In 2021, entering electric vehicle lens module application commodity module successfully
In 2021, the Company perfected process and invested in new machines and equipment, and increased investment in software and hardware, so as to improve yield and efficiency of electric vehicle lens module, and in 2021 Q2, the Company obtained certification from big American customers of electric vehicles and put into mass production successfully, and in the future, the Company will continue to improve investment in software and hardware equipment, and make active investment in research and development of related module process of new energy vehicles.
- (17) In 2022, entering the foundry business of Power Modules successfully
The Company continued to invest in new equipment in 2022 to improve the process technology, and actively increased the development of software and hardware to improve production yield. In 2022, it entered the OEM of Power Modules products for the first time (its products are only the size of a NT\$1 coin), in addition to the SMT production technology, the Company has continuously invested in advanced and sophisticated production equipment and testing equipment to meet the customer's process needs. The process was difficult but eventually overcame all bottlenecks and obtains the best production parameters. The shipment of samples was completed in the second quarter of 2023, and mass production was successful in the second quarter of 2023. We used the most advanced production technology to meet the needs of customers and create momentum for the Company's operational growth.
- (18) In 2023, entering the small-pitch LED display PCBA SMT manufacturing process outsourcing
In 2023, we continued to enhance the manufacturing process for small-pitch LED and invested in related R&D equipment and tools to improve the yield and production efficiency of mass transfer. This technology was applied to the trial production of large displays starting in the third quarter of 2023, with samples completed by early 2024. Mass production and shipment began in Q3 2024. We will continue to optimize the process and extend its application to other products.
- (19) In 2023, entering the contract manufacturing of DDR5 module SMT processes successfully
In 2023, we continued to improve the process optimization of our existing DDR4 product line. Leveraging our high-yield production processes and leading SMT technology advantages, we secured customer projects for DDR5 production. We completed all stages of validation and approval, and by the end of 2023, we delivered product samples. Mass production began in the

first quarter of 2024. Moving forward, we will invest further in the SMT and testing processes for memory modules to meet the demands of more customers.

- (20) In 2024, undergoing the DDR module corner-fill process
 In 2024, we continued to refine and optimize the DDR module manufacturing process. Leveraging a high-yield process and our leading-edge technology, we supported customers in validating the Corner-Fill process. Ultimately, we assisted clients in customizing adhesive application carriers, specifically magnetic carriers combined with magnetic steel sheets, to perform single-piece, panelized dispensing operations. This successfully fulfilled customer requirements and contributed to the Company's operational growth momentum.
- (21) In 2024, entering electric vehicle and data center module manufacturing processes
 The Company has continued to optimize manufacturing process tools and invests in advanced machinery and equipment. Simultaneously, we have upgraded related software and hardware to support customers' diverse product validations. In 2024, we completed the design of specialized crimping fixtures tailored to customer needs and successfully passed product certification within the same year. Looking ahead, we will remain committed to actively participating in process validation for electric vehicle-related module products to meet evolving customer requirements.
- (22) In 2025, entering the foundry process for server products
 The Company has continued to optimize its manufacturing processes and invested in advanced process technologies, machinery and equipment. In addition, we have changed its off-line material preparation model to enhance production efficiency and capacity in response to the OEM demand for diversified SMT products. We have also continued to allocate resources to process improvement and validation for server-related module PCBA.
- (23) In 2025, entering the humanoid robot PCBA module manufacturing process
 In response to applications in the "humanoid robot market," the Company actively invested in the PCBA SMT process. Through the research, development, and innovation of the SMT process, the Company successfully overcame difficulties in precision micro-PCBA processing and actively cooperated with the customer's various verification processes, successively completing product stage-by-stage verification. It is expected that in 2026, multiple models will be successfully introduced into mass production, marking a successful entry into this new industry.

The electronic products have changed quickly, and the production process has kept upgrade. Since its establishment, the Company has been adhering to the spirit of service by utilizing state-of-the-art production technology to satisfy customers' needs. The Company also has been recognized by the world's major Electronics factories. From the past cornerstone, looking forward to the future.

The Company specializes in electronic products of professional manufacturing technology, the improvement and upgrading of test fixture and other related engineering technology. It also engages in the manufacturing process of automated production and intelligent process to meet the customers' needs and conform to the market trends, and then enhances the competitiveness of the Company in the overall industry and achieves a win-win goal.

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

1. Short-term business development plans:

Production Management and Technology Development	<ol style="list-style-type: none"> 1. Actively engaging in the improvement of manufacturing process, and improving producing efficiency by enhancing process-related capability. 2. Promoting quality control for the overall process, improving quality inspection capability and quality, and reducing defect rate. 3. Introducing new manufacturing process and curtailing production and delivery time to increase customer's satisfaction. 4. Increasing investment in equipment, replacing old equipment with new ones, and improving production and sales process as well as the configuration of production lines to reduce material wastes and improve production capacity and efficiency. 5. Introducing automated and intelligent production equipment and optimizing manufacturing process to boost production efficiency and reduce cost of production.
Marketing	<ol style="list-style-type: none"> 1. Establishing strategic alliance with customers and achieve positive interaction. 2. Continuing to develop well-known customers both at home and abroad, and striving for getting orders from major international companies, in order to improve the Company's producing and technical capabilities as well as its reputation. 3. Keeping abreast of the market trend for product planning.

Operation and Development Strategy	<ol style="list-style-type: none"> 1. Strengthening the management team, expanding business scale, and dispersing sales risk. 2. Actively cultivating backbone officers to meet the Company's needs for management talents for its future growth. 3. Implementing ISO, internal control and other relevant system to enable the Company to develop steadily under systematic operation. 4. Strengthening the relationship with major banks to enhance funding capability.
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2. Long-term development plans:

Production Management and Technology Development	<ol style="list-style-type: none"> 1. Recruiting top-notch talents and strengthening organization's capability in research and development 2. Cultivating production technology team and improving the Company's ability of coping with production issues effectively and efficiently. 3. Actively cooperating with domestic and foreign manufacturers in the development of technologies to improve the Company's ability to research and develop key technologies. 4. Investing in the research and development of dust-free manufacturing process and expanding the fields of products produced.
Marketing	<ol style="list-style-type: none"> 1. Seeking for cooperating with major overseas companies and striving for orders with huge quantity but less variety, in order to increase the effect of economies of scale. 2. Planning for overall marketing strategy and actively developing the international market in addition to existing customers.
Operation and Development Strategy	<ol style="list-style-type: none"> 1. Dispersing customers and diversifying production locations in order to minimize the risk of concentrated sales. 2. Continuously developing and producing different types of products for reducing the risk of product life cycle succession, and diversifying operation to improve the Company's competitiveness to ensure sustainable development. 3. The Croup currently has production facilities in Vietnam, India, and Mexico to expand markets outside of Taiwan and enhance future operational growth momentum.

II. Market, Production and Sales Overview:

(I) Market analysis:

1. Sales regions of major products:

The Company is engaged in the processing and assembly of consumer electronics, and mainly provides products and services by getting close to customers' production bases. In recent years, the Company's production base has moved overseas to keep up with downstream manufacturers. At present, the main areas that the Company sells its products are Taiwan, the United States, Japan, India, Vietnam, and mainland China.

Unit: NT\$ thousand

Item \ Year	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
Asia	42,296,266	90.97	42,420,551	93.67	44,571,530	89.36
Taiwan	2,641,846	5.68	1,966,125	4.34	4,563,484	9.15
Europe	418,674	0.90	299,743	0.66	317,430	0.64
America	1,138,947	2.45	601,468	1.33	424,951	0.85
Other	282	0.00	0	0.00	20	0.00
Total	46,496,015	100.00	45,287,887	100.00	49,877,415	100.00

2. Market share:

The Company is engaged in the assembly and processing business of PCB substrates and the production and sale of LED Light Bars. Since the Company was founded in 1990, it has been dedicating itself to managing its core business and, in addition to endeavoring to develop production technologies and improve manufacturing processes, the Company catches the opportunities in market, and proactively enters the mainstream information Electronics market, therefore, it is not only able to quickly get customers and orders, but also establish a good cooperative relationship with customers. PCB substrate assembly and processing service is widely used in all Electronics-related products. There are numerous suppliers, and there is no relevant comparison basis to estimate market share, however, according to the member list provided by Taiwan Electrical and Electronic Manufacturers' Association, small-and-medium-sized enterprises account for more than half of all the companies engaged in PCB substrate processing and assembly industry and, in addition to the Company, Global Brands Manufacture Ltd. and Universal Scientific Industrial (Shanghai) Co., Ltd. are the companies with a large scale.

3. Supply, demand and growth in future market:

The Company is currently mainly engaged in the processing and manufacturing of PCB substrates used for TFT-LCDs, therefore, TFT-LCD panel industry has significant influence on the Company. TFT-LCD panels are classified into large, medium, and small sizes based on their size, large-sized TFT-LCD panels are mainly used in LCD TVs, LCDs, notebooks and other products, whereas medium-and small-sized portable displays are mainly used in mobile phones and digital cameras at present. In addition, in consideration of the trend that LED backlight will replace CCFL, the Company, since 2008, started the production and sale of LED light bars used for TFT-LCD, the application and development of which are mainly based on LED backlight tablets, notebooks, LCD TVs, and LCDs. The future market demand growth of the TFT-LCD is described as follows:

According to WitsView research, international brands will continue to strengthen the arrangement for the application of 8K, QLED, OLED, and other high-end TVs, while, Chinese brands will continue to develop in overseas markets further and increase the proportion of large-sized TVs, in the circumstances of shrinking market size and insufficient demands. Brand factories can show their brand-related technologies only by improving specifications or promoting different products, in order to drive performance growth.

The overall demand for TFT-LCDs is slowing down, and the demands from the end product manufacturers reduce, thus panel manufacturers may maintain utilization rate only by adjusting their product portfolio; In addition, because Korean and Japanese panel manufacturers reduce their LCD production lines, supply chain and the market share of the

panels may change at a future time, and there may be an increase in the market share of the panels manufactured in mainland China in global market.

4. Competitive niches, favorable and unfavorable factors for long-term development, and countermeasures:

(1) Competitive niches

A. All-round layout of production lines to meet customer's needs

TFT-LCD panel products have a wide range of application, and can be applied in laptops, computer monitors, TVs and other small-and-medium-sized portable displays, etc. In view of this, the Company focuses on the manufacturing and processing of PCB boards for TFT-LCD panels and electronic products and, since it has got various engineering capabilities and practical experience on an accumulated basis for a long time, it can provide complete solutions for various sizes of products. In addition, the Company is committed to providing customers with complete and high-quality services to meet customer's needs, with its service scope including the procurement and management of raw materials, process engineering design, SMT processing, quality assurance and after-sales service.

B. Production with scale economies effect, and maintenance of cost competitiveness

In general, a large amount of investment is required for manufacturing and processing industry, so it is necessary to maintain a high utilization of equipment and mass production to reduce unit fixed costs, so as to achieve scale economies effect. In terms of processing and manufacturing of PCB substrates, generally speaking, it is difficult for electronics manufacturers to reduce unit producing costs by maintaining a high utilization of equipment due to the seasonal fluctuations of their downstream products and the unique characteristics and specifications of each product. The Company has been engaged in the processing and manufacturing of PCB substrates for a long term, and has accumulated technical expertise and experience on a continuous basis, which enables it to adjust its equipment in a short period of time depending on different products, and to optimize its producing process and reduce equipment using time, which further improves the overall utilization rate of its equipment. In addition, the Company attaches great importance to its product quality, and adopts strict quality control during its producing process. Therefore, the Company can maintain production with a scale economies effect, while providing high producing efficiency and high-quality services, to achieve cost competitiveness.

C. Setting producing bases near customers, and appropriate location strategy

The Company has been engaged in the industry for more than 30 years, and it keeps close and stable cooperation with major international manufacturers, and it has producing bases in Taiwan, Dongguan, Suzhou, Xiamen, Hefei, Chongqing, Xianyang, India, Vietnam, Mexico, etc., by following its strategy of being adjacent to customer's producing sites, to meet customer's increasing demands, so as to keep a good long-term interaction relation with customers, grasp business opportunities, and expand its capacity timely to meet customer's needs for timely supply.

D. Continuously innovation of process technologies

Since its establishment, the Company proactively researches and develops new technologies, improves producing processes, and introduces new processes by following the development trend of technologies and products to improve its competitiveness. In addition, the Company also continues to improve its ability to increase the accuracy of components and the thickness of PCB substrates by following the development trend of light, thin and short electronic products, and it invests in the development of the manufacturing process of Mini LED and small-pitch LED in recent years, from which it can be obviously seen that the Company has grasped advanced processes, and can provide customers with excellent services.

(2) Favorable factors

A. Good prospects and great development space in the industry

PCBs are the main supports for the installation and interconnection of and between/among various electronic components, and also the indispensable basic parts for all electronic products, thus, the products of PCB substrate manufacturers can be used in

all the electronic products, and memory modules and electric vehicles are also the main fields in which substrate processing-related major products are applied, therefore, there are development spaces for PCB substrate processing and manufacturing as driven by the future growth of the downstream industry.

B. Trusted technologies, and good interaction with customers

The Company is engaged in PCB substrate processing and manufacturing, so the arrangement capability in respect of its technology and manufacturing process is the key factors for customers to place orders and, if the orders can be supplied by a stable delivery time, the Company would be able to become the long-term business partner of downstream customers. As far as the Company is concerned, since it has been established for a long time, its R&D personnel has accumulated abundant experience in the improvement of manufacturing process, and it can meet downstream customers' demands and rapidly develop the efficient manufacturing process required for new products. Furthermore, the main management personnel of the Company all have rich experience in management of PCB substrate processing and manufacturing companies, thus, they can coordinate business and manufacturing departments in an efficient way, and adjust production schedule flexibly, in order to ensure delivery by the time required by customers to meet customer's demands.

C. Establishment of production bases near customers

For PCB substrate processing and manufacturing companies, being adjacent to downstream customers not only can reduce delivery costs and shorten delivery time, but also can supply products to customers timely with Bill to Order (BTO) services, and establish relationship of solidarity with customers. For this reason, the Company has established production sites in Dongguan, Suzhou, Xiamen, Hefei, Chongqing, and Xianyang in mainland China, India, Vietnam, and Mexico, etc., one by one to serve for local customers in a short distance and obtain real-time information, in order to establish long-term strategic cooperative relation with customers.

(3) Unfavorable factors

A. Business centralized in a single industry, and centralized risk of sales

The Company's revenue from the processing and manufacturing business of PCB substrates for TFT-LCD fluctuates depending on its downstream TFT-LCD panel market, and its business performance will be affected indirectly in case of oversupply or decreasing demands in the market, and its operating income sources are centralized on major customers.

The Company's countermeasures:

The Company maintains a good business development foundation by virtue of long-term cooperation with customers, and places its manufacturing equipment at the locations closing to customer's locations, by keeping a long-term cooperation relations with customers and a good business development basis and adopting the strategy of common location, so as to keep a good business cooperation relation, and it provides flexible, fast and effective product solutions as per customers' requirements, and strives to deliver proper quantity of proper products to customers in a proper time, in order to maintain a high degree of trust from customers, and the Company has rich experience in PCB substrate processing and assembly, and it is highly sensitive to any changes in the industry, and it actively develops towards other fields, by taking advantage of its rich experience and technical ability, in addition to adjustment to its strategies by following the development trend of the industry, for the purpose of reducing any risks to be brought by centralized customers.

B. Fierce competition among information electronic products, and lower profits from processing

Due to the short life cycle of information electronic products and the rapid changes in product technologies, there is a trend of decrease in product sales price, thus, the electronic hardware manufacturers in the downstream, due to their decreasing profits, reduces the profits of PCB substrate manufacture.

The Company's countermeasures:

Facing the rapid changes in information Electronics industry, the Company actively keeps long-term cooperative relation with existing information Electronics

manufacturers, so as to obtain orders on a long-term and stable basis, in addition to continuing to strengthen its manufacturing capabilities to reduce producing costs and improve its competitiveness; Besides, the Company seeks the opportunities to purchase raw materials for customers, and obtain electronic components at a relatively preferential price, by taking advantage of the major manufacturing region of the components in Taiwan and of its convenience, in order to increase processing profits.

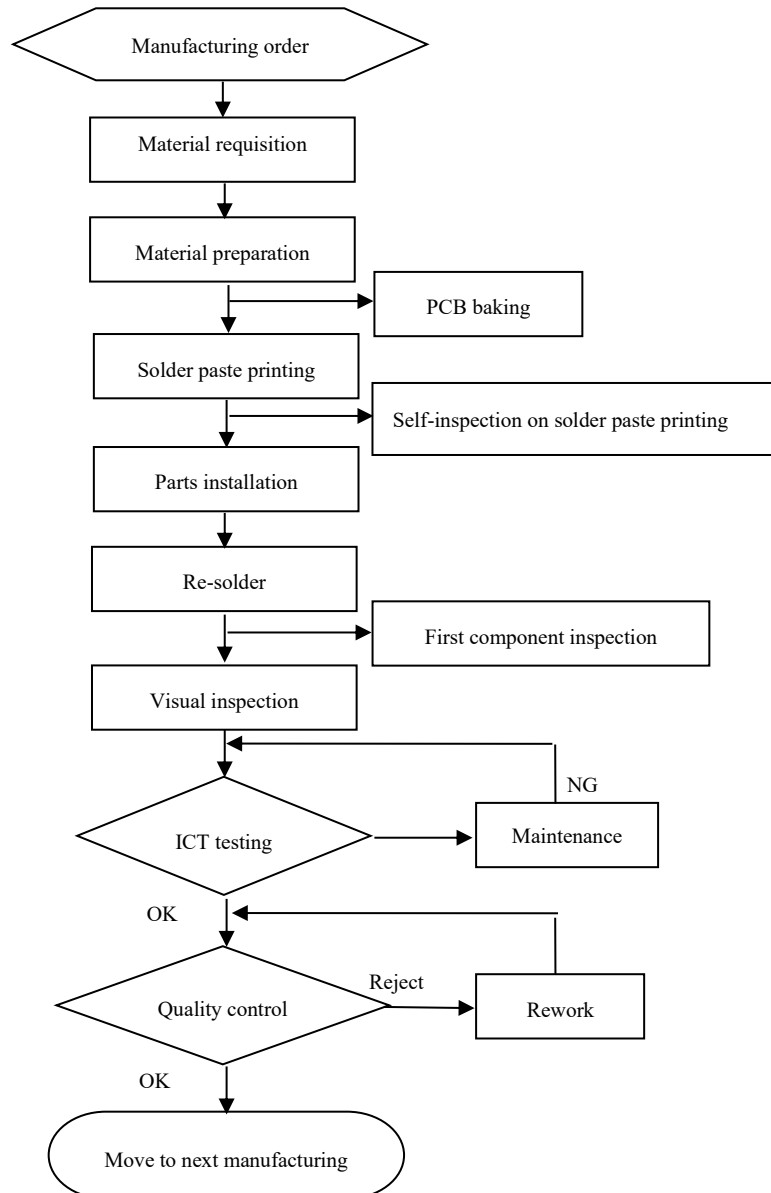
(II) Main use and manufacturing process of major products:

1. Main use:

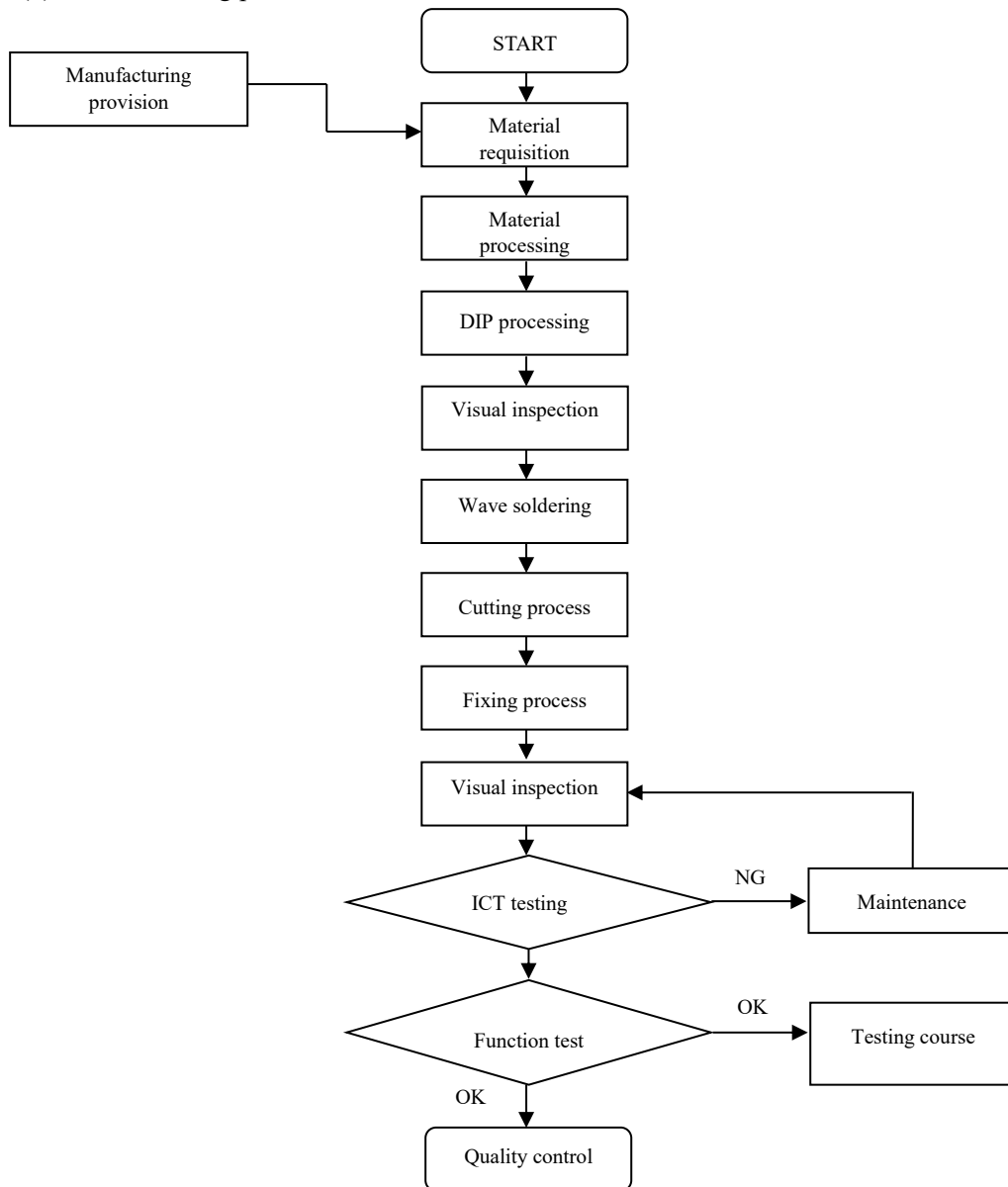
Major products	Main usage
Peripherals motherboards	Used for desktop monitors, laptops, tablets and other peripherals of motherboards
OptoElectronics products control panel	Used for liquid crystal display panel, LCD TVs, automotive display panels, mobile phones, tablet, digital camera and laptops.
LED Light Bar	Light source for LCD panels, LCD TVs, tablet PCs, laptops, automotive display panels, and mobile phones.

2. Major manufacturing process:

(1) Manufacturing process of SMT:



(2) Manufacturing process of DIP:



(III) Supply of major materials:

Major Raw Materials	Major Suppliers	Supply Situation
IC	TEXAS, TCL, WT, MONTAGE, NOVA	Good
PCB	SIMMTECH, TRIPOD, TECHIGH, DYNAMIC, CATAAC	
Resistance Capacitance	MURATA, CONCORD, AVNET, GLORISON, HUIJIN	
LED	TOYODA, HONGMING, AVNET, ARROW, SANAN	
DIODE	TCL, WT, TEXAS, SSV	

(IV) Major suppliers and customers in the most recent two years

1. Names of the suppliers who accounted for more than 10% of the total purchase of the Company in either year of the most recent two years, their purchase amount and proportion:

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Proportion to the Net Purchase of the Entire Year (%)	Relation with Issuer	Name	Amount	Proportion to the Net Purchase of the Entire Year (%)	Relation with Issuer
1	Other	34,694,210	100.00	-	Other	36,971,696	100.00	-
	Net purchase	34,694,210	100.00		Net purchase	36,971,696	100.00	

2. Names of the customers who accounted for more than 10% of the total sales of the Company in either year of the most recent two years, their sales amount and proportion:

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Proportion to the Net Sales of the Entire Year (%)	Relation with Issuer	Name	Amount	Proportion to the Net Sales of the Entire Year (%)	Relation with Issuer
1	A	7,243,344	15.99	-	A	5,985,728	12.00	-
2	B	3,176,096	7.01	-	B	3,447,797	6.91	-
3	C	5,319,528	11.75	-	C	7,751,746	15.54	-
	Other	29,548,919	65.25	-	Other	32,692,144	65.55	-
	Net sales	45,287,887	100.00		Net sales	49,877,415	100.00	

The Company's major sales objects are the manufacturers of electronic products, and it adjusts its products depending on the sales condition of the main products in the market and their changes. In addition to long-term cooperative customers, the Company also actively develops its business and strives for opportunities to cooperate with new customers.

III. Employee Information in the Most Recent Two Years:

Year		2024	2025	Current year as of April 20, 2026
Total Number of Employees		11,493	11,696	10,944
Average Age		36	36	36
Average Years of Service		7.0	8.0	8.0
Distribution of Education (%)	Above Masters	4%	4%	4%
	Bachelor's Degree	67%	68%	68%
	Senior High School	23%	22%	22%
	Below Senior High School	7%	6%	6%

IV. Environmental Protection Expenditure:

(I) Any loss caused by environmental pollution in the most recent two year as of the publication date of the Annual Report:

None. Based on the Company's industry characteristics, it does not involve the impact of the European Union's Restriction of Hazardous Substances (RoHS).

(II) Future countermeasures: N/A.

V. Labor Relations:

(I) The Company's employee benefit policies, continuing education, training, retire systems and implementation status, the agreement between employees and employer, and employees' rights and interests:

1. Benefit measures:

(1) Employees are entitled to labor insurance, National Health Insurance, and group insurance at the first day of work.

(2) The Company allots benefit funds to Staff Benefit Committee in accordance with laws, provides gifts for Chinese new year and holidays, and offers marriage and funeral allowances, as well as domestic and overseas traveling activities and allowances. The Company has employee restaurant, convenience store, medical office, breast-feeding room, employee training room, large-sized indoor and outdoor parking spaces, expectant mother parking spaces, and other facilities.

(3) The Company provides staff with annual health check-ups, and arranges doctors to offer consulting services on site, to allow its staff to feel the care, thus, the Company has a harmonious labor relation since its establishment.

2. Training for employee:

In order to allow all employees to discover their potential and to fully take advantage of their expertise at work, the Company provides a variety of learning courses to help them to get knowledge, skills and innovation ability, for the Company's use.

(1) Information about training:

2025	Internal Training	External Training
Number of Trainees	40,156 person-times	146 person-times
Course Name	<p>New General Education Training, Company General Education Training, New Functional Training, Post Training, Post Functional Training, In-Facility Vendor Training, Micron New Employee Orientation, 3D Measurement Operation and Programming, 5 Whys, 8D Problem Analysis and Resolution with Practical Exercises, BMS Customer-Supplied Hardware and Software Testing Arrangement Training, Introduction to ESD Measurement Equipment and Operation, FMEA (Failure Mode and Effects Analysis), GKG Printer Maintenance and Calibration, IATF 16949 Internal Auditor Training, IATF 16949 Six Core Tools – Fundamental Training, IATF 16949 Six Core Tools – Overview, IATF 16949 Requirements, IEC Inventec Appearance Inspection Specification (SIP) Training, Keysight ICT Troubleshooting and Fixture Wiring Principles, MSA (Measurement System Analysis), Introduction to SMART Applications, SPC (Statistical Process Control), Production Performance Management for Supervisors, Courier and Customs Declaration Procedures, Production and Material Control (PMC) Practices, Application of Seven QC Tools for Quality Improvement, Obsolete Material Control and Disposal Management, ALL-300G Automatic Programming Machine Training, Customer Audit Requirements and Awareness Training, Instructor Training – Urgent Order Production and Rapid Training, Practical QC Skills for Line Leaders, Business Conduct and Ethics, Next-Generation Leadership and Communication Skills, Value Engineering (VAVE) Training and Practical Exercises, Mechanical Drawing Symbols Interpretation, PS/TPM/TQM Production Management, VDA 6.3:2023 Process Audit Training, Chemical and Organic Solvent Safety Training, Fire Safety and Self-Defense Team Training, Emergency Response Plan Drills, Workplace Violence and Harassment Prevention Awareness.</p>	<p>Sustainable Information Management and Key Practices for Internal Control and Internal Auditing, Analysis of Tax and Legal Responsibilities Related to Climate Protection, Overview and Practical Applications of the Assurance Standard for Greenhouse Gas Statements (ISAE/TWSAE 3410), 8D Problem Analysis and Resolution, ESG Development Trends and Sustainability Disclosure Regulations, FMEA (Failure Mode and Effects Analysis), IATF 16949:2016 Automotive Quality Management System – Six Core Tools Fundamental Training, IFRS Sustainability Disclosure Standards: Developments in Sustainability, Climate-related Information, and Annual Reporting, Application of IFRS Sustainability Disclosure Standards and Internal Control Practices, MSA (Measurement System Analysis), RBA (Responsible Business Alliance) Implementation, Practical Applications, and Audit Focus, SPC (Statistical Process Control), Driving Corporate Sustainability through Risk Management, Analysis of Sustainability Reports and Auditing Practices for Sustainability Information, In-Service Training for Category A Occupational Safety and Health Supervisors, National Symposium on Science and Technology Law, Refresher Training for Hazardous Equipment Operators, Workplace Health, Safety, and Sustainability Awareness Seminar, Production and Material Control (PMC) Best Practices, Organic Solvent Operations Supervisor (Initial Training), Application of the Seven QC Tools for Quality Improvement, Health Promotion Seminar: Anti-Aging, Prevention of Metabolic Syndrome, and Workplace Wellness, Practical Auditing Techniques, Insights into ESG Trends: Corporate Sustainability Practices and Case Analysis, Impact of Climate Change on Financial Statements, Refresher Training for High-Pressure Gas Supply and Consumption Supervisors, Safety Training for High-Pressure Gas Equipment Operators, Recent Updates and Practical Applications of IFRS, Forklift Operator Training (Capacity Exceeding One Ton), Latest Corporate Governance Evaluation Indicators and Practical Analysis, Annual Corporate Income Tax Filing Practices Seminar, Advanced Leadership and Communication Skills Training, Overview of Common PCB Industry Standards (IPC-610, IPC-600, IPC-7095, IPC-7525), Radiation Protection Training, Continuing Education in Radiation Protection, Occupational Safety Manager On-the-Job Training, Occupational</p>

		Safety and Health Personnel In-Service Training, Fire Safety Manager Initial Training, Occupational Injury Return-to-Work Support and Workplace Violence Prevention Seminar, AOI Equipment Operation and Maintenance, InSpec Measurement Operation and Applications, Pick-and-Place Machine Operation and Maintenance, Crimping Machine Operation and Maintenance Training, TPS/TPM/TQM Production Management, VDA 6.3:2023 Process Audit Training.
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- (2) Personnel related to the transparency of financial information, and the certificates or licenses designated by competent authority obtained by them:
 - A. International Internal Auditor License: 1 person in Internal Audit Office.
 - B. ROC Domestic Auditor: 1 person in Internal Audit Office.
 - C. ROC CPA: 1 person in Financial Department.
3. Retirement system and its implementation:
 - (1) Subject to "Labor Standards Act," the Company has formulated the measures for retirement, which applies to all formal employees before "Labor Pension Act" is implemented on July 1, 2005. The Company engages actuary to evaluate and calculate labor retirement pension reserve in accordance with ROC Financial and Accounting Rules - No. 18 Announcement, makes actuarial evaluation report, establishes Labor Retirement Reserve Supervision Committee, and allots retire funds on monthly basis in the amount equaling to 2% to 15% of the total salaries of each month, which are deposited in the special account Trust Department Bank of Taiwan in the name of Labor Retirement Reserve Supervision Committee.
 - (2) Since July 1, 2005, new labor pension system has been implemented in accordance with the law. The Company has established a defined contribution retirement plan in accordance with the "Labor Pension Act," which is applicable to the employees with ROC nationality. The Company withdraws labor pension in the amount no lower than 6% of salary for each month for the employees to whom the retirement system stipulated by "Labor Pension Act" applies.
4. Labor contract:

The Company attaches importance to humanized management, considers that employees and employer co-exist and develop together, thus, it provides various channels for employees to make suggestions and comments, such as setting reporting mailbox for employees, and regularly holding communication and coordination meetings and labor meetings, etc., to get to know the degree of employees' satisfaction with the Company's systems and management, so as to keep a good labor relation.
5. Protective measures at work environment and for employees' personal safety:
 - (1) The Company has obtained ISO45001 certification, and it carries out protection in terms of working environment and staff's personal safety, and has detailed procedures and management measures.
 - (2) The Company implements safety and health management, complies with safety and health laws and regulations and other requirements, undertakes to make improvement continuously by following the ideas of prevention of danger and participation by staff, and strives to create a safe and healthy working environment.
 - (3) The Company provides trainings.
 - (4) There are 24-hour security personnel in the factory, and safety management is carried out for the personnel entering and going out of factory.
 - (5) The Company has formulated a set of specifications for electronics industry or the industries with electronics as their main components and for its or their supply chain in accordance with Responsible Business Alliance's (RBA) Code of Conduct, so as to ensure the safety in the working environment, that workers are respected with dignity, and that business operation is environmentally friendly and ethical. The Company adopts the Code of Conduct basically for the purpose that all of its business and operating activities must comply with the laws, rules and regulations of the state where it operates. In addition to compliance with laws, the Code of Conduct encourages participants to proactively use internationally recognized standards to promote social and environmental protection responsibilities as well as business ethics. The Code of Conduct is based on UN Guiding Principles on Business

and Human Right, and its contents are taken from different key international human right standards, including the International Labor Organization's ("ILO") "Declaration on Fundamental Principles and Rights at Work" and "UN Universal Declaration of Human Rights." RBA undertakes to regularly collect feedback from stakeholders, and implementing and continuously developing its Code of Conduct.

The Code of Conduct is composed of five parts. Chapters A, B, and C respectively outline labor, health, and safety issues, as well as environmental standards. Standards on business ethics are provided in Part D; Part E outlines the elements necessary for an appropriate management system to implement the Code of Conduct.

- (II) Any losses suffered by the company due to labor-management disputes in the most recent year and in the current year as of the publication date of the Annual Report (including any violations of the Labor Standards Act as found in labor inspection, the penalty dates, penalty documents numbers, the articles of laws violated, and the contents of penalty shall be disclosed), and an estimate of possible expenses that could be incurred currently and in the future as well as countermeasures shall be disclosed. If a reasonable estimate cannot be made, an explanation about the fact that why it cannot be estimated shall be provided:

1. Loss due to labor disputes:

Company Name	Description	Amount of Penalty or Compensation (NT\$ ten thousand)	Countermeasures and Improvement
Taiwan Surface Mounting Technology Corp.	None. There were no violations of the Labor Standards Act in 2025 or up to the date of publication of the Annual Report.	-	-

2. Except for the above matters, the Company and its subsidiaries are not fined for any other violations against the relevant regulations in the most recent year and in the current year as of the publication date of this Annual Report.

- (III) Estimated amount against current and possible future occurrence, and countermeasures:

In the future, under the circumstances that the Company continuously and proactively promotes and implements various employee benefits, there are no losses that occurred due to labor disputes.

VI. Cyber Security Management:

- (I) Cyber security risk management structure, cyber security policy, specific management plan and resources invested in cyber security management:

The cyber security management at the Company is aimed at ensuring the accuracy and availability of information processing, as well as the security of information-related systems, equipment, and networks. Regular drills and training on information system security are conducted to enhance employees' awareness and defensive capabilities regarding information security, thereby ensuring the safety of customer and product information.

Cyber Security Management Objectives

Our cyber security objective is to enhance the defense, detection, and response capabilities of the Company's cyber security management system, while continuously reducing cyber security risks.

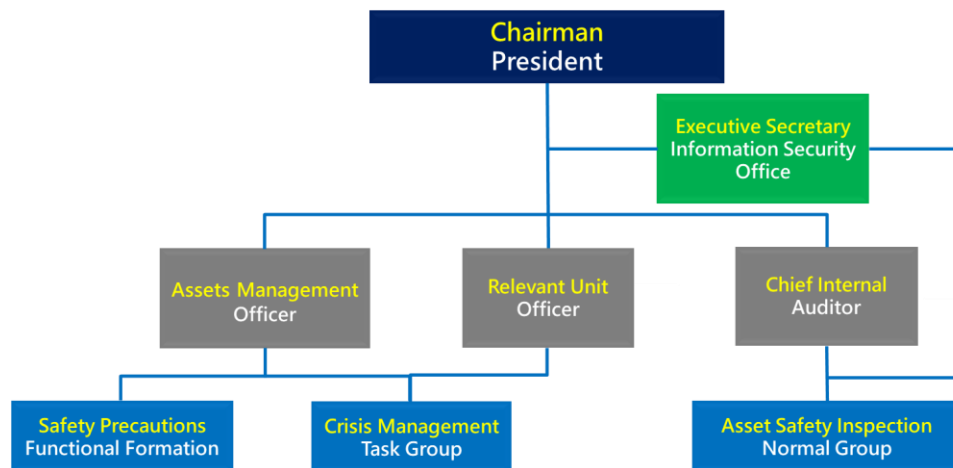
The Company applied for ISO 27001 international certification for its Cyber Security Management System and obtained the ISO 27001 certificate on August 11, 2024, continuing to maintain the validity of ISO 27001 and passing the annual review on July 10, 2025.

To enhance cyber security capabilities, the Company established the Cyber Security Committee in February 2021 and has been fully promoting ISO 27001 information security management efforts. In June 2024, the Company passed the ISO/IEC 27001:2022 Information Security Management System (ISMS) international certification audit conducted by SGS Taiwan. ISO 27001 is currently the most widely used and comprehensive information security management system standard internationally, primarily assisting enterprises in assessing and reducing information risks and threats both internally and externally, thereby enhancing information security protection. To ensure the confidentiality, integrity, and availability of business information, the Company established the Cyber Security Committee in February 2021, chaired by the President. The Committee not only holds regular meetings but also actively promotes ISO 27001 information security certification. During the preparation for the certification process, all participating colleagues continuously set high standards for themselves, optimizing existing information security systems, and actively conducting information security education and training. The successful certification demonstrates the

Company's commitment to establishing and implementing an effective cyber security management system, receiving high recognition from SGS and meeting international information security standards. Looking ahead, the Company will strive to enhance the architecture of its information and communication systems to high standards, while requiring all employees to rigorously implement information security management regulations. Through mechanisms such as information asset and risk assessments, operational impact analysis, and continuous operational drills, the Company aims to build a comprehensive cyber security protection capability, integrating cyber security awareness and concepts into the corporate culture, and continuously advancing towards the goal of a zero-incident network architecture.

1. Cyber security organizations:

To effectively manage the Company's information security and protect customer privacy, the Company established the Information Security Management Office in 2021 (including the dedicated head of information security and 2 dedicated information security personnel). The office is responsible for planning, establishing, and implementing the Company's cyber security governance and defenses against cyber security threats. In order to ensure the implementation of cyber security policies, the Cyber Security Management Committee was formed, chaired by the President, with various unit heads appointed as committee members. This committee jointly oversees the Company's cyber security governance, reviews the cyber security policies annually, and reports to the Board of Directors. In 2025, a total of six cyber security-related meetings were held.



2. Cyber security management policy and specific management plan:

To mitigate the risks of cyber security incidents and disruptions to operational activities, and to protect critical operational processes from significant failures of information systems or disasters, we have established a Business Continuity Plan based on the ISO 27001:2022 information security standard's operational impact analysis and risk assessment. This plan includes emergency response, system recovery, and information service restoration. Additionally, we conduct regular annual drills to test the Business Continuity Plan, developing scenarios specifically for network management and application system development. These drills include simulations of "data center and core system service interruptions," with the requirement that the drill outcomes meet the Recovery Time Objective (RTO) within the scope of the plan.

The specific management plan includes: regular assessments of the cyber security risks faced, prioritizing the handling of high-risk items; mandatory use of strong passwords, with a requirement to change passwords every 60 days; encryption of sensitive data to protect its confidentiality; establishment of firewalls to prevent unauthorized access; implementation of intrusion detection and prevention systems to monitor network traffic, enabling early detection of intrusion attempts and defensive measures; regular backups of important data, along with the establishment of recovery plans and drills; periodic cyber security training sessions and monthly cyber security awareness campaigns to enhance employee awareness of cyber security issues; regular system vulnerability scans and penetration testing to identify and promptly rectify system vulnerabilities; regular social engineering attack drills to improve employees' response capabilities to phishing scams; joining the TWCERT/CC (Taiwan Computer Emergency

Response Team/Coordination Center) joint defense organization to obtain the latest cybersecurity alert intelligence.

- (II) Any losses suffered by the Company due to major cyber security event, possible impact and corresponding measures to be taken in the most recent year and the current year as of the publication date of the Annual Report, if a reasonable estimate cannot be made, an explanation about the fact that why it cannot be estimated shall be provided:

In the recent annual report and as of the date of publication, the Company has not experienced any cyber attacks or incidents that could significantly adversely affect its business and operations, nor has it been involved in any related legal cases or regulatory investigations.

- VII. Important Contracts: The Company has not currently signed any important contract in addition to general business transaction act.

Chapter 5 Review, Analysis and Risk Assessment on Financial Status and Financial Performance

I. Financial Status:

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	37,951,502	36,741,977	(1,209,525)	(3.19)
Property, plant and equipment	11,926,367	12,792,716	866,349	7.26
Other non-current assets	2,318,426	2,118,766	(199,660)	(8.61)
Total assets	52,196,295	51,653,459	(542,836)	(1.04)
Current liabilities	24,673,104	24,094,526	(578,578)	(2.34)
Non-current liabilities	4,913,486	4,563,260	(350,226)	(7.13)
Total liabilities	29,586,590	28,657,786	(928,804)	(3.14)
Capital stock	2,923,984	2,923,984	0	0.00
Capital surplus	2,505,943	2,505,974	31	0.00
Retained earnings	16,239,232	17,374,899	1,135,667	6.99
Other equity interest	916,395	167,414	(748,981)	(81.73)
Equity attributable to owners of the parent company	22,585,554	22,972,271	386,717	1.71
Non-controlling interest	24,151	23,402	(749)	(3.10)
Total shareholders' equity	22,609,705	22,995,673	385,968	1.71
Description about major changes:				
1. The decrease in other equity was primarily due to changes in the exchange differences arising from the translation of financial statements of foreign operations, resulting from exchange rate fluctuations.				

II. Financial Performance:

Unit: NT\$ thousand

Item \ Year	2024	2025	Amount of Increase (Decrease)	Percentage of Change (%)
Operating costs	39,236,290	43,491,424	4,255,134	10.84
Gross operating profit	6,051,597	6,385,991	334,394	5.53
Operating expenses	3,042,194	2,881,360	(160,834)	(5.29)
Operating profit	3,009,403	3,504,631	495,228	16.46
Non-operating income and expenditures	604,788	6,901	(597,887)	(98.86)
Net profit before tax	3,614,191	3,511,532	(102,659)	(2.84)
Income tax expense	701,845	763,044	61,199	8.72
Current net profit from continued operation	2,912,346	2,748,488	(163,858)	(5.63)
Description about major changes:				
1. The change in non-operating income and expenses is -98.86%, which was mainly caused by the increase in foreign currency exchange losses and decrease in interest income from U.S. dollar interest-rate cuts.				

III. Cash Flow:

(I) Analysis on the changes in the consolidated statement of cash flows of the most recent year

Unit: NT\$ thousand

Cash, Beginning of Year	Net Cash Flow from Operating Activities in the Whole Year	Cash Inflow/Outflow for the Year	Cash Surplus	Leverage for Cash Deficit	
				Investment Plans	Financing Plans
9,297,301	4,810,834	(3,506,245)	10,601,890	-	-
1. Analysis on the changes in current cash flows: <ol style="list-style-type: none"> (1) Operating activities: Increase in the cash inflow is mainly caused by the increase in the operating income and the decrease in income tax payments in 2025. (2) Investing activities: Cash outflows amounted to NT\$1,670,646 thousand, primarily due to a increase in capital expenditures for plant expansion and production equipment. (3) Financing activities: Cash outflows amounted to NT\$1,880,448 thousand, primarily due to an increase in bank borrowings and a reduction in cash dividend payments. 					
2. Remedy for cash deficit and liquidity analysis: None.					

(II) Cash flow analysis for the coming year: N/A.

IV. Impact of Major Capital Expenditures in the Most Recent Year on Finance and Business

(I) Major capital expenditure items and source of capital: None

(II) Expected benefits: None

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

The aim of the Company in its investment policy is to consider the Company's business development strategy and operating needs, and seek long-term strategic partners. In terms of the investment plans for the coming year, the Company also will focus on long-term strategic investment, and continue to evaluate investment plans carefully.

VI. Risk Analysis and Assessment:

(I) Effects of changes in interest rate, exchange rate and inflation on the Company's profit and loss, and future countermeasures:

1. Change in interest rate and interest expenditures of the most recent two years:

Unit: NT\$ thousand; %

Item	Year	2024	2025
Interest income		228,269	157,130
Interest expenses		176,843	187,574
Net operating income		45,287,887	49,877,415
(Interest expenses - interest income) ÷ net operating income		-0.1136%	0.061%

Change in interest rate - policies and response measures:

Looking back on 2025, in April, the new President of the United States imposed tariffs on a global basis under the International Emergency Economic Powers Act (IEEPA). On May 15, 2025, Federal Reserve Chair Jerome Powell publicly announced that, following a five-year interval, the Federal Reserve would formally adjust its monetary policy framework in August or September. The series of major international changes and events in 2025 not only reflects the drastic changes in the global economic environment in recent years, but also suggests that the global financial market and policy direction will usher in a new situation.

Among the eight meetings of the U.S. Federal Reserve in 2025, interest rates were left unchanged at five meetings and were lowered at three meetings, for a total reduction of 0.75 percentage points, bringing the rate to a range of 3.50% to 3.75%.

FOMC 會議時間 (美東時間)	FOMC 利率決議公布時間 (台灣時間)	利率
2025/1/28-2025/1/29	2025/1/30 凌晨 3:00	4.25%~4.5%
2025/3/18-2025/3/19	2025/3/20 凌晨 2:00	4.25%~4.5%
2025/5/6-2025/5/7	2025/5/8 凌晨 2:00	4.25%~4.5%
2025/6/17-2025/6/18	2025/6/19 凌晨 2:00	4.25%~4.5%
2025/7/29-2025/7/30	2025/7/31 凌晨 2:00	4.25%~4.5%
2025/9/16-2025/9/17	2025/9/18 凌晨 2:00	4%~4.25% (降息 1 碼)
2025/10/28-2025/10/29	2025/10/30 凌晨 2:00	3.75%~4% (降息 1 碼)
2025/12/9-2025/12/10	2025/12/11 凌晨 3:00	3.5%~3.75% (降息 1 碼)

An appropriate reduction in the benchmark interest rate will help cause a slight decline in the prices of goods and services in the market, enhance consumers' purchasing power, and promote real economy development. However, the excessively abrupt and aggressive pace and magnitude of interest rate cuts are highly likely to cause the inflation nightmare to recur.

At the joint meeting of the Central Bank's Board of Directors and Supervisors on March 19, 2026, the Bank resolved to leave the policy interest rate unchanged. The decision was based on a comprehensive assessment of domestic and international economic and financial conditions, including a moderate domestic inflation outlook and stable economic growth. It also reflects a prudent response to uncertainties in the global economic and financial outlook, as well as potential impacts from the situation in the Middle East and U.S. economic and trade policies. The decision is expected to support the sound development of the overall economy and financial sector.

Interest rate risk of the Company mainly comes from financial liabilities undertaken by floating interest rate. Change in interest rate has influence on the Company's cash and equivalent cash & interest income generated from wealth management and structured products and interest expenses ought to be paid for financial liabilities. In response to future interest rate cuts due to tightening monetary policies, the Company will continue to take the following measures:

- (1) Improving the Company's financial structure and credit, and cooperating with financial institutions closely, to obtain preferential conditions for deposits and loans, and to stay abreast of the most up-to-date information on interest rate changes.
- (2) Making effective use of financing hedging instruments or fixed or floating financing interest rate. Adapt flexibly to respond to and mitigate the risk of interest rate changes

2. Exchange profit or loss in the most recent two years:

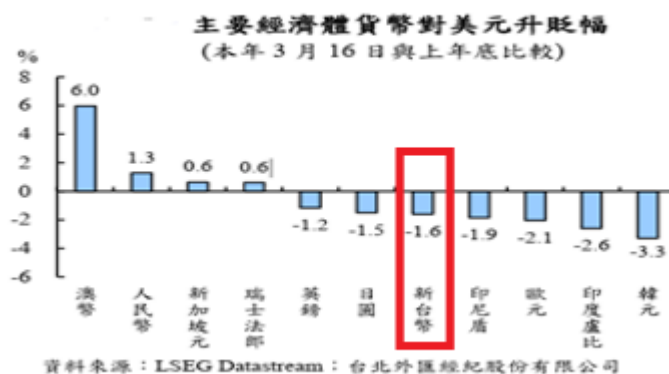
Unit: NT\$ thousand; %

Item	Year	2024	2025
	Net exchange profit (loss)		(1,801)
Net operating income		45,287,887	49,877,415
Net exchange profit (loss) ÷ Net operating income		(0.004%)	(0.53%)

Change in exchange rate - policies and response measures:

The global economic and inflation outlook has faced many uncertainties, including the recent outbreak of the U.S.-Iran conflict, heightened geopolitical risks, developments in U.S. trade policy and their impact, and the adjustment paths of monetary policies by major central banks. In addition, concerns over supply-side inflation shocks triggered by war have resurfaced, driving an escalation in 10-year government bond yields of major economies. Global stock markets have pulled back from their highs, with volatility spiking. The U.S. Dollar Index first declined and then recovered gradually. Currencies of major economies mostly depreciated against the U.S. dollar (as shown in the figure below), with the New Taiwan dollar also depreciating by 1.6%.

Considering the above factors, concerns over de-dollarization have gradually dissipated. The U.S. dollar remains the dominant global currency and continues to serve as the key foundation for U.S. influence within the global payment system.



The net foreign exchange gain or loss for the Company in 2025 has increased from a foreign exchange loss of NT\$1,801 thousand in 2024 to a loss of NT\$264,616 thousand in 2025. In response to fluctuations in exchange rates, the Company will continue to implement the following measures:

- (1) Staying vigilant to the changes in market conditions and closely monitor fluctuations in exchange rates.
- (2) Fully understanding and analyzing the trend of exchange rate, and determining the time for disposing the hedging instruments of the foreign currencies, or keeping the foreign currencies, by referring the professional information provided by financial institutions, to reduce exchange rate risk.

3. Impact of inflation on the Company's profit or loss in the most recent two years, and future countermeasures:

At the joint meeting of the Board of Directors and Board of Supervisors of the Central Bank of the Republic of China on March 19, 2026, the Bank noted that, looking ahead to 2026, recent hostilities in the Middle East have driven up international oil prices, which could exert upward pressure on inflation and weigh on global demand, thereby affecting Taiwan's economic outlook.

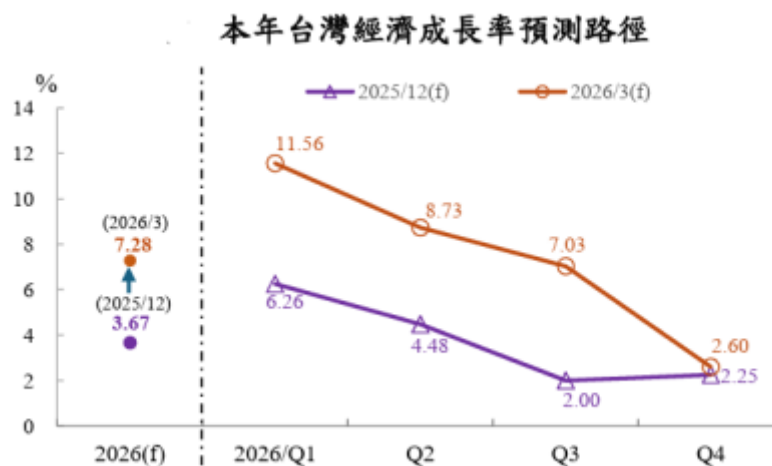
As application trends of emerging technologies such as Artificial Intelligence (AI) and High Performance Computing (HPC) continue, major international Cloud Service Providers (CSPs) have raised capital expenditures, driving Taiwan's exports to continue growing.

On the other hand, private investment is closely linked to exports, with strong export performance driving growth in private investment. As export opportunities arising from the application of emerging technologies expand, investment in advanced manufacturing processes and the related supply chain have increased, and demand for key components have outstripped supply. Relevant companies have expanded their plants in Taiwan, constructed new facilities, and upgraded production lines, thereby increasing the scale of capital expenditures. In addition, airlines have purchased new aircraft to meet cross-border travel demand, with private investment expected to continue growing.

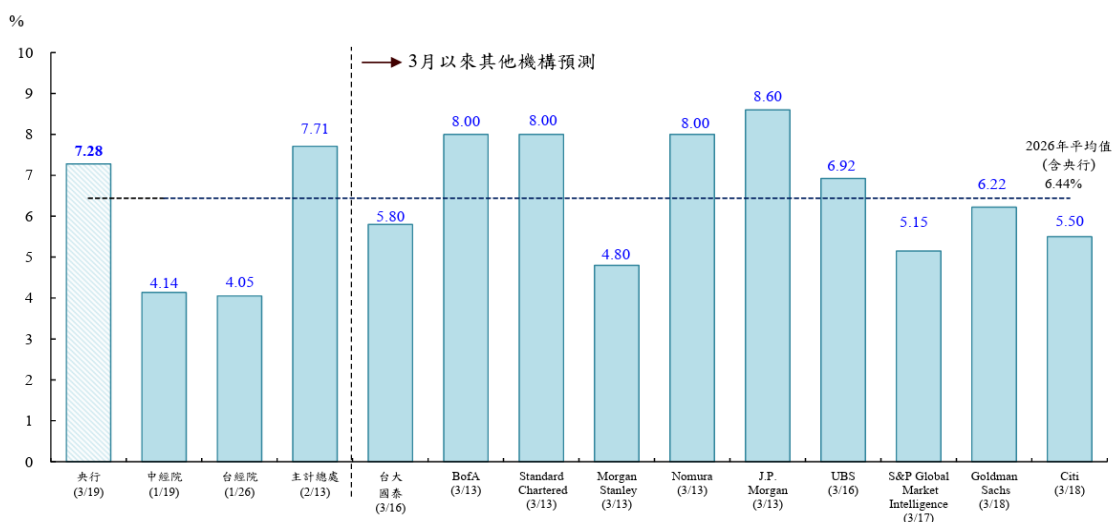
In addition, increased minimum wage this year and continued optimization of the income tax system, along with the favorable earnings of listed and OTC companies in 2025, have increased willingness to distribute dividends, bonuses, and salary raises, all of which have contributed to higher household disposable income. Moreover, supported by steady domestic economic conditions and stable labor market conditions, private consumption growth is expected to rebound.

In summary, the Central Bank of the Republic of China raised its forecast for this year's economic growth rate from 3.67% in last December to 7.28%. Amid expectations that demand for AI will remain strong this year, major domestic and foreign institutions maintain that the economy will sustain robust growth this year. Their forecasts range from 4.05% to 8.60%, with an average of 6.44%. However, the new U.S. policies have added upside risks to inflation, while uncertainty surrounding U.S. policies remain elevated. At the same time, the global economy faces downside risks. Given these factors, caution is warranted.

The table below presents the forecasted paths for Taiwan's economic growth rate for this year (Source: Central Bank of the Republic of China [Taiwan]).



The table below presents the forecasts for Taiwan's economic growth rate for this year from major domestic and international institutions (Source: Central Bank of the Republic of China [Taiwan]).



(II) Policies on high-risk or highly leveraged investments, loans to others, endorsements and guarantees, as well as derivatives trading, the main reasons for profits or losses, and future countermeasures:

1. The Company was not engaged in any high-risk or high-leverage investments in the most recent year.
2. The Company is engaged in loans to others, endorsements and guarantees, as well as derivatives trading fully in accordance with its "Operational Procedures for Loaning of Company Funds," "Operational Procedures for Endorsements and Guarantees," and "Operational Procedures for Acquisition and Disposal of Assets."
3. Engagement in derivative goods: Due to frequent international conflicts in recent years, the financial market is subject to intensified impact and fluctuation, and the fundamental and rational factors for various market price fluctuations are weakening, therefore, when operating such products as derivative goods with leverage effect, the Company mainly considers the actual hedging requirement based on the foreign currency positions generated from the Company's operations, and will perform in a more conservative and cautious way for purpose of evading market risk and reducing the Company's operation risk.

In 2025, the Company's strategy of derivative goods was operated by means of zero cost, therefore, the total realized benefits from derivative financial instruments amounted to NT\$8,489 thousand, while the total unrealized valuation losses amounted to NT\$3,520 thousand, and the Company has an appropriate risk-avoidance policy. The Company will regularly evaluate and adjust risk-avoidance policy at any time, depending on its operating status as well as the condition and trend of market fluctuation, to avoid risks which might arise from exposed portions.

(III) Future R&D plan and corresponding budget:

In the coming year, the Company will continue to devote itself to the improvement of its manufacturing processes, and the R&D of test equipment and automated process, etc., and the estimated R&D expenditures to be invested through the year will be over NT\$400 million in total.

(IV) Impact of changes in major overseas policies and laws on the Company's finance and business, and countermeasures: None.

(V) Effects of and response to changes in technology (including cyber security risk) and the industry relating to corporate finance and sales:

The Company is a professional foundry, which keeps itself updated on the developments electronic technology market. In line with the trend of market specialization, we try our best to strive for the opportunities related to manufacturing and processing businesses for high-end electronic products by cooperating with customers as a strategic alliance, besides, the Company pays close attention to science and technology change in relevant industry and situation and development of cyber security related risks, grasps the market beat and evaluates the positive and negative impacts on operation of the Company. In the most recent year as of the publication date of the annual report, the changes in science and technology and industry had no negative impact on operation of the Company.

Cyber security measures and implementation results:

1. Enhancing employee cyber security awareness

To instill cyber security awareness in every employee, the Company provides e-Learning cyber security training and conducts annual social engineering drills that simulate hacker phishing emails to test employees' cyber security risk awareness. Monthly cyber security awareness campaigns are issued, including the latest cyber security trends and recent major domestic and international security incidents, aiming to enhance employees' awareness and vigilance toward cyber security.

Item	Objective	Outcome
Annual execution of social engineering drills	Employees clicked on social engineering emails, with a click-through rate of less than 10%.	1.36%

2. Network and system vulnerability detection

To protect the Company's information assets and prevent losses caused by attacks exploiting system vulnerabilities, internal system equipment undergoes regular vulnerability scans annually. Additionally, cloud-based third-party professional services are commissioned to conduct penetration testing on external networks and service systems. This reduces potential impacts on the Company's operations. The purpose is to understand and assess the security status of the organization's network environment and system equipment, verify the current level and effectiveness of information security protections, and serve as a basis for patching vulnerabilities and making improvements to effectively strengthen system security.

3. Disaster recovery drills

To ensure the sustainability of business operations and to mitigate the risk of service interruptions due to major disaster events affecting critical information systems, the Company conducts either a live test or a tabletop exercise of its Information Business Continuity Plan or Cybersecurity Incident Emergency Response Plan annually. This is to ensure that the company can effectively respond to disasters at critical moments, allowing for a swift recovery of essential application systems to ensure continuous operation without interruption. Furthermore, personnel responsible for the maintenance of critical systems are required to select a portion of backup storage media or standby equipment at least once a year to conduct restoration tests of backup data. This is to confirm the readability of backup data, the availability of storage media, and the feasibility of the restoration procedures for important assets, ensuring that effective backup operations can be completed within the allocated time for recovery procedures.

The results of the drills conducted in 2025 all met the Company's established targets. Detailed statistics are shown in the table below:

Drill Purpose	Objective	Outcome
Conduct annual disaster recovery simulation exercises for critical application systems to ensure continuous operation and guarantee the uninterrupted functioning of these systems.	RTO ≤ 2 hours RPO ≤ 24 hours	RTO = 1.5 hours RPO = 22.15 hours

RTO: Recovery Time Objective (the maximum target time for restoring information services after a disaster incident occurs)

RPO: Recovery Point Objective (the maximum acceptable data recovery time after a disaster incident occurs)

- (VI) Impact of changes in corporate image on corporate risk management, and the countermeasures: None.
 - (VII) Expected benefits from merger and acquisition, possible risks, and countermeasures: None
 - (VIII) Expected benefits from factory expansion, possible risks, and countermeasures: None
 - (IX) Risks related to and countermeasures for excessively centralized purchase or customer:
 1. Risks related to centralized purchase or sale:
The Company's PCB substrate manufacturing and processing business for TFT-LCD may fluctuate depending on the supply, demands and price in the downstream TFT-LCD panel market. In case of price decrease caused by oversupply or demand reduction in market, the Company's business performance will be affected indirectly. As compared the Company's sales conditions in the most recent three years, there is no such a condition that the income of TFT-LCD from a single customer reaches 20% of its total revenue, due to the continued increase in the dispersed customers in China.
 2. Countermeasures:
Continuing to develop new customers to disperse the concentrated sales risk.
 - (X) Impact brought by transfer of large amount of equity by, or replacement of, directors, supervisors, or major shareholders holding over 10% of the Company's shares, related risks, and countermeasures: None.
 - (XI) Impact of the changes in management on the Company, related risks, and countermeasures: None.
 - (XII) For any litigation or non-litigation events, any settled or pending significant litigation, non-litigation or administrative dispute Involving the Company and its directors, supervisors, president, actual persons in charge, major shareholders holding more than 10% shares, and affiliates shall be disclosed and, if any result thereof may have material impact on shareholders' equity or securities price, the disputable fact, object amount, commencement date of litigation, major involved parties, and the dealing conditions as of the publication date of the Annual Report shall be disclosed: None.
 - (XIII) Other major risks and countermeasures: None.
- VII. Other Important Issues: None.

Chapter 6 Special Disclosures

- I. Related Information about Affiliates:
 - (I) Business reports of affiliated companies
For related information, please visit the Market Observation Post System (URL: <https://mops.twse.com.tw>), and select "Electronic Document Download/Related Party Transaction Reports" under the single company section.
 - (II) Consolidated financial statements of affiliates: None.
 - (III) Affiliation reports: None.
- II. The Status of Private Placement Securities shall be Disclosed the Date Approved by Shareholders' Meeting or the Board of Directors and Amount, the Basis and Rationale for Price Setting, the Selection Method of specified parties and the reasons for Private Placement, and From the Stock or Market Price Collected to the Completion of the Use of Funds, the Use of Funds from Private Placement and Progress of Proposed Plans in the Latest Year and up to the Printing Date of this Annual Report: None.
- III. Other Necessary Supplementary Information: None.
- IV. Any Matters Specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act Occurred in the Most Recent Year as of the Publication Date of the Annual Report which Has Significant Impact on Shareholders' Interests or Securities Price: None.

Taiwan Surface Mounting Technology Corp.

Representative: Wu, Kai-Yun