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## ANNUAL REPORT 2024

Published on April 22, 2025

## **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: dysanlin@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 2024:

In 2024, the global economy continued to be affected by inflation and geopolitical events, with demand for consumer electronic products remaining weak. As a result, the Company's operating revenue in 2024 slightly declined compared to 2023. However, with adjustments to the product shipment structure, the Company's 2024 operating performance in terms of gross profit, net operating profit, and net profit after tax was slightly better than in 2023.

(I) The Company's consolidated operating income in 2024 was NT\$45,287,887 thousand, a decrease of 2.60% compared with the consolidated operating income of NT\$46,496,015 thousand in 2023, and the after-tax consolidated net profit of the owners of the parent in 2024 was NT\$2,906,467 thousand, an increase of 15.93% compared with the after-tax consolidated net profit of NT\$2,507,016 thousand in 2023; and its basic EPS in 2024 was NT\$9.94.

(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 2025 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.
4. Continuously advancing the various strategies and execution status of ESG sustainable development, conducting regular risk assessments and strategy adjustments to reduce operational risks and enhance the Company's long-term competitiveness.

(II) Important Production and Sales Strategies

1. Continuing to enhance the global manufacturing footprint and widely distribute the products, clients and production bases, completed the construction of Vietnam and Mexico factories in 2023, and commenced mass production in 2024 to reduce the operation risk of centralized production and sales.
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 our operations to meet our clients' demand for more diverse product and market characteristics, thus providing a broader range of services. In addition, in the face of ongoing uncertainties in the global macroeconomic environment, 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 integrity, speed and attitude, 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 22, 2025

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	2022.06.17	3	1995.02.23	11,931,653	4.08%	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 CEO of TSMT, Director and CEO of RMIH 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	2022.06.17	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 Manager of Efa Corp.	Chairman of Hung Ta Plastics, Co., Ltd.	Director	Lin, Wen-Chang	Brothers
Director	R.O.C.	Wang, Chia-Chen	Female 41-50 years old	2022.06.17	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, Shian-Ho	Male 71-80 years old	2022.06.17	3	2008.06.13	0	0	0	0	0	0	Bachelor of electronic engineering, Chung Yuan Christian University Director and Vice President of AU Optronics Corp. Vice Chairman of Telways Communications Co., Ltd. Manager and Foundry Director of United MicroElectronics Corporation	President and Supervisor of Chemtec Corporation Director of C Sun Mfg. Ltd. Independent Director & Member of the Remuneration Committee and Audit Committee Member of Ennostar Inc. and ProLight Opto	None	None	None
Director	R.O.C.	Wu, Yun-Chung	Male 31-40 years old	2022.06.17	3	2016.06.15	4,060,470	1.39%	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, President, and Deputy President of the Advanced Process Business Office 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 61-70 years old	2022.06.17	3	1997.10.13	2,500,883	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.	Hsiao, Hsueh-Fong	Female 61-70 years old	2022.06.17	3	2003.04.04	0	0	0	0	0	0	Bank Assurance Department of Ming Chuan University Specialist of First Commercial Bank Financial/Accounting Manager of Yuan Liou Publishing Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Hwu, Shou-Chyang	Male 71-80 years old	2022.06.17	3	2003.04.04	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.	Chang, May-Yuan	Female 61-70 years old	2022.06.17	3	2008.06.13	0	0	0	0	0	0	Master of Industrial and Systems Engineering from Ohio State University, USA President of Sheng Yang Co., Ltd. Manager of Kuang Hua Investment Company Investment Manager of Global Investment Holdings Supervisor of HTC Corporation President of Dongan Investment (Holding) Co., Ltd.	Supervisor of Mutual-pak Technology Co., Ltd.	None	None	None
Independent Director	R.O.C.	Chen, Meng-Ping	Female 51-60 years old	2022.06.17	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 61-70 years old	2023.06.16	3	2023.06.16	0	0	0	0	0	0	Vice President of Li-Tzer Investment, Consultants Corporation., Limited.	None	None	None	None

Note 1: The Company's shares held by directors in other person's name: Director Shen, Shian-Ho holds 2,462,000 shares of the Company in another person's name, representing a 0.84% shareholding.

## Chapter 2 Corporate Governance Report

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 22, 2025

Condition Name	Professional Qualification and Experience	Independence Status	Number of Other Public Companies He/She Concurrently Serving as Independent Director
Wu, Kai-Yun	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. The conditions specified in Article 30 of the Company Act did not occur to her.	The conditions specified in Article 3(1)-5 to Article 3(1)-9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" did not occur to him/her.	0
Lin, Wen-Ching	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. The conditions specified in Article 30 of the Company Act did not occur to 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" did not occur to him/her.	0
Wang, Chia-Chen	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. The conditions specified in Article 30 of the Company Act did not occur to her.	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" did not occur to him/her.	0
Shen, Shian-Ho	Mr. Shen, Shian-Ho graduated from Chung Yuan Christian University with a degree in Electronic Engineering and served as a director and Vice President of AU Optronics Corp. He currently serves as a director of C Sun Mfg. Ltd., and an independent director of Ennstar Inc. and ProLight Opto. He has rich professional knowledge in the TFT-LCD industry, with experience in industrial development and operation management. The conditions specified in Article 30 of the Company Act did not occur to 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.	2



Wu, Yun-Chung	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 Deputy President of the Advanced Process Business Office 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. The conditions specified in Article 30 of the Company Act did not occur to her.	The conditions specified in Article 3(1)-5 to Article 3(1)-9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" did not occur to him/her.	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 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" did not occur to him/her.	0
Hsiao, Hsueh-Fong	Ms. Hsiao, Hsueh-Fong graduated from Bank Assurance Department of Ming Chuan University and served as a Specialist of First Commercial Bank and the Financial/Accounting Manager of Yuan Liou Publishing Co., Ltd., with the expertise and experience in financial management and financial investment. The conditions specified in Article 30 of the Company Act did not occur to 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 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, 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).	0
Chang, May-Yuan	Ms. Chang, May-Yuan graduated from Ohio State University, USA with a Master's degree in Industrial and Systems Engineering. She served as the President of Sheng Yang Co., Ltd., the Manager of Kuang Hua Investment Company, the Investment Manager of Global Investment Holdings, and the President of Dongan Investment (Holding) Co., Ltd., with professional knowledge and experience in financial management, financial investment, investment judgment, management of start-up companies, and operation management. The conditions specified in Article 30 of the Company Act did not occur to 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 her.		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 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":

Members of the Board of Directors should generally possess the knowledge, skills, and character necessary to perform 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 14th 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 Diver sifica tion  Name of Director	Basic constitution								Industrial Experience and Professional Capability						
	Nationality	Gender	Equippe d with employe es' identity	Age					Tenure Seniority of Independ ent Director	Administra tive Managemen t	Industry Knowle dge	Informat ion Technolo gy	Accounti ng & Finance	Leadership & Decision-Ma king	Risk Managem ent
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	71-80 years old							
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, Shian-Ho	R.O.C.	Male						v		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
Hsiao, Hsueh-Fong	R.O.C.	Female					v				v		v		v
Hwu, Shoou-Chyang	R.O.C.	Male						v	v	v	v			v	v
Chang, May-Yuan	R.O.C.	Female					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

(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 14th 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 14th 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 14th 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 the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 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 22, 2025

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Shareholding		Spouse and Minor Children Shareholding		Major Experience (Education)	Current Positions in Other Companies	Managerial Officers Who are Spouses or the Relatives within Second-degree Kinship		
					Shares	Shareholding %	Shares	Shareholding %			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 CEO of TSMT, Director and CEO of RMIH, 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, President, and Deputy President of the Advanced Process Business Office 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	13,556	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, 2024

Unit: thousand shares/NT\$ thousand

Title	Name	Remuneration								Ratio of Total Remuneration (A, B, C, and D) in Net Profit after Tax (%) (Note 10)		Remuneration Paid to Concurrent Employees								Ratio of Total Remuneration (A, B, C, D, E, F and G) 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)	The Company		All Companies in the Financial Statements (Note 7)		TSMC	All Companies in the Financial Statements (Note 7)	
Chairman and CEO	Wu, Kai-Yun	-	741	-	-	10,500	11,241	-	-	10,500.36	11,241.39	16,322	55,981	-	-	8,500	-	8,500	-	35,322.22	75,722.61	None
Director	Lin, Wen-Ching	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Director and Vice President	Wang, Chia-Chen	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	2,781	2,781	108	108	3,000	-	3,000	-	7,639.26	7,639.26	
Director	Shen, Shian-Ho	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Director and President	Wu, Yun-Chung	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	7,675	9,392	108	108	10,000	-	10,000	-	19,533.67	21,250.73	
Director	Lin, Wen-Chang	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Director	Hsiao, Hsueh-Fong	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Independent Director	Hwu, Shouu-Chyang	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Independent Director	Chang, May-Yuan	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Independent Director	Chen, Meng-Ping	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Independent Director	Shih, Yu-Hua	-	-	-	-	1,750	1,750	-	-	1,750.06	1,750.06	-	-	-	-	-	-	-	-	1,750.06	1,750.06	
Note 1:	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.																					
Note 2:	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, Shian-Ho Wang, Chia-Chen, Wu, Yun-Chung Lin, Wen-Chang, Hsiao, Hsueh-Fong Hwu, Shouou-Chyang, Chang, May-Yuan Chen, Meng-Ping, Shih, Yu-Hua	Lin, Wen-Ching, Shen, Shian-Ho Wang, Chia-Chen, Wu, Yun-Chung Lin, Wen-Chang, Hsiao, Hsueh-Fong Hwu, Shouou-Chyang, Chang, May-Yuan Chen, Meng-Ping, Shih, Yu-Hua	Lin, Wen-Ching, Shen, Shian-Ho Lin, Wen-Chang, Hsiao, Hsueh-Fong Hwu, Shouou-Chyang, Chang, May-Yuan Chen, Meng-Ping, Shih, Yu-Hua	Lin, Wen-Ching, Shen, Shian-Ho Lin, Wen-Chang, Hsiao, Hsueh-Fong Hwu, Shouou-Chyang, Chang, May-Yuan Chen, Meng-Ping, Shih, Yu-Hua
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 the total compensation received in the most recent fiscal year by directors concurrently serving as employees (including concurrently serving as President, Vice President, other Managerial Officers and employee). Such compensation includes salaries, position allowances, severance pay, various bonuses and incentives, transportation allowances, special allowances, various subsidies, housing, company vehicles, and other in-kind benefits. When housing, vehicles, and other means of transportation or personal expenses are provided, the nature and cost of the assets provided, as well as the actual or fair market value of the calculated rent, fuel expenses, and other payments, should be disclosed. Additionally, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," which includes the acquisition of employee stock options, restricted stock for employees, and participation in cash capital increases for stock purchases, should also be included in the compensation.

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, 2024

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 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	6,822	46,481	-	-	9,500	9,500	8,500	-	8,500	-	24,822 0.85	64,481 2.22	None
President	Wu, Yun-Chung	5,165	6,882	108	108	2,510	2,510	10,000	-	10,000	-	17,783 0.61	19,500 0.67	
Vice President	Chen, Yuan-Te	2,961	2,961	108	108	0	0	3,000	-	3,000	-	6,069 0.21	6,069 0.21	
Vice President	Lin, Hung-Sen	2,613	2,613	108	108	0	0	2,500	-	2,500	-	5,221 0.18	5,221 0.18	
Vice President	Wang, Chia-Chen	2,781	2,781	108	108	0	0	3,000	-	3,000	-	5,889 0.20	5,889 0.20	

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 invested Companies 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: It means the total value of various bonuses, incentive payments, transportation allowances, special allowances, subsidies, housing, company vehicles, other in-kind benefits, and other forms of compensation received by the President and Vice President in the most recent fiscal year. When housing, vehicles, and other means of transportation or personal expenses are provided, the nature and cost of the assets provided, as well as the actual or fair market value of the calculated rent, fuel expenses, and other payments, should be disclosed. If a driver is assigned, the Company must provide a note detailing the remuneration paid to the driver; however, such payment is not included in the total compensation. Additionally, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," which includes the acquisition of employee stock options, restricted stock for employees, and participation in cash capital increases for stock purchases, should also be included in the compensation.

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, 2024  
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 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	6,822	46,481	-	-	9,500	9,500	8,500	-	8,500	-	24,822 0.85	64,481 2.22	None
President	Wu, Yun-Chung	5,165	6,882	108	108	2,510	2,510	10,000	-	10,000	-	17,783 0.61	19,500 0.67	
Vice President	Chen, Yuan-Te	2,961	2,961	108	108	0	0	3,000	-	3,000	-	6,069 0.21	6,069 0.21	
Vice President	Lin, Hung-Sen	2,613	2,613	108	108	0	0	2,500	-	2,500	-	5,221 0.18	5,221 0.18	
Vice President	Wang, Chia-Chen	2,781	2,781	108	108	0	0	3,000	-	3,000	-	5,889 0.20	5,889 0.20	

Note 1: The term "top five highest-paid managers" refers to the managerial officers of the Company. The criteria for identifying these officers are based on the regulations outlined in Tai-Tsai-Cheng-3-Tze No. 0920001301, issued by the Securities and Futures Institute of the Ministry of Finance on March 27, 2003, which defines the applicable scope of "managerial officers." The principle for calculating the "top five highest-paid" is determined by the total amount of salaries, retirement pensions, bonuses, and special allowances received by the Company's managerial officers, as reported in the consolidated financial statements of all affiliated companies. 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: It means the total value of various bonuses, incentive payments, transportation allowances, special allowances, subsidies, housing, company vehicles, other in-kind benefits, and other forms of compensation received by the top five highest-paid managers in the most recent fiscal year. When housing, vehicles, and other means of transportation or personal expenses are provided, the nature and cost of the assets provided, as well as the actual or fair market value of the calculated rent, fuel expenses, and other payments, should be disclosed. If a driver is assigned, the Company must provide a note detailing the remuneration paid to the driver; however, such payment is not included in the total compensation. Additionally, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," which includes the acquisition of employee stock options, restricted stock for employees, and participation in cash capital increases for stock purchases, should also be included in the compensation.

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, 2024

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	1.01%
	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 2024 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 2024.

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  Title	Ratio of Total Remuneration in Net Profit after Tax			
	2024		2023	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Director	2.63%	4.08%	2.57%	3.43%
President and Vice President	2.06%	3.48%	2.06%	2.89%

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 (2024), 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%	
Director	Lin, Wen-Ching	4	2	67%	
Director	Shen, Shian-Ho	6	0	100%	
Director	Wang, Chia-Chen	6	0	100%	
Director	Wu, Yun-Chung	4	2	67%	
Director	Lin, Wen-Chang	5	1	83%	
Director	Hsiao, Hsueh-Fong	6	0	100%	
Independent Director	Hwu, Shouu-Chyang	6	0	100%	
Independent Director	Chang, May-Yuan	6	0	100%	
Independent Director	Chen, Meng-Ping	6	0	100%	
Independent Director	Shih, Yu-Hua	6	0	100%	

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 36#): 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, 2024 to December 31, 2024	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	<p>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.</p> <p>The performance evaluation of individual Board members includes alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.</p> <p>The performance evaluation of functional committees includes participation in the operation of the Company, understanding of the</p>

					responsibilities of the functional committee, enhancement of decision-making quality, composition and appointment of committee members, and internal control.
<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"> <li>1. 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.</li> <li>2. 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 25# of this Annual Report for operation of the Remuneration Committee.</li> <li>3. 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 18# of this Annual Report for operation of the Audit Committee.</li> <li>4. The Company comprehensively reelected its Directors at the regular meeting of its shareholders' meeting held on June 17, 2022, with 10 Directors (including 3 Independent Directors) elected, and one more independent director was elected additionally at the shareholders' regular meeting held on June 16, 2023, to improve the Board of Directors' function and corporate governance.</li> <li>5. 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.</li> </ol>					

(II) Operation of Audit Committee:

The meeting of the Audit Committee was held for 5 times (A) in the most recent year (2024), 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	5	0	100%	
Member	Chang, May-Yuan	5	0	100%	
Member	Hwu, Shouu-Chyang	5	0	100%	
Member	Shih, Yu-Hua	5	0	100%	
<p>Other mentionable items:</p> <p>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:</p> <p>(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 36#): 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.</p>					

(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 Supervisor:  
 Communication Policy for Independent Directors and the Internal Audit Supervisor.  
 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
2024/3/12	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 4th quarter in 2023.	Independent Directors did not express any opinion.
2024/4/29	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 1st quarter in 2024.	Independent Directors did not express any opinion.
2024/8/9	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 2nd quarter in 2024.	Independent Directors did not express any opinion.
2024/10/29	Audit Committee	Implementation report of audit plan of the Internal Audit Office of the Company for the 3rd quarter in 2024.	Independent Directors did not express any opinion.
2024/12/27	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.
		Prepare Internal Audit Office's 2025 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
2024/3/12	1. Completion by CPAs of audit on the Company's 2023 financial statements in accordance with financial rules, and explanation about the issues related to audit by sending the letter to independent directors. 2. Communication about the major issues in the Audit Report. 3. 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 annual financial statements were approved by the Audit Committee, submitted to and approved by the Board of Directors, and announced and reported to the competent authority as scheduled.
2024/4/29	1. Completion by CPAs of audit on the Company's 2024 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.

	2024/8/9	<ol style="list-style-type: none"> <li>1. Completion by CPAs of audit on the Company's 2024 Q2 Financial Statements, and explanation about that by sending letter.</li> <li>2. Explanation by CPAs to Independent Directors about major adjustments.</li> </ol>	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 submitted to and approved by the Board of Directors, announced and reported to the competent authority as scheduled.
	2024/10/29	<ol style="list-style-type: none"> <li>1. Completion by CPAs of audit on the Company's 2024 Q3 Financial Statements, and explanation about that by sending letter.</li> <li>2. Explanation by CPAs to Independent Directors about major adjustments.</li> </ol>	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 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 2024, 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 ( <a href="https://www.tsmc.com">https://www.tsmc.com</a> ).	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 an 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)?	✓		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 2024". 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 a valued company) Improvement in 2024: Establishment of a new functional committee for performance evaluation. Matters and measures of priority enhancement: the term of office for more than half of the 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 2024

Name	Organizer	Course Name	Hours
Shen, Shian-Ho	Securities and Futures Institute	Strategic Thinking in Issue Management within Corporate Governance	3
	Taiwan Corporate Governance Association	How the Board Ensures Sustainable Business Operations: Starting with Talent Discovery and Development	3
Wang, Chia-Chen (Also the Corporate Governance Manager)	Accounting Research and Development Foundation of the Republic of China	Practical Risk Management and Internal Control in the Era of ESG	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	Legal Responsibilities and Practical Case Analysis of Insider Trading by Corporate Insiders	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 Corporate Tax Governance in the ESG Era	3
	Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Securities Financial Tax Laws and Professional Standards	1
Chen, Meng-Ping	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Shih, Yu-Hua	Taiwan Corporate Governance Association	Enhancing Corporate Governance: Lessons from Enforcement Cases	3
	Securities and Futures Institute	Economic Situation and Market Opportunities in New Southbound Countries	3
Chang, May-Yuan	Taiwan Corporate Governance Association	Driving Enterprise Innovation and Growth	3
	Securities and Futures Institute	Disputes over Corporate Control and an Introduction to the Commercial Case Adjudication Act	3

Name	Organizer	Course Name	Hours
Hwu, Shoou-Chyang	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Hsiao, Hsueh-Fong	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6

(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 Name	Professional Qualification and Experience	Independence Status	Number of Other Public Companies in Which He or She is Concurrently Serving as an Independent Director
Independent Director (Convener)	Hwu, Shoou-Chyang	(Note 2)		0
Independent Director	Chen, Meng-Ping			1
Independent Director	Chang, May-Yuan			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 “Organic Regulations of the Company 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 managerial 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 17, 2022 to June 16, 2025, and the Remuneration Committee held 2 meetings (A) in 2024, 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%	
Member	Chen, Meng-Ping	2	0	100%	
Member	Chang, May-Yuan	2	0	100%	

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 5th meeting of the 5th-term Remuneration Committee held on March 12, 2024:

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 Managerial Officer's remuneration payment 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 2023 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 6th meeting of the 5th-term Remuneration Committee held on October 29, 2024:

1. The proposal for payment of employee cash remuneration to Managerial Officers in 2023 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 method of evaluating the year-end bonus to Managerial Officers and its payment standards 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.

(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?	✓		To continue promoting and implementing the Company's sustainable development strategies and goals, TSMT established the ESG Working Team. 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 Vice President 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 are responsible for implementing ESG initiatives related to their respective business areas.	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?	✓		TSMT 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, TSMT's primary risk items include market risk, financial risk, and credit risk. The annual management situation has been reported to the Board of Directors.	No deviation
III. Environmental issues (I) Does the Company establish suitable environmental management system based on the characteristics of its industry?	✓		TSMT 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. TSMT also conducts regular assessments of environmental and safety regulations, assisting 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.	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	
(II) Is the company committed to increasing the utilization efficiency of energies, and using the renewable materials with low impact on environment?	✓		Due to TSMT's contracted electricity capacity in Taiwan exceeding 800 kW, it falls under the category of regulated energy users as defined by the Energy Administration Act. In accordance with the regulations, the Company is required to achieve the energy-saving goals and implementation plan. The Company continues to promote energy-saving measures by improving lighting and air conditioning efficiency, as well as regular equipment maintenance, to reduce energy consumption. In addition to reducing GHG and carbon dioxide emissions, TSMT can also simultaneously lower operating costs from a corporate sustainability perspective. Each year, TSMT implements energy-saving and carbon-reduction programs according to its plan.	No deviation
(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, TSMT 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?	✓		TSMT 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 <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCS), sulfur hexafluoride (SF <sub>6</sub> ), and nitrogen trifluoride (NF <sub>3</sub> ). Based on the results of the inventory, further investments are made into GHG management and reduction planning, with the aim of effectively curbing emissions of greenhouse gases.	No deviation
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., and learns employees' needs through labor meetings to safeguard staff rights and rights, with a good implementation thereof.	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 established Remuneration Committee on October 25, 2011, which is responsible for implementing suggestions, evaluating and supervising the remuneration to the Company's Directors, Supervisors, and Managerial Officers, etc. and their remuneration policies, so as to assist the Board of Directors in managing remuneration. And it holds labor meeting regularly to reflect the business performance or results in employee remuneration appropriately.	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	
(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>TSMT 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"> <li>1. Zero cases of severe workplace accidents were recorded</li> <li>2. The number of accidents classified as minor or above is <math>\leq 10</math></li> </ol> <p>Medium-term</p> <p>Continuously provide optimal resources to improve the safety and hygiene facilities in the factory area, and strengthen various employee health service projects to establish a safe and healthy working environment and enhance the 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
(IV) Does the Company have effective career and competence development and training plans for its employees?	✓		The Company provides appropriate training and development programs and funds 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?	✓		TSMT 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. Effective communication with customers and timely resolution of their complaints are our goals, aiming to minimize any inconvenience caused by quality or service issues. This not only upholds our Company's reputation but also enhances the quality of our after-sales service, ultimately improving customer satisfaction.	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?	✓		<p>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.</p> <p>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.</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	
V. Does the Company refer to internationally recognized guidelines or standards for the preparation of reports, such as sustainability reports that disclose non-financial information? Has the aforementioned report obtained assurance or verification opinions from a third-party verification entity?	✓		The Company has prepared the Sustainability Report, which is prepared in accordance with GRI Standards published 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
<p>VI. If the Company has its own "Sustainable Development Best Practice Principles" formulated in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please specify the deviation of its implementation from its "Sustainable Development Best Practice Principles":</p> <p>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:</p> <p>I. Implement corporate governance.</p> <p>II. Develop a sustainable environment.</p> <p>III. Maintain social welfare.</p> <p>IV. Enhance disclosure of corporate sustainability information.</p> <p>There is no significant deviation between its operational results and the established principles.</p>				
<p>VII. Other important information which can help to understand the implementation status of sustainable development:</p> <p>In addition to conducting annual GHG assessments, TSMT'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. 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.</p> <p>TSMT 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.</p>				

#### 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.	TSMT has established an ESG Working Initiative Team within the existing organizational structure. This group serves as the responsible unit for climate change and environmental management, with the General Manager as the highest decision-maker, responsible for approving management strategies and policies. The group is led by the highest executive of the General Administration Department, who coordinates and promotes the development of climate change strategies. Regular meetings are held each year to assess and monitor environmental management data, as well as the effectiveness of various initiatives.
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 TSMT 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 Risks:</p> <p>With rising operating costs, Taipei Science and Technology Corporation has a capital of NT\$29.2 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. These requirements have led to an increase in operating</p>

	<p>expenses.</p> <p>Medium-term Risks:</p> <p>a). The inability to meet customer or stakeholder demands has led to a decrease in orders and a decline in revenue.</p> <p>Currently, the Company has received requests from customers for carbon emission data disclosure. In order to maintain stable cooperative relationships with customers, TSMT 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>The business incurred losses due to production disruptions.</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 management expenses, and an impact on corporate sales revenue.</p> <p>c). Reduce energy usage costs.</p> <p>TSMT 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 TSMT's long-term operational costs.</p>
3. Describe the impact of extreme weather events and transition actions on finances.	<p>Considering various financial risks, such as currency risk, price risk, and interest rate risk, it is crucial to continuously monitor international financial information and exchange rate fluctuations. Maintaining close communication with banks and staying informed in a timely manner is essential to ensure liquidity and minimize the impact of financial risks on TSMT.</p> <p>Rise in the operational costs</p> <p>The inability to meet customer or stakeholder demands has led to a decrease in orders and a decline in revenue.</p>
4. Describe the integration of climate risk identification, assessment, and management processes into overall risk management system.	<p>TSMT's ESG Task Force held a Climate Risk and Opportunity Workshop, bringing together the Environmental Sustainability and Product/Customer Care subcommittees to assess climate-related risks and opportunities specific to the Company. Based on the TCFD framework, TSMT 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, TSMT has identified and summarized four major climate-related risks and opportunities, including two transition risks, one physical risk, and one opportunity. The Sustainability Subcommittee developed corresponding strategies and targets for each issue. Moving forward, the implementation and goal attainment of each initiative will be monitored and reviewed on an annual basis.</p>

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.	TSMT did not conduct 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.	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 TSMT 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.
7. If using internal carbon pricing as a planning tool, the basis for price determination should be explained.	While no such plans have been implemented yet, internal discussions are actively underway regarding the potential adoption of 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 follows the guidelines of the "Greenhouse Gas Protocol (GHG Protocol)" to conduct an inventory of GHG emissions within the organization. Subsequently, based on the inventory results, the Company will develop more proactive GHG reduction plans. In the future, each factory will continue to independently complete the previous year's GHG inventory and plan for GHG verification annually, in order 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 see the following for detailed information on the GHG inventory and assurance status, reduction targets, strategies, and specific action plans.

## 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 <sub>2</sub> e), emissions intensity (metric tons of CO <sub>2</sub> e per NT\$1 million), and the scope of data coverage.
<p>TSMT 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<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCS), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).</p> <p>In 2023, the total GHG emissions of TSMT amounted to 54,926.9247 metric tons of CO<sub>2</sub>e, with Scope 1 emissions amounting to 1,289.2187 metric tons of CO<sub>2</sub>e, and Scope 2 emissions at 53,637.706 metric tons of CO<sub>2</sub>e.</p> <p>The 2024 GHG emissions data for TSMT will be available in the 2024 TSMT Sustainability Report.</p>

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.

Taipei Science and Technology Corporation has a capital of NT\$29.2 billion. All consolidated subsidiaries are required to complete GHG inventories by 2027, individual company GHG assurance by 2028, and consolidated subsidiary assurance by 2029. TSMC plans to complete individual company GHG assurance by 2025 and consolidated subsidiary GHG assurance by 2027.

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.

The Company follows the guidelines of the "Greenhouse Gas Protocol (GHG Protocol)" to conduct an inventory of GHG emissions within the organization. Subsequently, based on the inventory results, the Company will develop more proactive GHG reduction plans. In the future, each factory site will continue to independently complete the GHG inventory for the previous year annually. Additionally, the Company plans to conduct individual company GHG assurance in 2025 to enhance and ensure the accuracy of the inventory results.

Short-term Goals:

1. Comply with government carbon emission policies and meet environmental regulations, achieving zero violations.
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.

Medium to Long-term Goals:

Complete the verification of GHG inventory for the parent company by 2025, and complete the verification of GHG inventory for the consolidated subsidiaries by 2027.

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	✓		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
(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?	✓			
(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 operation integrity				
(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?	✓		The Company specifically declares the principle of ethical corporate management during the training of new employees. The procurement unit of the Company also periodically promotes the principle of ethical corporate management to suppliers, in order to eliminate dishonest business practices. Each year, the Company conducts general training for all employees, which includes the promotion of the employee Corporate Codes of Conduct. The content focuses on the concept of ethical corporate management, with a total of 1,751 participants in 2024.	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:
11th Meeting of the 14th Term March 12, 2024	<ol style="list-style-type: none"> <li>1. The proposal to distribute remuneration for employees and directors in 2023 was approved.</li> <li>2. 2023 Individual Financial Statements and Consolidated Financial Statements were recognized. (Note)</li> <li>3. 2023 Annual Business Report were approved.</li> <li>4. The 2023 Profit Distribution Proposal was approved.</li> <li>5. 2023 "Statement of Internal Control" was approved. (Note)</li> <li>6. The proposal for determining the date, agenda and proposal period of and for shareholders' regular meeting in 2024 was approved.</li> <li>7. The proposal for the appointment of CPAs and evaluation of their independence was approved. (Note)</li> <li>8. The proposal for the policies, systems, standards, and structures of managerial officers' remuneration was approved.</li> <li>9. The proposal for the remuneration to managerial officers was approved.</li> <li>10. The proposal for the payment standards of the remuneration to directors was approved.</li> <li>11. Approved the capital increase proposal of the subsidiary, <u>Taiwan Surface Mounting Technology (U.S.A.) Co., Ltd.</u> (Note)</li> <li>12. The review of the Profit Distribution Proposal of <u>TSMT (Suzhou) Co., Ltd.</u> was approved. (Note)</li> <li>13. The 2023 Profit Distribution Proposal of <u>Regent Manner Limited</u> was approved. (Note)</li> <li>14. The proposal for the Company and <u>Regent Electron (Xiangyang) Co., Ltd</u> to engage in derivative financial commodity transaction was approved. (Note)</li> </ol>
12th Meeting of the 14th Term April 29, 2024	<ol style="list-style-type: none"> <li>1. 2024 Q1 Financial Statements were approved.</li> <li>2. The proposal to reduce capital in order to offset losses for the subsidiary <u>High-Toned Opto Technology Corp.</u> was approved. (Note)</li> <li>3. The proposal for the disposal of equity in <u>TSMT Vietnam Co., Ltd.</u> was approved. (Note)</li> </ol>
13th Meeting of the 14th Term June 21, 2024	<ol style="list-style-type: none"> <li>1. Approval of stipulating the record date of ex-dividends by earnings distribution.</li> <li>2. The proposal for the Company to engage in derivative financial commodity transaction was approved. (Note)</li> </ol>
14th Meeting of the 14th Term August 9, 2024	<ol style="list-style-type: none"> <li>1. Whether the Company's accounts receivable and other receivables that exceed three months of the normal credit period were considered as loans of funds were approved.</li> <li>2. 2024 Q2 Financial Statements were approved.</li> <li>3. The amendment to the "Rules of Procedure for the Board of Directors" was approved.</li> <li>4. The proposal for the Company to engage in derivative financial commodity transaction was approved. (Note)</li> </ol>
15th Meeting of the 14th Term October 29, 2024	<ol style="list-style-type: none"> <li>1. 2024 Q3 Financial Statements were approved.</li> <li>2. The proposal for reviewing the Company's "Organic Regulations of the Company Remuneration Committee".</li> <li>3. The proposal for payment of employee cash remuneration to managerial officers in 2023 was approved. (Note)</li> <li>4. The proposal for the method of evaluating the year-end bonus in 2024 to Managerial Officers and its payment standards was approved. (Note)</li> <li>5. Amendment to the "Internal Control System" was approved. (Note)</li> <li>6. The capital expenditure proposal for the expansion of Phase II of <u>TSMT Technology (India) Pvt. Ltd.</u> was approved. (Note)</li> <li>7. The Company's endorsement guarantee for its wholly-owned subsidiary <u>TSMT Technology (Singapore) Pte. Ltd.</u> was approved. (Note)</li> <li>8. The review of the Profit Distribution Proposal of <u>Regent Electron (Ningpo) Co., Ltd</u> was approved. (Note)</li> <li>9. The earnings distribution plan of a major subsidiary was approved. (Note)</li> <li>10. The acquisition of land use rights and the lease-and-build factory project by <u>Regent Electron (Xiangyang) Co., Ltd.</u> was approved. (Note)</li> <li>11. The proposal for the Company to engage in derivative financial commodity transaction was approved. (Note)</li> </ol>
16th Meeting of the 14th Term December 27, 2024	<ol style="list-style-type: none"> <li>1. The proposal for formulation of 2025 Internal Audit Plan for the Company was approved. (Note)</li> <li>2. The Company's 2025 annual operating budget and capital expenditure budget was approved.</li> <li>3. The proposal for establishing new subsidiary in India was approved.</li> <li>4. The intercompany loan from <u>TSMT Technology (Singapore) Pte. Ltd.</u> to its subsidiary <u>TSMT Vietnam</u></li> </ol>



Date of Resolution	Important resolutions made by the Board of Directors:
	<u>Co., Ltd.</u> was approved. (Note) 5. The Profit Distribution Proposal of <u>Regent Electron (Xiamen) Co., Ltd</u> was approved. (Note) 6. The Profit Distribution Proposal of <u>Regent Electron (Suzhou) Co., Ltd</u> was approved. (Note) 7. The amendment to the profit distribution amount of <u>Regent Electron (Ningpo) Co., Ltd.</u> was approved. (Note) 8. The proposal for the Company and <u>Regent Manner Limited</u> to engage in derivative financial commodity transaction was approved. (Note)
17th Meeting of the 14th Term March 10, 2025	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. The endorsement and guarantee by the Company for its subsidiary, <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)

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

2. Implementation of the resolutions made at the 2024 regular shareholders' meeting:

(1) Recognition on 2023 financial statements

Implementation: It was approved by the resolution made at the 2024 regular shareholders' meeting.

(2) Recognition on 2023 profit distribution proposal

Implementation: the Profit Distribution Proposal was approved at the 2024 regular shareholders' meeting, and payment of the cash dividends on August 9 is approved at the meeting of the Board of Directors on June 21, 2024.

- (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			
Pricewaterhouse Coopers Taiwan	Lin, Kuan-Hung Wang, Fang-Yu	8,655	-	-	-	1,258	1,258	9,913	2024 full year	(Note)

Note: Others are transfer fee and services fee for 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

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.	Party		
	Situation	CPA	Appointee
	Voluntary termination of the appointment	-	-
	Non-acceptance of the appointment (any more)	-	-
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
	No	V	
	Description		
Other items to be disclosed: (Those that shall be disclosed in Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of this 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	2024		Current Year as of April 22th	
		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	-	-	-	-
Director and Vice President	Wang, Chia-Chen	-	-	-	-
Director and President	Wu, Yun-Chung	-	-	30,000	-
Director	Lin, Wen-Chang	(1,000)	-	-	-
Director	Hsiao, Hsueh-Fong	-	-	-	-
Independent Director	Hwu, Shoou-Chyang	-	-	-	-
Independent Director	Chang, May-Yuan	-	-	-	-
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	-	-	-	-

(II) Equity transfer with Related Party: None.

(III) Shares Pledge with Related Party: None.

VII. Relationship among the Top Ten Shareholders:

April 21, 2025

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	29,239,000	10.00	-	-	-	-	-	-	
KGI Taiwan Select High Dividend 30 ETF – Segregated Fund Account	13,098,000	4.48	-	-	-	-	-	-	
Yu Chieh Investment Limited Representative: Xu, Shi-Jie	13,008,471	4.45	-	-	-	-	-	-	
	Information not available								
Wu, Kai-Yun	11,899,653	4.07	11,389,085	3.90	-	-	Wang, Ying-Nien	Spouse	
Yuanta Taiwan High Dividend Low Volatility ETF	11,695,000	4.00	-	-	-	-	-	-	
Wang, Ying-Nien	11,389,085	3.90	11,899,653	4.07	-	-	Wu, Kai-Yun	Spouse	
Taipei Fubon Commercial Bank Co., Ltd. acts as custodian for the segregated account of the Fuh Hwa Taiwan Technology High Dividend ETF Securities Investment Trust Fund.	10,173,000	3.48	-	-	-	-	-	-	
New Labor Pension Funds	7,425,500	2.54	-	-	-	-	-	-	
Lin, Wen-Ching	5,914,789	2.02	613,701	0.21	-	-	-	-	
Hua Nan Commercial Bank serves as the custodian for the segregated account of the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund.	4,627,000	1.58	-	-	-	-	-	-	

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, 2024; 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	%
TSMT(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
TSMT(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
TSMT(USA)	1,000,000	100.00	-	-	1,000,000	100.00

Note: 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	Issuance Price (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 21, 2025

Name of Major Shareholders	Shareholding	%
Capital Tip Customized Taiwan Select High Dividend ETF	29,239,000	10.00
KGI Taiwan Select High Dividend 30 ETF – Segregated Fund Account	13,098,000	4.48
Yu Chieh Investment Limited	13,008,471	4.45
Wu, Kai-Yun	11,899,653	4.07
Yuanta Taiwan High Dividend Low Volatility ETF	11,695,000	4.00
Wang, Ying-Nien	11,389,085	3.90
Taipei Fubon Commercial Bank Co., Ltd. acts as custodian for the segregated account of the Fuh Hwa Taiwan Technology High Dividend ETF Securities Investment Trust Fund.	10,173,000	3.48
New Labor Pension Funds	7,425,500	2.54
Lin, Wen-Ching	5,914,789	2.02
Hua Nan Commercial Bank serves as the custodian for the segregated account of the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund.	4,627,000	1.58

(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.

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.

Those receiving employees' remuneration in stocks or cash include employees of subordinate companies meeting certain criteria.

- (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) For the Company's dividend policy, the Company adopts the residual dividend policy, the Board of Directors will draft earnings distribution proposals based in the profitability and the capital status for the current year, taking the Company's future operational planning, business development, capital expenditure budget and capital requirements into consideration. The issuance of stock dividends takes precedence over the payment of cash dividends or stock dividends. In principle, cash shall not be less than 20% of total dividends 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, 2025, and submitted to the 2025 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. 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.  
 Those receiving employees' remuneration in stocks or cash include employees of subordinate companies meeting certain criteria.
  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\$185,000 thousand of employee remuneration and NT\$28,000 thousand of directors' remuneration in cash in 2024 was approved by the Board of Directors on March 10, 2025.
    - (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\$183,000 thousand of employee remuneration and NT\$24,000 thousand of Directors' remuneration in 2024 from the profits of 2023.
    - (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: The Company did not buy back its shares in the most recent year as of the publication of the Annual Report.
- 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

Year	OptoElectronics Products		LED light bars (panels)		Other		Total	
	Operating income	Percentage (%)	Operating income	Percentage (%)	Operating income	Percentage (%)	Operating income	Percentage (%)
2023	17,395,578	37.41	13,197,923	28.39	15,902,514	34.20	46,496,015	100.00
2024	18,013,323	39.78	8,717,569	19.25	18,556,995	40.97	45,287,887	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.

#### (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 Surface Mounting Technology (SMT) 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's main business focuses on the processing and manufacturing of PCB substrates and LED light strips. Therefore, operations are part of the electronic hardware industry. The scope of the processing services covers sectors including information technology, optoElectronics, electric vehicles, and information appliances.

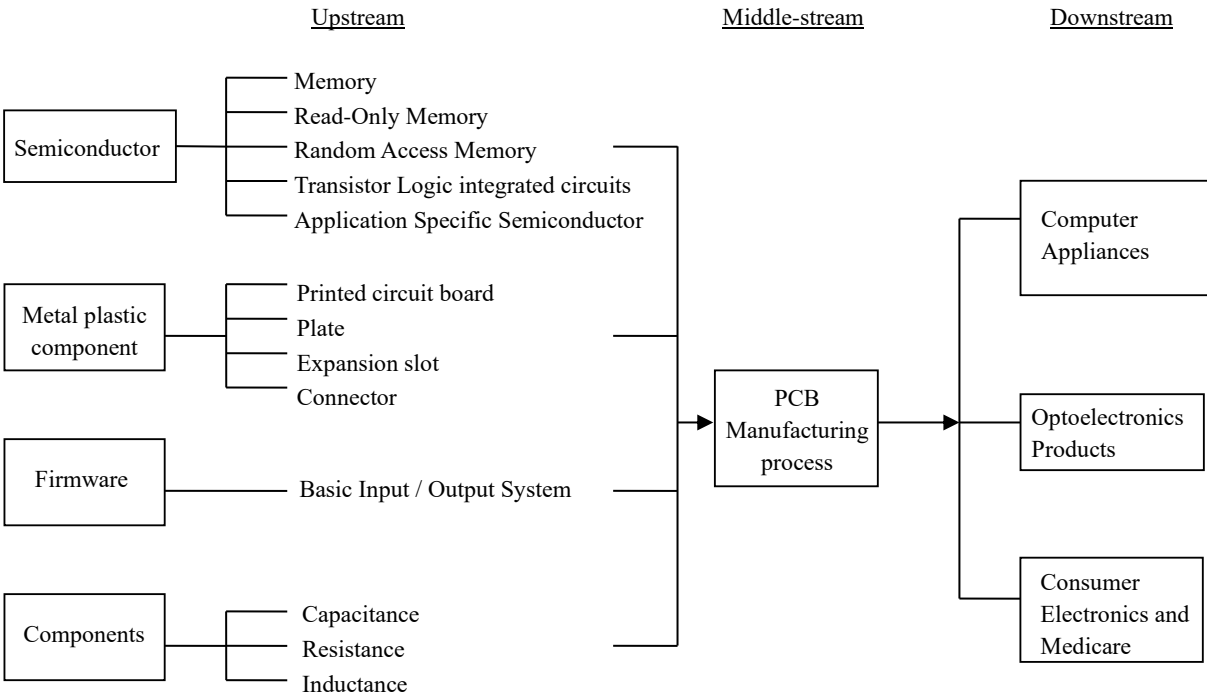
The manufacturing process of electronic hardware products involves a series of steps, including design, component manufacturing, assembly, and shipping. Among these, the processing of PCB

substrates is a critical manufacturing procedure. Improper handling during this process can significantly affect product quality. In the past, manufacturers of information electronic products typically established their own processing lines for PCB substrate manufacturing, outsourcing only when their production capacity was insufficient. As a result, related industry players were generally small in scale. Consequently, many small specialized PCB substrate processing manufacturers are limited by their size and equipment, often only able to engage in surface adhesion in the early stages of the process or manual insertion in the later stages. In recent years, due to the increasingly specialized division of labor in the Electronics industry, domestic electronic manufacturers have sought to rapidly expand production capacity while minimizing investment and risk associated with machinery and equipment. This has led to a gradual outsourcing of PCB processing and manufacturing operations, thereby providing professional assembly subcontractors with significant growth potential.

2. Relations among Up-, Middle- and Downstream Industries

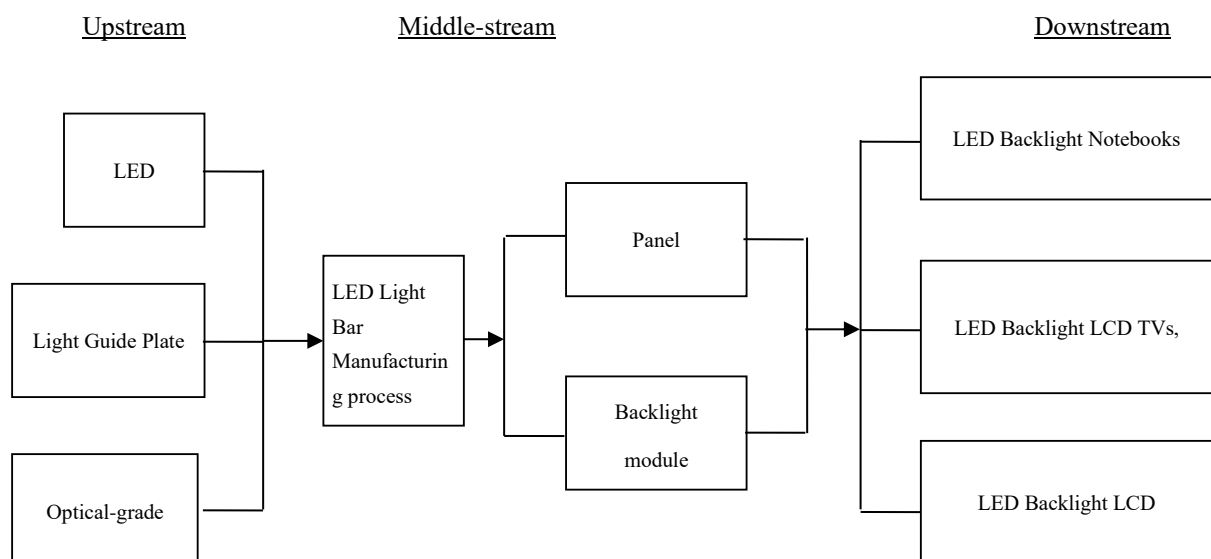
A. The relation among PCB with up-, middle- and downstream

In examining the upstream and downstream relationships within the PCB assembly manufacturing industry, the upstream consists of semiconductors, metal and plastic components, firmware, and parts suppliers, while the downstream includes manufacturers of computers and peripheral devices, optoelectronic products, and consumer Electronics. Due to the specialized division of labor within Taiwan's electronic hardware industry, the entire upstream, midstream, and downstream systems are well-coordinated. Currently, the majority of products such as semiconductors, metal and plastic components, and parts can be independently supplied by domestic manufacturers. Furthermore, with the enhancement of technology between the upstream and downstream sectors, the industry's development is also maturing. Below is a summary of the upstream and downstream relationships of the PCB substrate assembly processing industry to which the Company belongs:



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. Currently, many companies in Taiwan are engaged in this field, resulting in intense competition. Since orders for electronic-related products are predominantly controlled by well-known domestic and international manufacturers, maintaining long-term cooperative relationships with customers is crucial. Besides capacity, technology, and delivery speed, having high-quality personnel and stable yield rates are also 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	2023	2024
R&D expenses	774,420	769,633
Operating income	46,496,015	45,287,887
R&D as a percentage of operating revenue	1.67%	1.70%

## 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. For future prospects, TSMT 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, TSMT 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 pro-actively 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 smart phone 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 pro-actively. 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, the Company entered the assembly and OEM business for lighting and smart home products  
in response to the global trend towards energy conservation and carbon reduction. The Company invested in the technology related to lighting products, focusing on research and development, manufacturing processes, assembly, and testing, while also meeting customer demands with comprehensive production techniques. A downstream assembly line was established, along with a fully equipped laboratory for product testing, which has passed relevant RA, FA, UL, and Energy Star certifications.  
In response to the "Internet of Things," the Company actively positioned itself in the field of IoT-related product manufacturing processes, continuously focusing on research, development, and innovation in new product production technologies. The Company has successfully ventured into this new industry with smartwatches (precision assembly and waterproof testing), wristbands (ultrasonic plastic welding technology and waterproof testing), and scales (using ultrasonic welding with SUS solder and ITO film on glass surfaces).

- (8) In 2016, entering the Bonding business of smart phone 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 2019Q4, 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 smart phone 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 smart phone 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. It is expected to pass the international electric vehicle certification in 2019 and then introduce to produce 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) DDR Module Corner-Fill Process in 2024

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) 2024 Entry into Electric Vehicle and Data Center Module Manufacturing Processes

The Company continues 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.

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	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 production equipment and optimizing manufacturing process to boost production efficiency and reduce cost of production.
Marketing	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	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.

2. Long-term development plans:

Production Management and Technology Development	<ol style="list-style-type: none"> <li>1. Recruiting top-notch talents and strengthening organization's capability in research and development</li> <li>2. Cultivating production technology team and improving the Company's ability of coping with production issues effectively and efficiently.</li> <li>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.</li> <li>4. Investing in the research and development of dust-free manufacturing process and expanding the fields of products produced.</li> </ol>
Marketing	<ol style="list-style-type: none"> <li>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.</li> <li>2. Planning for overall marketing strategy and actively developing the international market in addition to existing customers.</li> </ol>
Operation and Development Strategy	<ol style="list-style-type: none"> <li>1. Dispersing customers and diversifying production locations in order to minimize the risk of concentrated sales.</li> <li>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.</li> <li>3. The Group currently has production facilities in Vietnam, India, and Mexico to expand markets outside of Taiwan and enhance future operational growth momentum.</li> </ol>



## 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 electronic products, focusing on providing products and services close to customer 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	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
Asia	60,273,566	88.05	42,296,266	90.97	42,420,551	93.67
Taiwan	5,825,091	8.51	2,641,846	5.68	1,966,125	4.34
Europe	562,076	0.82	418,674	0.90	299,743	0.66
America	1,775,586	2.59	1,138,947	2.45	601,468	1.33
Other	18,276	0.03	282	0.00	0	0.00
Total	68,454,595	100.00	46,496,015	100.00	45,287,887	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 less 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.

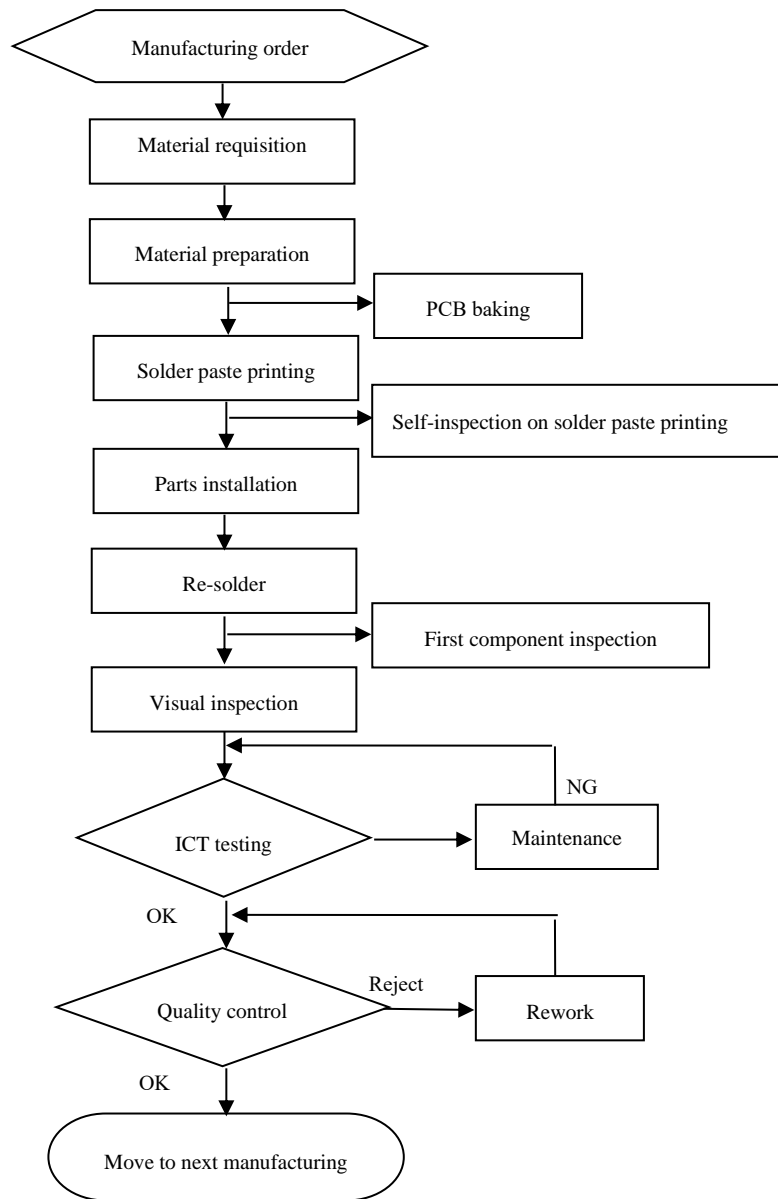
(II) Main Use and Manufacturing Process of Major Products:

1. Main use:

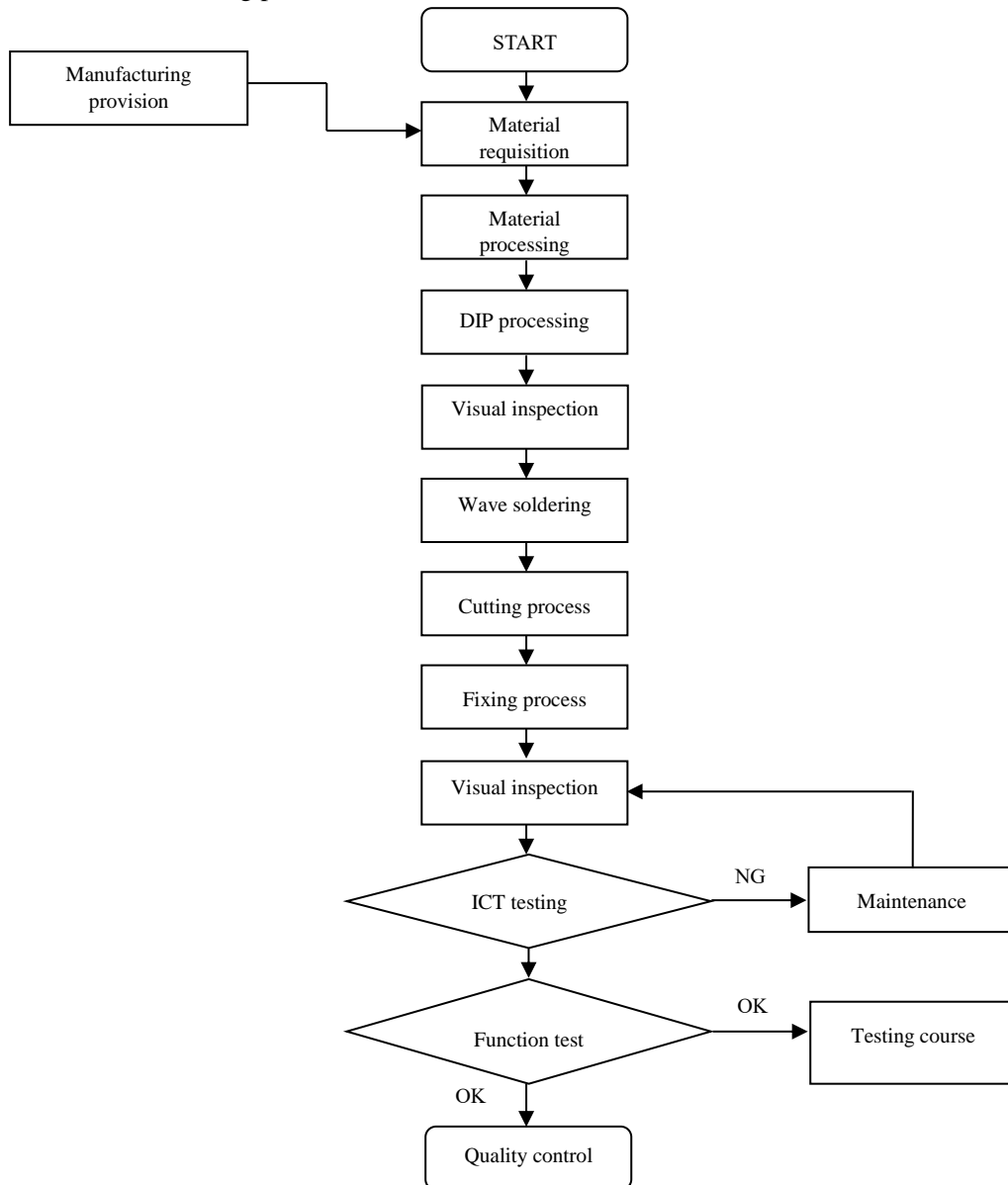
Major Products	Main usage
Peripherals motherboards	Used for Desktop monitors, Laptops, Tablets and other peripherals of motherboards
OptoElectronics products control panel	Used for liquid crystal display panel, LCD TVs, automotive display panels, mobile phones, tablet, digital camera and laptops.
LED 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 、 WT 、 UNITED LINK 、 MICRON	Good
PCB	SIMMTECH 、 TRIPOD 、 TECHIGH 、 TPT 、 OLYMPIC	
Resistance Capacitance	MURATA 、 AVNET 、 GLORISON 、 HUIJIN	
LED	TOYODA 、 ADVANCE 、 AVNET 、 KROM 、 SANAN 、 NICHIA	
DIODE	WT 、 MICRON 、 ARROW	

(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	2023				2024			
	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	33,147,054	100.00	-	Other	34,694,210	100.00	-
	Net purchase	33,147,054	100.00		Net purchase	34,694,210	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	2023				2024			
	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	7,775,113	16.72	-	A	7,243,344	15.99	-
2	B	4,809,880	10.34	-	B	3,176,096	7.01	-
3	C	7,684,514	16.53	-	C	5,319,528	11.75	-
	Other	26,226,508	56.41	-	Other	29,548,919	65.25	-
	Net Sales	46,496,015	100.00		Net Sales	45,287,887	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:

Item		2023	2024	Current year as of April 22, 2025
Total Number of Employees		10,124	11,493	11,627
Average Age		35	36	36
Average Years of Service		6.8	7.0	7.5
Distribution of education (%)	Above Masters	4%	4%	4%
	Bachelor's Degree	65%	67%	67%
	Senior High School	27%	23%	23%
	Below Senior High School	7%	7%	7%

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:

2024	Internal training	External Training
Number of trainees	32,181 persons	101 persons
Course Name	<p>New general education training, new functional training, company general education training, post training, post functional training, in-factory training by manufacturer, 5 Whys, 7S, 8D Problem Analysis and Resolution with Practical Exercises, AUTOCAD Common Command Instruction, E.C.R.S Method Education and Practical Exercises, Introduction to ESD Measurement Equipment and Operation, EXCEL Application Training (Intermediate Level), EXCEL Application Training (Advanced Level), FMEA Failure Mode and Effects Analysis, GOGORO BMS FT and VT Customer Equipment Education and Training, GOGORO UG Dashboard New Model Introduction Education and Training, IATF 16949:2016 Internal Audit Training, IPC-A-610G International Standards, IPC-A-610G Basic Electronic Soldering International Acceptance Standards, KILO K Temperature Program Automatic Judgment Operation Training, MRP Process, MSA Measurement System Analysis, MSL (Moisture Sensitivity Level), Introduction to SMART Applications, SMT Production Process Overview, SMT Abnormality Causes and Corrective Measures, SPC Statistical Process Control, TSMT 12 Factory Disciplines, Practical Methods for Production and Sales Coordination and Production Scheduling, Fire Safety and Self-Defense Team Training, Instructor Training - Key Points and Communication for Instructor Training, Micron Corner Edge Glue Appearance Inspection Operation Training, English - Business Travel (Airport Section), Basic English Training - Production Line English, Warehouse SFC System Related Operation Processes, Business Conduct and Ethical Standards, Procurement Related SAP TCODE Operations, On-Site Problem Analysis, One-Page Report for Abnormalities, Axis-Type Dispensing Machine Operation and Maintenance Training, Lean Production, Emergency Response Plan Drills, Internal Manufacturing Abnormality Handling Investigation Report Preparation (ONE PAGA Format), Value Engineering VAVE Education and Practical Exercises, Stress-related Risks to Electronic Products, Workplace Sexual Harassment Prevention,</p>	<p>Practical Auditing of the "Manufacturing Material System", 2024 ESG Summit: Comprehensive Net Zero for a Sustainable Future, Key Points for AFRS9 "Financial Instruments" and Fair Value Review, IATF 16949: 2016 Automotive Industry Quality Management System Six Core Tools Basic Competency Training, Introduction to ISO 45001 Management System and Emergency Response Drill Planning (including Natural Disasters), RBA 8.0 Code of Conduct Audit Practices and Internal Auditor Training, VERSAFLOW Selective Soldering, Production Quality Management and Abnormal Handling Techniques Practice, In-Service Education for Category A Occupational Safety and Health Management Supervisors, Legal Responsibilities and Practical Case Analysis of Insider Trading Violations within Enterprises, Risk Management and Internal Control Practices of Enterprises in the ESG Era, Legal Responsibilities for False Financial Reporting Crimes and Judicial Investigation and Evidence Collection Litigation Case Studies, Implementation of "ESG" and "Internal Audit and Internal Control Integration" Applications and Examples by Enterprises, Common "Tax Planning" Strategies and Related Legal Responsibilities Analysis for Enterprises, Analysis of Common Tax Deficiencies and Penalty Cases for Enterprises, National Symposium on Science and Technology Law, Corporate Tax Governance Practices in the ESG Era, Safety and Health On-the-Job Education Training for Hazardous Operation Supervisors (Organic, Specialized, Dust, Lead, Oxygen-Deficient Operations), Organic Solvent Operations Supervisor (Initial Training), Self-Assessment Practical Guide, Refresher Training for Fire Safety Managers, FinTech and Emerging Money Laundering Techniques – Legal Responsibilities and Case Explanations, Occupational Safety and Health for First Aid Personnel (Refresher Training), Quality Practical Skills that Team Leaders Must Learn, Safety and Health Education Training for Specific High-Pressure Gas Operators, Operators of Forklifts with a Load Capacity Exceeding One Ton, The Latest Compilation of "Annual Reports/Sustainability Information/Financial Preparation" Related Regulations and Internal Control Management Practices, The Latest Annual</p>

	APQP Advanced Product Quality Planning (Third Edition) & CP Control Plan (First Edition) & PPAP Production Component Sampling Procedures (Fourth Edition), On-the-Job Education and Training for Emergency Responders.	Profit-Seeking Business Income Tax Filing Practices Seminar, Regulations on "Related Party Transactions" for Directors, Supervisors, and Senior Executives and Corporate Governance Practices, Prevention and Resolution of Withholding Disputes Arising from Cross-Border Transactions, Tax Strategies and Practices for Offshore Holdings and Multinational Investments, Lean Production, Waste Removal, Professional Technical Personnel On-the-Job Training Class for Waste Disposal, Radiation Protection Education Training, Continuing Education Training for Radiation, Impact of Moving Towards a "Net Zero Carbon Emission" Era on Financial Statements, Medical and Nursing On-Site Services and Illegal Infringement Hazard Prevention Advocacy Meeting.
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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 the Labor Standards Act, the Company has formulated the measures for retirement, which applies to all formal employees before the Labor Pension Act is implemented on July 1, 2005. The Company engages an 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 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 the 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 adopted the Responsible Business Alliance (RBA) Code of Conduct, which establishes a set of standards for the Electronics industry and industries in which Electronics are a key component, including their supply chains. The goal is to ensure a safe working environment, respect and dignity for workers, environmentally responsible operations, and ethical business practices. The core principle of adopting this Code is that all business operations must fully comply with the laws, regulations, and rules of the countries in which it operates. In addition to compliance with laws, the Code of Conduct encourages participants to pro-actively use internationally recognized standards to promote social and environmental protection responsibilities as well as business ethics. The Code is based on UN Guiding Principles on Business and Human Rights, and its contents are taken from different key international human rights standards, including the International Labor Organization's (ILO) "Declaration on Fundamental Principles and Rights at Work" and "UN Universal Declaration of Human Rights." The RBA is committed to regularly collecting stakeholder feedback and continuously implementing and improving the 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.	1. Date of penalty: October 4, 2024 2. Penalty document No.: 2024 FLJZ No. 1130277250 3. Violation of: Paragraph 2, Article 32 of the Labor Standards Act 4. Contents of violation: Exceeding legal limits on working hours. 5. Contents of penalty: Failure to comply with the legal limits on working hours of colleagues as per regulations was detected by the government upon the labor inspection carried out by it.	15	Implementation of and compliance with relevant laws and regulations.

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 pro-actively 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 TSMT 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.

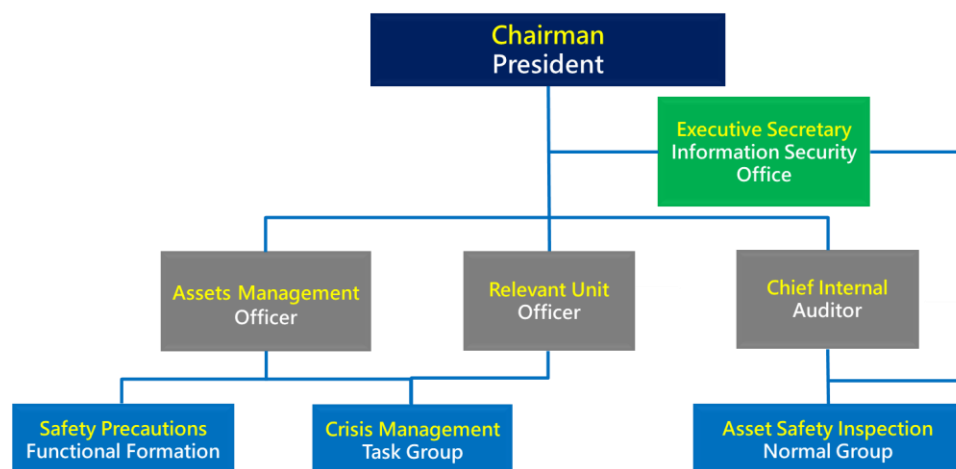
### Cyber Security Management Objectives

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.

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. Information Security Organization:

To effectively manage the Company's cyber security and customer privacy protection, the Company established the Cyber Security Management Office in 2021, which includes a dedicated Chief Cyber Security Officer and one dedicated cyber security personnel. This office is responsible for the governance of cyber security and the planning, establishment, and execution of defenses against 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 2024, 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	2023	2024	Difference	
			Amount	%
Current assets	35,365,059	37,874,253	2,509,194	7.10
Property, Plant and Equipment	11,324,136	11,926,367	602,231	5.32
Other non-current assets	1,939,657	2,318,426	378,769	19.53
Total assets	48,628,852	52,119,046	3,490,194	7.18
Current liabilities	23,742,982	24,595,855	852,873	3.59
Non-current liabilities	5,047,501	4,913,486	(134,015)	(2.66)
Total liabilities	28,790,483	29,509,341	718,858	2.50
Capital stock	2,923,984	2,923,984	0	0.00
Capital surplus	2,505,920	2,505,943	23	0.00
Retained Earnings	14,797,884	16,239,232	1,441,348	9.74
Other equity interest	(409,670)	916,395	1,326,065	(323.69)
Equity attributable to owners of the parent company	19,818,118	22,585,554	2,767,436	13.96
Non-controlling interest	20,251	24,151	3,900	19.26
Total shareholders' equity	19,838,369	22,609,705	2,771,336	13.97
Description about major changes:				
1. The increase 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	2023	2024	Amount of increase (decrease)	Percentage of change (%)
Net operating income	46,496,015	45,287,887	(1,208,128)	(2.60)
Operating costs	41,219,599	39,236,290	(1,983,309)	(4.81)
Gross operating profit	5,276,416	6,051,597	775,181	14.69
Operating expenses	2,787,164	3,042,194	255,030	9.15
Operating profit	2,489,252	3,009,403	520,151	20.90
Non-operating income and expenditures	596,409	604,788	8,379	1.40
Net profit before tax	3,085,661	3,614,191	528,530	17.13
Income tax expense	571,755	701,845	130,090	22.75
Current net profit from continued operation	2,513,906	2,912,346	398,440	15.85
Description about major changes:				
1. The operating profit changed by 20.90%, primarily due to the increase in gross profit resulting from adjustments in the sales mix.				
2. The change in income tax expense is 22.75%, primarily due to an increase in pre-tax net income.				

### 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
6,779,921	3,129,194	(611,814)	9,297,301	-	-
1. Analysis on the changes in current cash flows: (1) Operating activities: Decrease in the cash inflow is mainly caused by the decrease in the operating income and a reduction in depreciation expenses in 2024. (2) Investing activities: Cash inflows amounted to NT\$680,833 thousand, primarily due to a decrease in financial assets and liabilities measured at fair value through profit or loss. (3) Financing activities: Cash outflows amounted to NT\$1,891,254 thousand, primarily due to a decrease 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	2023	2024
Interest income		221,514	228,269
Interest expenses		194,607	176,843
Net operating income		46,496,015	45,287,887
(Interest expenses - interest income) ÷ net operating income		-0.0579%	-0.1136%

#### Change in Interest Rate - Policies and Response Measures:

The world endured four years of devastation due to COVID-19. Following the lifting of restrictions across various countries, there was widespread anticipation for a stable global economic recovery and the containment of inflation. However, after the inauguration of the new U.S. President, protectionist policies, including the expansion of tariffs, have taken precedence, leading to the erection of trade barriers. The anticipated economic stability has quickly dissipated. The U.S., once a leader in globalization, has now shifted to a protectionist stance, resulting in an increasing fragmentation of global economic integration.

Since March 16, 2022, the U.S. Federal Reserve initiated a series of interest rate hikes, raising rates a total of nine times by 475 basis points (4.75%), bringing the federal funds rate to a range of 5.25% to 5.50%. This has had a significant impact on the financial and economic markets. However, following the inflationary pressures and the implementation of interest rate hikes, international oil and grain prices have declined, leading to a moderation of global inflationary pressures. Consequently, the market anticipates that the accommodative policies in the United States and Europe will gradually be phased out, which is indeed reflected in reality. Reviewing the 8 meetings of the Federal Reserve in 2024, 5 meetings maintained the interest rates unchanged, while 3 meetings resulted in rate cuts: one by 50 basis points and two by 25 basis points, bringing the rates down to a range of 4.25% to 4.50%.

However, current public inflation expectations appear to differ from those in the past, and the imposition of additional tariffs increases trade costs, which is unfavorable for curbing inflation. The financial services firm S&P Global forecasts a global inflation rate of 3.51% for 2025, down from 4.47% in 2024. However, the forecast has shown a month-on-month upward

trend since September 2024, with rising tariff rates and a shift in the supply chain from low-cost, high-efficiency production bases to local production. This transition has led to a decline in production efficiency and an increase in costs, thereby exacerbating supply-side inflationary pressures and contributing to upward inflationary pressures globally.

The Company's interest rate risk primarily arises from financial debts incurred at floating interest rates. Changes in interest rates affect the interest income generated from the Company's cash and cash equivalents, as well as financial management and structured products, along with the interest expenses required to be paid on financial debts. In response to the anticipated interest rate cuts due to future tightening monetary policies, the Company will continue to implement the following measures:

- (1) Improving the Company's financial structure and credit, and cooperating with financial institutions closely, to obtain preferential conditions for loan.
  - (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	2023	2024
Net exchange profit (loss)	(95,585)	(1,801)
Net operating income	46,496,015	45,287,887
Net exchange profit (loss) ÷ Net operating income	(0.21%)	(0.004%)

Change in Exchange Rate - Policies and Response Measures:

As market expectations for a Trump victory increase, his proposals for imposing high tariffs on other countries may exert pressure on other currencies, indirectly boosting the international value of the U.S. dollar. Consequently, the U.S. dollar index experienced a significant rise of 7.65% in the fourth quarter of 2024.

During the same period, major currencies depreciated significantly against the U.S. dollar, with the New Taiwan Dollar depreciating by 3.45%, which is relatively modest. Additionally, due to the increased uncertainty surrounding the policies of President Trump and the U.S. economic performance falling short of expectations, the U.S. dollar index declined by 4.4%, while most major currencies appreciated against the U.S. dollar.

As shown in the table below, the major currencies' exchange rate fluctuations against the U.S. dollar and the U.S. Dollar Index changes\*

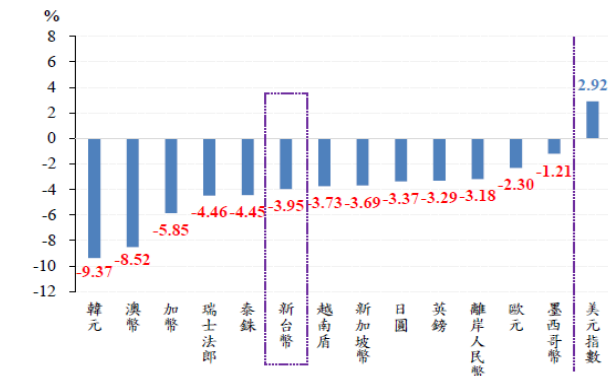
	(1) 2024/9/30	(2) 2024/12/31	(3) 2025/3/14	(2)與(1)相較 2024年第4季	(3)與(2)相較 2025年迄今	(3)與(1)相較 2024/9/30迄今
墨西哥幣	19.692	20.827	19.932	-5.45	4.49	-1.21
歐元	1.1135	1.0354	1.0879	-7.01	5.07	-2.30
離岸人民幣	7.0074	7.3379	7.2379	-4.50	1.38	-3.18
英鎊	1.3375	1.2516	1.2935	-6.42	3.35	-3.29
日圓	143.63	157.20	148.64	-8.63	5.76	-3.37
新加坡幣	1.2850	1.3657	1.3342	-5.91	2.36	-3.69
越南盾	24568	25485	25519	-3.60	-0.13	-3.73
新台幣	31.651	32.781	32.954	-3.45	-0.52	-3.95
泰銖	32.173	34.095	33.670	-5.64	1.26	-4.45
瑞士法郎	0.8456	0.9074	0.8851	-6.81	2.52	-4.46
加幣	1.3525	1.4384	1.4366	-5.97	0.13	-5.85
澳幣	0.6913	0.6188	0.6324	-10.49	2.20	-8.52
韓元	1316.8	1472.3	1453.0	-10.56	1.33	-9.37
美元指數	100.779	108.487	103.718	7.65	-4.40	2.92

註：除新台幣、韓元、人民幣為當地收盤時間匯率外，其餘為紐約下午 5 時收盤匯率。  
若遇休市，改採前一交易日收盤匯率。  
資料來源：本行整理、Bloomberg

As of October 2024, the U.S. Dollar Index has appreciated by 2.92%, while other major currencies have continued to depreciate against the dollar. During this period, the New Taiwan Dollar has depreciated by 3.95%, a decline that is less than that of the Thai Baht (-4.45%), Swiss Franc (-4.46%), Canadian Dollar (-5.85%), Australian Dollar (-8.52%), and South Korean Won (-9.37%), placing its depreciation in the middle range.



As shown in the chart below, international currency exchange rate fluctuations from **October 2024** to date



註：除新台幣、韓元、人民幣為當地收盤時間匯率外，其餘為紐約下午 5 時收盤匯率；升跌幅係指各幣別對美元匯率變動幅度，正數表示對美元升值。  
資料來源：Bloomberg

In summary, the aforementioned factors indicate that the U.S. dollar continues to maintain its dominant position in the global currency landscape. Given its significant role in the global payment system, it remains difficult to challenge this status. In 2024, the exchange rate of the U.S. dollar against the New Taiwan Dollar is expected to remain strong, while the New Taiwan Dollar is anticipated to weaken.

The net foreign exchange gain or loss for the Company in 2024 has decreased from a foreign exchange loss of NT\$95,585 thousand in 2023 to a loss of NT\$1,801 thousand in 2024. 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:

According to the joint meeting of the Board of Directors and Supervisors of the Central Bank of the Republic of China (Taiwan) held on March 20, 2025, the forecasted global economic growth rate for 2025 is 2.48%, a decrease from the previous year's rate of 2.74%. The forecasted global inflation rate for 2025 is 3.51%, down from last year's rate of 4.47%. The new policies in the United States have added upward inflation risks, and the uncertainty surrounding U.S. policies remains high, indicating a downward risk for the global economy.

According to the Central Bank of the Republic of China (Taiwan), regarding inflation, the domestic minimum wage and salaries for military personnel and public servants have been increased, while the rigidity of service prices due to carbon fees remains high. However, the rate of increase is expected to maintain a gradual decline, and international oil prices are anticipated to trend downward. The Central Bank forecasts that the year-on-year growth rates for the Consumer Price Index (CPI) and Core CPI in 2025 will be 1.89% and 1.79%, respectively, remaining unchanged. This inflation forecast does not take into account the potential impact of future fare increases for Taiwan Railways or utility rates for water and electricity. If these factors are considered, the forecast for this year's CPI year-on-year growth rate may be revised upward to slightly above the forecast for the Core CPI year-on-year growth rate, but it is still expected to be lower than last year's rate of 1.88%.

Looking ahead to 2025, the Central Bank of the Republic of China (Taiwan) has indicated that, benefiting from the ongoing development of emerging technologies such as Artificial Intelligence (AI) and High Performance Computing (HPC), Taiwan's export performance is expected to continue the growth trend observed in 2024. On the other hand, the increase in emerging application opportunities is driving investments in related supply chains, coupled with airlines purchasing additional vehicles to meet cross-border travel demands, which is likely to sustain the growth trend in private investment. Furthermore, the increase in the minimum wage in 2025, along with salary adjustments for military, public servants, and educators, as well as ongoing optimization of the income tax system, combined with the profit

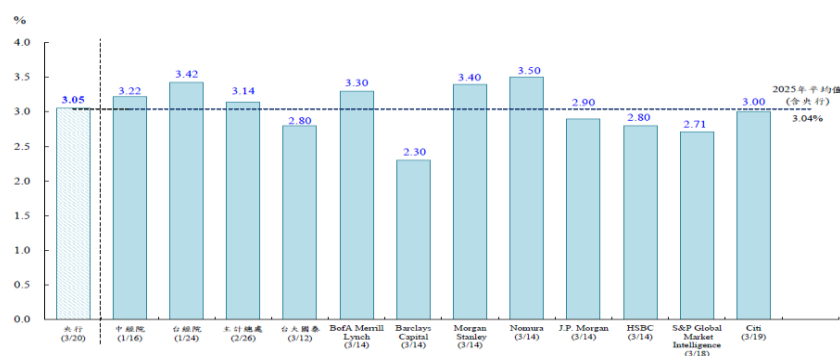
growth of listed companies in 2024, will enhance the willingness to distribute dividends, bonuses, and salary increases. This will contribute to an increase in disposable income for the public, alongside a stable domestic economy that maintains consumer willingness, thereby adding momentum to private consumption growth.

Furthermore, the Central Bank has conducted a preliminary assessment indicating that the current imposition of tariffs by the United States on countries such as Canada, Mexico, and China has a relatively limited impact on the Taiwanese economy. Additionally, the comprehensive tariffs imposed by the United States on imported steel and aluminum products have minimal effects, as the export volume of these products to the United States constitutes a small proportion of Taiwan's total exports. Moreover, Taiwan's steel exports to the United States have already been subjected to a 25% tariff, further mitigating the impact.

In light of the ongoing development of U.S. trade policy, which carries uncertainties in both its impact and timeline, it is necessary to adjust the economic growth outlook on a quarterly basis and to adopt a rolling review approach.

In summary, based on the current information, the Central Bank anticipates a robust economic growth in 2025, with the growth momentum from 2024 continuing. The demand for AI is strong, and the thriving exports are expected to drive an increase in private investment. However, considering that the economic growth in 2024 is better than expected and the elevated comparison base, the forecast for Taiwan's economic growth rate in 2025 is 3.05%, slightly lower than the previous forecast of 3.13%. Nonetheless, this does not affect the overall expectations for Taiwan's economic growth.

The table below presents the forecasts for Taiwan's economic growth rate for this year from major domestic and international institutions, ranging from 2.30% to 3.50%, with an average of 3.04% (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 2024, 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\$3,738 thousand, while the total unrealized valuation losses amounted to NT\$2,836 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.

Information 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 18%	5.2%

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 2024 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 $\leq$ 2 hours RPO $\leq$ 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