

Stock Code:6271



# 2025

# Annual Report

Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Printed on April 15, 2026

Taiwan Stock Exchange Market Observation Post System:

<http://mops.twse.com.tw>

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**Overseas Securities Exchange:** None.

**Corporate Website:** <http://www.theil.com>

# Contents

<b>Chapter 1 Letter to Shareholders .....</b>	<b>1</b>
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## **Chapter 2 Corporate Governance Report**

I. Information on Directors, President, Vice Presidents, Associate Vice Presidents, Chiefs of all the Divisions and Branch units .....	4
II. Remunerations Paid to Directors, President and Vice Presidents in Recent Years .....	14
III. Implementation of Corporate Governance .....	18
IV. Information on the Professional Fees of the Attesting CPAs .....	72
V. Information on Replacement of CPA .....	72
VI. The Company's Chairperson, President, or any Managerial Officer in Charge of Finance or Accounting Matters has in the Most Recent Year Held a Position at the Accounting Firm of its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm .....	72
VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More Than 10 Percent During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report .....	73
VIII. Relationship Information, if Among the Company's 10 Largest Shareholders any One is a Related Party or a Relative Within the Second Degree of Kinship of Another .....	74
IX. The Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, its Directors, Managerial Officers, and any Companies Controlled Either Directly or Indirectly by the Company .....	75

## **Chapter 3 Capital Raising Activities**

I. Capital and Shares .....	76
II. Corporate Bonds .....	81
III. Preferred Shares .....	81
IV. Global Depository Receipts (GDRs) .....	81
V. Employee Share Subscription Warrants .....	81
VI. New Restricted Employee Shares.....	81
VII. New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies .....	81
VIII. Implementation of the Company's Capital Allocation Plans .....	81

#### **Chapter 4 Overview of Business Operation**

I. A Description of the Business .....	82
II. Analysis of the Market as well as the Production and Marketing Situation .....	88
III. The Number of Employees Employed for the Two Most Recent Fiscal Years, and During the Current Fiscal Year up to the Date of Publication of the Annual Report ...	94
IV. Disbursements for Environmental Protection .....	94
V. Labor Relations .....	96
VI. Cyber Security Management .....	102
VII. Important Contracts .....	104

#### **Chapter 5 Review and Analyze Financial Position, Performance and Assess the Risks**

I. Financial Position .....	105
II. Financial Performance .....	106
III. Cash Flows .....	107
IV. The Effect Upon Financial Operations of any Major Capital Expenditures During the Most Recent Fiscal Year .....	107
V. The Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re- investment Profitability, and Investment Plans for the Coming Year .....	108
VI. Risk Analysis and Assessment.....	108
VII. Other Important Matters .....	112

#### **Chapter 6 Special Disclosure**

I. Information Related to the Company's Affiliates .....	113
II. Where the Company has Carried out a Private Placement of Securities During the most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report.....	117
III. Supplementary Disclosures.....	117

#### **Chapter 7 Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might Materially Affect Shareholders' Equity or the Price of the Company's Securities, has Occurred During the most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report.....**

117

# Chapter 1 Letter to Shareholders

Dear Shareholders,

In 2025, amid the continued impact of U.S. reciprocal tariff policies, geopolitical tensions, and ongoing regional conflicts, the recovery in the automotive product market remained limited. As a result, customer demand for the Company's products slowed and the inventory digestion cycle was prolonged.

In addition, factors such as rising raw material prices, significant fluctuations of New Taiwan Dollar, and adjustments and transfers of product lines between the Taiwan and the Philippines manufacturing facilities in line with the Company's operational planning also affected the Company's operations. Consequently, the Company's revenue and profitability in 2025 both declined compared with 2024.

Looking ahead to 2026, demand for high-end automotive applications is expected to gradually recover, while demand for AI data centers and optical communication products is expected to remain strong. These developments are expected to help drive the Company's future operational expansion and growth.

## I. 2025 Business overview

### (I) 2025 Business plan implementation results

Unit: NT\$ thousands

Item	Financial Information (Note)				Difference	
	2025		2024			
	Amount	%	Amount	%	Amount	%
Net Operating Revenue	11,543,456	100	12,090,994	100	(547,538)	(5)
Realized Gross Profit	3,186,404	28	3,325,898	27	(139,494)	(4)
Operating Expenses	1,580,300	14	1,583,037	13	(2,737)	(0)
Operating Profit	1,606,104	14	1,742,861	14	(136,757)	(8)
Non-Operating Income and Expenses	218,864	2	179,572	2	39,292	22
Profit Before Tax	1,824,968	16	1,922,433	16	(97,465)	(5)
Net Profit After Tax	1,601,398	14	1,718,449	14	(117,051)	(7)

Note : Audited and Certified by an Accountant

### (II) Financial Income and Expenditure and Profitability Analysis

The consolidated net operating revenue in 2025 reached NT\$11,543,456 thousand, compared to NT\$12,090,994 thousand in 2024, reflecting a decrease of NT\$547,538 thousand, a 5% decline.

The product gross margin for 2025 was 28%, up from 27% in 2024, showing a 1% increase.

The consolidated net profit after tax for 2025 was NT\$1,601,398 thousand, compared to NT\$1,718,449 thousand in 2024, a decrease of NT\$117,051 thousand, a 7% decline.

The earnings per share (EPS) after tax for 2025 was NT\$7.64, compared to NT\$8.20 in 2024, representing a decrease of NT\$0.56.

### (III) Budget Implementation

The Company has not made any financial projections for 2025 and therefore does not need to disclose its budgetary performance.

(IV) Research and Development

With the efforts of our R&D team, the Company has achieved good results in the development of image sensor packaging technology for automotive applications, optical communication modules, as well as high power semiconductor packaging and ceramic circuit boards in 2025, which contributes to the Company's future revenue and profit growth.

## II. 2026 Business Plan

(I) Operating Policies

1. Continuously improve the quality of the products and services to enhance customer satisfaction.
2. Continuously improve manufacturing processes, yield rate and phase in automation to lower production costs.
3. To strengthen the division of labor between the plants in Taiwan and the Philippines to improve production flexibility and cost competitiveness.
4. Deepen collaboration with suppliers to establish long-term partnerships.
5. Invest in the development of new materials, equipment, and process technologies applications to provide differentiated products and services.
6. To integrate process technologies of substrates manufacturing, packaging and testing to provide customers with a complete service in a one-time purchase.

(II) Sales Volume Forecast and its Basis

The main growth momentum in 2026 shall come from:

1. The trend of demand for self-driving functions in automobiles is bouncing back gradually after the economic condition has improved in the short run.
2. Demand for high-power LEDs and SiC semiconductors, driven by trends in clean energy and electric vehicles, will also continue to boost the growth of ceramic circuit boards and module assembly services.
3. The widespread adoption of artificial intelligence applications, which will significantly increase the demand for data centers and transmission, driving growth in optical communication-related packaging.

(III) Important Production and Sales Policies

1. In response to global tariffs and trade protectionism, the company will continue to adjust its supply chain and establish strategic partnerships with key suppliers to stabilize material sources and ensure a flexible supply chain, thereby enhancing shipping momentum.
2. The company will continue to expand its overseas production and sales network, and develop strategies for flexible production and distribution planning to reduce geopolitical and operational risks, effectively improving operational efficiency.

## III. Future Development Strategy

(I) To establish the Medium-to-Long-Term Business Strategies:

We focus on the growth industries of AI data centers, optical communications, automotive, energy and biomedical to develop high value-added products.

(II) To strengthen the division of labor between the plants in Taiwan and the Philippines:

Optimize the capacity allocation of the New Taipei, Taoyuan, and Chupei plants to improve production scale and efficiency, we will continue to increase the number of products produced in the Philippines and strengthen the division of labor to improve the flexibility and efficiency of serving customers.

(III) To develop Long-Term Partnerships:

We are committed to developing strategic customers across the globe and building long-term partnerships with suppliers to explore new growth opportunities through

collaboration.

(IV) To organize Management and Intergroup Cooperation:

We strengthen the cooperation between production and sales of each business unit, share resources and integrate information systems among the group, in order to continuously improve quality and production processes, enhance cost competitiveness, improve operational efficiency and build a responsible corporate culture.

#### **IV. The Impact of External Competitive Environment, Legal Regulations, and Overall**

##### **Business Environment**

Facing with the increasing demands and emphasis on ESG from regulatory authorities, suppliers, and customers, as well as the global push for net-zero carbon emissions, coupled with the implementation of Taiwan's "Climate Change Response Act" and the enforcement of carbon tax, the costs of global energy, raw materials, and labor are expected to continue rising. Despite being full of challenges, the Company will adhere to the principles of corporate governance and pursue sustainable development. The Company will focus on social, environmental, and stakeholder concerns to mitigate the impact of internal and external environmental pressures on the business.

We wish to thank all our shareholders for your attendance, long-term support and encouragement. We wish you all health, peace, and happiness.

Tie-Min Chen

Chairperson of the Board

## Chapter 2 Corporate Governance Report

### I. Information on Directors, President, Vice Presidents, Associate Vice Presidents, Chiefs of all the Divisions and Branch units

#### (I) Board members:

##### 1. Information on directors:

March 27, 2026

Title	Nationality/ Place of Incorporation	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouse & Children Minor Age		Shareholding held through Nominees		Principal Work Experience and Academic Qualifications	Position(s) held Concurrently in the Company and/or in any other company	Being Spouse or Second Degree Relation with other Directors & Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relations hip	
Chairperson	R.O.C	Tie-Min Chen	Male 66-70 years old	2025.05.28	3 years	2019.06.21	9,559,057	4.57%	9,559,057	4.57%	-	-	-	-	Hon Honorary Doctorate in Engineering, National Cheng Kung University Hon Honorary Doctorate in Management, National Sun Yat-sen University BS in Engineering, National Cheng Kung University President of Yageo Corp	Founder & Chairperson, YAGEO Corp. Chairperson, Tong Hsing Electronic Industries Ltd Chairperson, Advanced Power Electronics Corp. Chairperson, XSEMI Corporation Chairperson, Kuo-Shin Investment Ltd Vice Chairperson, uPI semiconductor corp. Chairperson, TMC Family Heritage	Direct or Repre sentati ve	Shao- Chiao Chen	Father- daughter	-
Vice Chairperson	R.O.C	Multifield Investment Inc	-	2025.05.28	3 years	2019.06.21	72,638	0.03%	72,638	0.03%	-	-	-	-	Not Applicable	Not Applicable	-	-	-	-
	R.O.C	Representative: Hsi-Hu Lai	Male 61-65 years old	2025.05.28	3 years	2022.06.08	-	-	-	-	-	-	-	-	Bachelor's Degree in Department of Economics, Soochow University Finance Department, Far East Group Vice President, Tong Hsing Electronic Industries Ltd Chief of Staff, Tong Hsing Electronic Industries Ltd Chairperson, Tong Hsing Electronic Industries Ltd	Chairperson, Tong Hsing Enterprise Corp. Vice Chairperson, Tong Hsing Electronic Industries Ltd	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouse & Children Minor Age		Shareholding held through Nominees		Principal Work Experience and Academic Qualifications	Position(s) held Concurrently in the Company and/or in any other company	Being Spouse or Second Degree Relation with other Directors & Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relations hip	
															Chairperson, Kingpak Technology					
Director	R.O.C	Huan Tai Co., Ltd.	-	2025.05.28	3 years	2022.06.08	327,238	0.16%	327,238	0.16%	-	-	-	-	Not Applicable	Not Applicable	-	-	-	-
	R.O.C	Representative: Chia-Li Huang	Female 51-55 years old	2025.05.28	3 years	2024.06.06	35	0.00%	35	0.00%	-	-	-	-	Bachelor degree in Public Finance, National Chung Hsing University. Department of Finance, TUNTEX INCORPORATION. Junior Manager, Advance Engineering (B.V.I.) Co., Ltd. CFO, Kingpak Technology	CFO, XSEMI Corporation CFO, Tong Hsing Electronic Industries Ltd Vice President of Finance & Management, Tong Hsing Electronic Industries Ltd COO, Tong Hsing Electronic Industries Ltd Director Representative, Tong Hsing Electronic Industries Ltd Committee Member of Sustainability, Tong Hsing Electronic Industries Ltd	-	-	-	-
Director	R.O.C	Huan Tai Co., Ltd.	-	2025.05.28	3 years	2022.06.08	327,238	0.16%	327,238	0.16%	-	-	-	-	Not Applicable	Not Applicable	-	-	-	-
	R.O.C	Representative: Pen-Chi Chen	Female 51-55 years old	2025.05.28	3 years	2022.06.08	3,000	0.00%	2,000	0.00%	-	-	-	-	Accounting, Fu-Jen Catholic University Audit Manager, PricewaterhouseCoopers	Vice President, Kaimei Electronic Corporation Director Representative, Kaijet Technology International Corporation Director Representative, Tong Hsing Electronic Industries Ltd Director Representative, Ralec Technology (H.K.) Ltd. Director Representative, Mu Yeh Wen Investment Corp. Supervisor, Ralec Trading (KUNSHAN) Limited Supervisor, Ralec Technology (KUNSHAN) Limited Director Representative, ASJ Holdings Pte Limited. Director Representative, ASJ Pte. Limited. Director Representative, Teapo Electronic (Hong Kong) Corp. Director Representative, Teapo Holding (Bermuda) Ltd.	-	-	-	-
Director	R.O.C	Shi Hen Enterprise Limited	-	2025.05.28	3 years	2019.06.21	8,838	0.00%	8,838	0.00%	-	-	-	-	Not Applicable	Not Applicable	-	-	-	-
	R.O.C	Representative: Shu-Chen Tsai	Female 61-65 years old	2025.05.28	3 years	2019.06.21	-	-	-	-	-	-	-	-	Catholic Sheng Kung Girls' High School Chairperson and	Chairperson and President, Hsin Bung Co., Ltd. Director Representative, Tong	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouse & Children Minor Age		Shareholding held through Nominees		Principal Work Experience and Academic Qualifications	Position(s) held Concurrently in the Company and/or in any other company	Being Spouse or Second Degree Relation with other Directors & Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relations hip	
															President, Hsin Bung Co., Ltd.	Hsing Electronic Ind., Ltd. Director Representative, YAGEO Corp.				
Director	R.O.C	San Tai Investment Ltd.	-	2025.05.28	3 years	2025.05.28	2,036,000	0.97%	2,036,000	0.97%	-	-	-	-	Not Applicable	Not Applicable	-	-	-	-
	R.O.C	Representative: Shao-Chiao Chen	Female 36-40 years old	2025.05.28	3 years	2025.05.28	19,183	0.01%	19,183	0.01%	-	-	-	-	BS, Economics, University of Pennsylvania Senior Associate Vice President, Yageo Corporation Analyst, UBS Investment Bank	Director, Global Testing Corporation Director Representative, Tong Hsing Electronic Ind., Ltd. Director, YAGEO Corp. Director, Kaimei Electronic Corporation	Chair perso n	Tie- Min Chen	Father- daughter	-
Independent Director	R.O.C	Ta-Sheng Chiu	Male 61-65 years old	2025.05.28	3 years	2022.06.08	-	-	-	-	-	-	-	-	Master of Economics, National Chengchi University B.S. in Statistics, National Cheng Kung University Senior Vice President, Merchant Banking Division, Taishin Securities Co., Ltd. Vice President, Financial Markets Division, Taishin International Commercial Bank Vice President, Financial Transactions Division, British Standard Chartered Bank Associate Vice President, Foreign Exchange Trading Division, American Express Bank	President, Moldavit International Co., Ltd. Independent Director, Tong Hsing Electronic Ind., Ltd., Committee Member of Remuneration Committee/ Committee Member of Nomination Committee/ Committee Member of Audit / Committee Member of Sustainability Independent Director, uPI semiconductor corp.	-	-	-	-
Independent Director	R.O.C	Shien-Hua Huang	Male 66-70 years old	2025.05.28	3 years	2025.05.28	-	-	-	-	-	-	-	-	Doctoral Research in Civil and Commercial Law, Tsinghua University, Beijing Institute of Finance, National Chengchi	Independent Director, Tong Hsing Electronic Ind., Ltd., Committee Member of Remuneration Committee/ Committee Member of Nomination Committee/	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of Spouse & Children Minor Age		Shareholding held through Nominees		Principal Work Experience and Academic Qualifications	Position(s) held Concurrently in the Company and/or in any other company	Being Spouse or Second Degree Relation with other Directors & Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relations hip	
															University Executive Commissioner, Financial Supervisory Commission, Executive Yuan Director, Taipei Exchange Chairperson and General Manager, Barits Securities Co., Ltd. Executive Vice President, Capital Securities Corporation	Committee Member of Audit / Committee Member of Sustainability Executive Director, Grand Fortune Securities Financial Group Chairperson, Grand Fortune Venture Capital Management Consulting Co., Ltd. Chairperson, Grand Fortune Biotech Venture Capital Co., Ltd. Chairperson, Taiwan M&A and Private Equity Council Supervisor, Taiwan Incubator SME Development Co., Ltd.				
Independent Director	R.O.C	Chung-Hou Tai	Male 71-75 years old	2025.05.28	3 years	2025.05.28	-	-	-	-	-	-	-	-	Master's Degree, Institute of Management Science, Tamkang University Bachelor's Degree in Control Engineering, National Chiao Tung University Chairperson, InveStar Capital, Inc Co-founder, Acer Inc.	Independent Director, Tong Hsing Electronic Ind., Ltd., Committee Member of Remuneration Committee/ Committee Member of Nomination Committee/ Committee Member of Audit Chairperson, Investar Corporation Chairperson, Xuyang Financial Consulting Co., Ltd. Chairperson, Heyang Investment Co., Ltd. Chairperson, Zettabyte Holdings, INC. Director, DIGITIMES Inc Director, Global Testing Corporation Director, Lumens Digital Optics Inc. Director, Wafer Works Corporation Director, Chief Telecom Inc. Director, Wafer Works, DIGITIMES Director, IC Broadcasting Company Limited Independent Director, 21VNET Group, Inc. Independent Director, V5 Technologies Co., Ltd.	-	-	-	-

## 2. Major Shareholders of the Institutional Shareholders

March 27, 2026

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders	Ownership
Multifield Investment Inc.	Yin-zhong Huang	34.62%
	Yen-Hsu Lai	15.38%
	Yic-Chang Yang	15.38%
	Hsiu-Chieh Yang	15.38%
	Yi-Tzu Lai	6.15%
	Tsai-Hui Lin	4.62%
	Yin-Fang Huang	3.85%
	Hsi-Hu Lai	1.54%
	Wei-Lin Peng	1.54%
	Shao-Wei Peng	1.54%
Huan Tai Co., Ltd.	Hsu Tai Investment Ltd.	100.00%
Shi Hen Enterprise Limited	Hsu Tai Investment Ltd.	100.00%
San Tai Investment Ltd.	Hsu Tai Investment Ltd.	100.00%

## 3. Major Shareholders of the Company's Major Institutional Shareholders

March 27, 2026.

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders	Ownership
Hsu Tai Investment Ltd.	Hwei-Jan Lee	26.08%
	Hsu Tai Lung Enterprise Ltd.	24.63%
	Hsu Chong Lung Enterprise Ltd.	24.63%
	Shi Hen Enterprise Limited	24.63%
	Others	0.03%

4. Professional qualifications of Directors and the independence of independent directors:

Criteria Names	Professional Qualifications and Experience	Independence	Number of Concurrent Independent Directors of Other Public Offering Companies
Tie-Min Chen	Mr. Tie-Min Chen graduated from the Department of Engineering, National Cheng Kung University, and in 2021 received an honorary PhD in management from the National Sun Yat-sen University. Chairperson Tie-Min Chen was previously the Chairperson of Chilisin Electronics Corp. and is currently serving as the Chairperson of both Yageo Corporation and Tong Hsing Electronic Ind., Ltd. He has many years of management experience.	Not Applicable	0
Multifield Investment Inc. Representative: Hsi-Hu Lai	Mr. Hsi-Hu Lai graduated from the Department of Economics of Soochow University. Hsi-Hu Lai was previously the vice President of the Finance Department and the Chairperson of Tong Hsing Electronic Ind., Ltd. and the Chairperson of Kingpak Technology Corp. He currently serves as the vice Chairperson of Tong Hsing Electronic Ind., Ltd. and has many years of management experience.		0
Huan Tai Co., Ltd. Representative: Chia-Li Huang	Ms. Chia-Li Huang graduated from the Department of Public Finance of National Chung Hsing University. Chia-Li Huang was previously the CFO of Kingpak Technology Corp. She currently serves as the vice President of Finance & Management, CFO and COO of Tong Hsing Electronic Ind., Ltd. and has many years of management experience.		0
Huan Tai Co., Ltd. Representative: Pen-Chi Chen	Mr. Pen-Chi Chen graduated from the Accounting Department of Fu Jen Catholic University and was formerly the audit manager of PwC Taiwan and the financial director of Kaimei Electronic Corp. She is currently the vice President of Kaimei Electronic and the director and supervisor of affiliated companies. She has many years of practical experience in business management and finance.		0
Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	Ms. Shu-Chen Tsai is currently the Chairperson and President of Hsin Bung International Co., Ltd. and Representative Director of Yageo Corporation. She has many years of practical experience in business management and finance.		0
San Tai Investment Ltd. Representative: Shao-Chiao Chen	Ms. Shao-Chiao Chen graduated from Economics Department of the University of Pennsylvania and has served as Senior Associate Vice President at Yageo Corporation. She currently serves as Director of Yageo Corporation, Global Testing Corporation, with practical experience in business management and finance.		0

Criteria Names	Professional qualifications and experience	Independence	Number of concurrent independent directors of other public offering companies
Ta-Sheng Chiu	Ta-Sheng Chiu, an independent director, has a Master's Degree from the Economics Research Institute of National Chengchi University. He served as the vice President of Taishin Securities, the vice President of the Financial Market Department of Taishin International Commercial Bank and the vice President of the Financial Transaction Department of British Standard Chartered Bank. He is currently the President of Modafite International Co., Ltd. and independent director of uPI semiconductor corp.. He has many years of practical experience in finance and investment management.	All independent directors are qualified as follows: (1) They are not employees of the Company or its affiliates. (2) Not a director or supervisor of the Company's affiliated companies. (3) Not a natural person shareholder who holds more than 1% of the total issued shares or the top ten shares in the name of himself/herself, his/her spouse, minor children or other persons.	1
Shien-Hua Huang	Shien-Hua Huang, an independent director, conducted Doctoral Research in Civil and Commercial Law at Tsinghua University, Beijing, and holds a Master's degree from the Institute of Finance, National Chengchi University. He served as Executive Commissioner of the Financial Supervisory Commission, Executive Yuan, Director of the Taipei Exchange, and held senior management positions at Barits Securities Co., Ltd. and Capital Securities Corporation. He is currently the Executive Director of Grand Fortune Securities Financial Group, and the Chairperson of the Taiwan M&A and Private Equity Council. He has many years of practical experience in finance and investment management.	(4) A person who is not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor, or employee of a corporate shareholder who does not directly hold more than 5% of the total number of issued shares of the Company, hold the top five shares, or appoint a representative as a director or supervisor of the Company in accordance with Article 27(1) or (2) of the Company Act.	0
Chung-Hou Tai	Chung-Hou Tai, an independent director, holds a Master's Degree from the Institute of Management Science, Tamkang University. He served as Chairperson of InveStar Capital, Inc. and is a Co-founder of Acer Inc. He is currently Chairperson of Investar Corporation, Chairperson of Xuyang Financial Consulting Co., Ltd., Chairperson of Heyang Investment Co., Ltd., Chairperson of Zettabyte Holdings, Inc., Independent Director of V5 Technologies Co., Ltd. and a director of multiple companies. He has extensive experience in multi-industry business management.	(6) A director, supervisor or employee of the Company who is not controlled by the same person as more than half of the Company's directors or voting shares (7) A director (director), supervisor (supervisor), or employee of another company or	1

Criteria Names	Professional qualifications and experience	Independence	Number of concurrent independent directors of other public offering companies
		<p>organization who is not the same person or spouse of the Chairperson, president, or equivalent officer of the Company.</p> <p>(8) A director (director), supervisor (supervisor), main managers, or shareholder holding more than 5% of the shares of a particular company or organization with which the Company has financial or business dealings.</p> <p>(9) Not a professional individual or owner, partner, director (member of the governing board), supervisor (member of the supervising board), managerial officer and his/her spouse of a professional, sole proprietorship, partnership, company or institution that provides audit services to the Company or an affiliated enterprise or has received remuneration in the 2 most recent years not exceeding NT\$500,000 for business, legal, financial, accounting and related services.</p> <p>(10) Not related to other directors as spouses or relatives within the second degree of consanguinity.</p> <p>(11) Not elected by or on behalf of the government or a corporation as provided in Article 27 of the Company Act.</p>	

Note: 1.Educational experience, gender and work experience of each director of the Company, please refer to "Chapter2 I. (I) 1. Information on directors."  
2.None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Act.

5. Diversity and independence of the Board members:

(1) Diversity of the Board of Directors:

The diversity policies of the Company's Board of Directors include two aspects: basic conditions and values, professional knowledge and skills. Detailed explanation is as follows:

Standards		Policies and Targets		Implementation
I.	Basic conditions and values	(1)	Gender: the proportion of female directors exceeds one-third.	Achievement
II.	Professional knowledge and skills	(1)	Professional background: including accounting, industry, finance, marketing or technology, etc.	Achievement
		(2)	Industrial experience: including semiconductor, finance, accounting or technology industry, etc.	

Implementation of diversity policy:

Title	Name	Nationality/ Place of Incorporation	Gender	Ages	Industry experience / Professional competence											
					Operations Judgment	Manage ment	Crisis Managem ent	Leadership Decision- making	Industry knowled ge	Internatio nal Outlook	Accountin g	Finance	Financial	Technology	Marketin g	Empleye e status
Chairperson	Tie-Min Chen	R.O.C	Male	66-70 years old	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Representative of Juristic- person	Hsi-Hu Lai	R.O.C	Male	61-65 years old	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Representative of Juristic- person	Chia-Li Huang	R.O.C	Female	51-55 years old	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Representative of Juristic- person	Pen-Chi Chen	R.O.C	Female	51-55 years old	✓	✓	✓	✓	✓	✓	✓	✓				
Representative of Juristic- person	Shu-Chen Tsai	R.O.C	Female	61-65 years old	✓	✓	✓	✓	✓	✓		✓			✓	
Representative of Juristic- person	Shao-Chiao Chen	R.O.C	Female	36-40 years old	✓	✓	✓	✓	✓	✓		✓	✓		✓	
Independent Director	Ta-Sheng Chiu	R.O.C	Male	61-65 years old	✓	✓	✓	✓	✓	✓		✓	✓			
Independent Director	Shien-Hua Huang	R.O.C	Male	66-70 years old	✓	✓	✓	✓	✓	✓		✓	✓			
Independent Director	Chung-Hou Tai	R.O.C	Male	71-75 years old	✓	✓	✓	✓	✓	✓		✓	✓	✓		

If the board of directors has less than one-third of its seats occupied by directors of any gender, explain the reasons and the measures planned to enhance gender diversity on the board: None.

(2) Board independence:

The Company's Board of Directors consists of 9 members, including 3 independent directors (33.33%). The independence of board members is disclosed in "Chapter 2 I. (I) 4. Professional qualifications of Directors and the independence of independent directors." Two directors are related within the second degree of kinship (22.2%). There are no spousal or second-degree kinship relationships among independent directors or between directors and independent directors. The Company complies with Paragraphs 3 and 4 of Section 26 (3) of the Securities and Exchange Act.

## (II) Information on President, Vice Presidents, Associate Vice Presidents, Chiefs of all the Divisions and Branch units

March 27, 2026

Title	Nationality	Name	Gender	On-board Date	Shareholding		Spouse & Minor Shareholding		Specific Person Shareholding		Education and Selected Past Positions	Other Positions	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President /CEO	R.O.C	Shao-Pin Ru	Male	2024.05.30	174,650	0.08%	19,730	0.01%	-	-	Master of Business Administration, National Chiao Tung University Department of Electrical Engineering, National Taiwan University CEO, Tong Hsing Electronic Ind., Ltd.	Chairperson, KAIMEI ELECTRONIC CORP.	-	-	-	-
COO & CFO/ Vice President	R.O.C	Chia-Li Huang	Female	2017.03.10	35	0.00%	-	-	-	-	Bachelor degree in Public Finance, National Chung Hsing University. Department of Finance, TUNTEX INCORPORATION. Junior Manager, Advance Engineering (B.V.I.) Co., Ltd. CFO, Tong Hsing Electronic Ind., Ltd. Vice President of Finance & Management, Tong Hsing Electronic Ind., Ltd. COO, Tong Hsing Electronic Ind., Ltd. CFO, Kingpak Technology Committee Member of Sustainability, Tong Hsing Electronic Industries Ltd	CFO, XSEMI Corporation	-	-	-	-
Vice President	R.O.C	Chien-Chen Lee	Male	2022.07.01	-	-	-	-	-	-	Ph. D., Power Mechanical Engineering, National Tsing Hua University VP & BU Head, Tong Hsing Electronic Industries CTO & BU Head, Kingpak Technology Director, Packaging and Assembly Engineering, mCube Director, R&D Center, StatsChipPAC	None	-	-	-	-
Associate Vice President	R.O.C	Zzu-Chi Chiu	Male	2022.07.04	-	-	-	-	-	-	Graduate Degree, Power mechanical engineering, NTHU. Director of Tong Hsing Business Unit	None	-	-	-	-
Associate Vice President	R.O.C	Ming-Yen Pan	Male	2022.10.01	-	-	-	-	-	-	National Taiwan University, Business Administration Director of Tong Hsing Business Unit	None	-	-	-	-

Note 1: The Company has no situation where the President (or an equivalent highest-ranking manager) and the Chairperson are the same person, spouses, or first-degree relatives.

Note 2: Regarding the experience related to the current position, there is no record of employment at the auditing CPA firm or its affiliated enterprises during the aforementioned period.

## II. Remunerations Paid to Directors, President and Vice Presidents in Recent Years

### (I) Remunerations paid to directors

December 31, 2025; Unit: NT\$ thousands

Title	Name	Remuneration Paid to Directors								Total amount (A+B+C+D) and ratio of total amount to net income		Employment-related Remuneration						Total amount (A+B+C+D+E+F+G) and ratio of total amount to net income		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company		
		Base Compensation (A) (Note 1)		Retirement pension (B)		Directors (C) (Note 2)		Business implementation expenses (D) (Note 3)				Salary, bonuses and special expenses (E) (Note 4)		Retirement pension (F)		Employee compensation (G) (Note 5)						
		From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	Cash	Stock	Cash	Stock		From TH	From All Consolidated Entities
Directors	Tie-Min Chen																					
	Multifield Investment Inc. Representative: Hsi-Hu Lai																					
	Huan Tai Co., Ltd. Representative: Chia -Li Huang																					
	Huan Tai Co., Ltd. Representative: Pen-Chi Chen																					
	Kaimei Electronic Corporation Representative: Shu-Hwei Chen (Note 6)																					
	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	26,634	26,634	108	108	58,703	58,703	2,131	2,131	87,576/5.48%	87,576/5.48%	10,346	10,346	108	108	3,881	-	3,881	-	101,911/6.38%	101,911/6.38%	None
San Tai Investment Ltd. Representative: Shao-Chiao Chen (Note 7)																						
Independent Director	Ta-Sheng Chiu																					
	Yuch-Hsiang Tsai (Note 6)																					
	Chin-Tsai Chen (Note 6)																					
	Shien-Hua Huang (Note 7)																					
	Chung-Hou Tai (Note 7)																					

- Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:  
The remuneration of the directors (including independent directors) of the Company is primarily determined by Article 19 of the Company's Articles of Association. If the Company is profitable in a fiscal year, no more than 3% should be allocated for director's remuneration. Additionally, Article 13-1 states that the remuneration of the directors (including independent directors) is assessed by the Remuneration Committee based on their level of participation and contribution to the Company's operations. The Board of Directors is authorized to deliberate on and approve the remuneration based on the assessment of the Remuneration Committee and industry standards. Therefore, the remuneration of the directors should be appropriately linked to the Company's business risks and performance, considering industry standards, as well as the individual performance, time commitment, and responsibilities of the directors (including independent directors). Furthermore, a separate remuneration policy may be established for independent directors; therefore, the overall consideration of remuneration for independent directors should be reasonable.
- In addition to the above disclosed, Director Remuneration received for the services of all companies in the financial report (such as providing consulting services as a non-employee of parent company/all consolidated entities/non-consolidated affiliates) amount: None.

Table of Remuneration Range

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities
Under NT\$ 1,000,000	Chia -Li Huang; Pen-Chi Chen; Shu-Chen Tsai; Shu-Hwei Chen; Shao-Chiao Chen; Yueh-Hsiang Tsai; Chin-Tsai Chen; Shien-Hua Huang; Chung-Hou Tai	Chia -Li Huang; Pen-Chi Chen; Shu-Chen Tsai; Shu-Hwei Chen; Shao-Chiao Chen; Yueh-Hsiang Tsai; Chin-Tsai Chen; Shien-Hua Huang; Chung-Hou Tai	Pen-Chi Chen; Shu-Chen Tsai; Shu-Hwei Chen; Shao-Chiao Chen; Yueh-Hsiang Tsai; Chin-Tsai Chen; Shien-Hua Huang; Chung-Hou Tai	Pen-Chi Chen; Shu-Chen Tsai; Shu-Hwei Chen; Shao-Chiao Chen; Yueh-Hsiang Tsai; Chin-Tsai Chen; Shien-Hua Huang; Chung-Hou Tai
NT\$1,000,000 (inclusive) ~NT\$2,000,000(exclusive)	Ta-Sheng Chiu	Ta-Sheng Chiu	Ta-Sheng Chiu	Ta-Sheng Chiu
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Kaimei Electronic Corporation	Kaimei Electronic Corporation	Kaimei Electronic Corporation	Kaimei Electronic Corporation
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	San Tai Investment Ltd.	San Tai Investment Ltd.	San Tai Investment Ltd.	San Tai Investment Ltd.
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Shi Hen Enterprise Limited; Multifield Investment Inc.	Shi Hen Enterprise Limited; Multifield Investment Inc.	Shi Hen Enterprise Limited; Multifield Investment Inc.	Shi Hen Enterprise Limited; Multifield Investment Inc.
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	His-Hu Lai	His-Hu Lai	His-Hu Lai ; Chia-Li Huang	His-Hu Lai ; Chia-Li Huang
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	Huan Tai Co., Ltd.	Huan Tai Co., Ltd.	Huan Tai Co., Ltd.	Huan Tai Co., Ltd.
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	Tie-Min, Chen	Tie-Min, Chen	Tie-Min, Chen	Tie-Min, Chen
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	-	-	-	-
Over 100,000,000	-	-	-	-
Total	17	17	17	17

Note 1: Remunerations to the directors in 2025 include director's salary, directors' allowances, severance pay, various bonuses, incentive payments, etc.

Note 2: These are 2025 director remunerations proportionally divided among the directors. The compensation of NT\$58,703 thousand has been resolved by the Board Meeting.

Note 3: 2025 Professional service fees paid to the director (including traveling expense, special allowances, subsidies, dormitory, company cars, in kind payments, etc.).

Note 4: Refers to compensation paid to directors who also served as president, vice president, other main managers or employees in 2025 including base compensation, job allowance, severance pay, bonuses, incentives, travel fees, special allowances, various allowances, accommodation, company cars and other physical items, etc. Any salary expenses recognized under IFRS 2 Share-Based Payment, including employee stock option plan, employee restricted stock and cash capital increase by stock subscription shall also be included in compensation.

Note 5: This is the total 2025 employee compensation paid to the directors who are also the Company's employees (including the president, vice presidents, other main managers and employees). The compensation of NT\$89,096 thousand has been resolved by the Board Meeting. The figures shown here are calculated based on the actual distribution percentage from last year. An appendix table " Employees compensation paid to main managers " is attached here for the details.

Note 6: Resigned upon expiration of term on May 28, 2025.

Note 7: Appointed upon completion of the full re-election at the Annual General Meeting held on May 28, 2025.

\* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

(II) Remunerations paid to main managers

December 31, 2025; Unit: NT\$ thousand dollars

Title	Name	Salary (A) (Note 1)		Retirement pension (B)		Bonus and special expenses (C) (Note 2)		Employee compensation (D) (Note 3)				Total amount (A+B+C+D) and ratio of total amount to net income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities	From TH		From All Consolidated Entities		From TH	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President /CEO	Shao-Pin Ru	20,076	20,076	506	506	9,300	9,300	12,542	-	12,542	-	42,424/ 2.66%	42,424/ 2.66%	None
COO & CFO /Vice President	Chia-Li Huang													
Vice President	Chien-Chen Lee													
Associate Vice President	Ming-Yen Pan													
Associate Vice President	Zzu-Chi Chiu													

Table of Remuneration Range

Range of Remuneration	Total Remuneration (A+B+C)	
	From TH	From All Consolidated Entities
Under NT\$ 1,000,000	-	-
NT\$1,000,000(inclusive)~NT\$2,000,000	Shao-Pin Ru	Shao-Pin Ru
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)	Zzu-Chi Chiu; Ming-Yen Pan; Chien-Chen Lee	Zzu-Chi Chiu; Ming-Yen Pan; Chien-Chen Lee
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	Chia-Li Huang	Chia-Li Huang
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	-	-
Over 100,000,000	-	-
Total	5	5

Note 1: Remunerations to the main managers in 2025 include main manager's salary, main managers' allowances, and severance pay.

Note 2: Refer to the main managers' allowances in 2025 (including provisions of base compensation, travel fees, special allowances, various allowances, accommodations, or company cars and other physical items for serving as representatives of institutional directors or supervisors designated by the Company on behalf of its subsidiaries).

Note 3: The employee compensation of NT\$89,096 thousand in 2025 has been resolved by the Board Meeting. The figures shown here are calculated based on the actual distribution percentage from last year. An appendix table " Employees compensation paid to main managers " is attached here for the details.

\* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

(III) Employees compensation paid to main managers

December 31, 2025 ; Unit: NT\$ thousand dollars

	Title	Name	Stock	Cash (Note 1)	Total	Ratio of Total Amount to Net Income (%)
Main managers	President/CEO	Shao-Pin Ru	-	12,542	12,542	0.79
	COO & CFO/ Vice president	Chia-Li Huang				
	Vice president	Chien-Chen Lee				
	Associate Vice President	Ming-Yen Pan				
	Associate Vice President	Zzu-Chi Chiu				

Note 1: The proposed allocation of employee remuneration, approved by the board of directors for the fiscal year 2025, is NT\$89,096 thousand. The proposed allocation amount is calculated based on the actual distribution ratio from the previous year.

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

1. The analysis of total remuneration, as a percentage of net income stated in the parent company only financial statements, paid to the directors and main managers during the past 2 fiscal years:

Title	2024		2025 (Note 1)	
	From TH	From All Consolidated Entities	From TH	From All Consolidated Entities
Directors	8.23%	8.23%	8.14%	8.14%
Main Managers				

Note 1: The remuneration of president and vice president in 2025 is an estimate.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

(1)The remuneration of directors of the Company shall be determined in accordance with the Company's Articles of Incorporation. Director's compensation shall fully reflect individual performance and the Company's long-term operating performance. The Board of Directors is authorized to determine the remuneration of individual directors based on their respective duties, responsibilities, and performance evaluations. When the Company generates profits, no more than 3% shall be allocated as director's remuneration.

(2)Remunerations to the main managers including salary, bonus and employee compensation:

Salary: Based on factors such as individual job responsibilities, professional capabilities,

and job contributions, taking into account the industry standards.

**Bonus and Employee Compensation:**

Linked to performance goals for various business units, departments and individuals, and determined based on the importance of the managerial position, job responsibilities and future risks.

At the same time, in order to strengthen the connection between the company's sustainable environmental management indicators and managers' performance, the two sub-item KPIs of external ESG evaluation results and environmental energy-saving indicators are included as manager performance appraisal items, and the achievement of KPIs is used as the basis for reward and remuneration. The weight of ESG indicators is 10%. Classification: A+, A, B, C based on KPI achievement rate and linked to managers' variable remuneration.

(3)The Company's directors and main managers are evaluated based on the "Board Performance Evaluation Procedure" and "Employee Performance Evaluation Method" respectively, which are used as the basis for performance evaluation. The Company conducts annual board performance evaluations and quarterly employee performance evaluations.

**III. Implementation of Corporate Governance**

**(I)Board of directors**

1. A total of 5 meetings of the Board of Directors were held in 2025. The attendance status of Directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remark
The 19th Board of Directors held 3 meetings in 2025. (A)					
Chairperson	Tie-Min Chen	1	2	33	Re-elected on May 28, 2025
Vice Chairperson	Multifield Investment Inc. (Representative: Hsi-Hu Lai)	3	0	100	Re-elected on May 28, 2025
Directors	Huan Tai Co., Ltd. (Representative: Chia-Li Huang)	3	0	100	Re-elected on May 28, 2025
Directors	Huan Tai Co., Ltd. (Representative: Pen-Chi Chen)	3	0	100	Re-elected on May 28, 2025
Directors	San Tai Investment Ltd. (Representative: Shao-Chiao Chen)	2	1	67	Newly elected on May 28, 2025
Directors	Shi Hen Enterprise Limited (Representative: Shu-Chen Tsai)	3	0	100	Re-elected on May 28, 2025
Independent Director	Ta-Sheng Chiu	3	0	100	Re-elected on May 28, 2025
Independent	Shien-Hua Huang	3	0	100	Newly elected on

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remark
Director					May 28, 2025
Independent Director	Chung-Hou Tai	3	0	100	Newly elected on May 28, 2025
The 18th Board of Directors held 2 meetings in 2025. (A)					
Chairperson	Tie-Min Chen	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Vice Chairperson	Multifield Investment Inc. (Representative: Hsi-Hu Lai)	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Directors	Huan Tai Co., Ltd. (Representative: Chia-Li Huang)	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Directors	Huan Tai Co., Ltd. (Representative: Pen-Chi Chen)	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Directors	Shi Hen Enterprise Limited (Representative: Shu-Chen Tsai)	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Directors	Kaimei Electronic Corporation (Representative: Shu-Hui Chen)	2	0	100	Term expired on May 28, 2025
Independent Director	Ta-Sheng Chiu	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Independent Director	Yueh-Hsiang Tsai	2	0	100	Term expired on May 28, 2025
Independent Director	Chin-Tsai Chen	1	1	50	Term expired on May 28, 2025

2. Other matters:

- (1) Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, Independent Director's opinions and the Company's response to such opinions should be recorded:

A. For matters listed in Article 14-3 of the Securities and Exchange Act.

Date/Term	Major Resolutions	Independent Directors' Opinions	The Company's Response	Independent Directors' Objection or Reserved Opinions on Record or Stated in Writing
February 27, 2025 13 <sup>th</sup> meeting of the 18 <sup>th</sup> Term	<ol style="list-style-type: none"> <li>1. To submit of the Company's 2024 "Statement of Internal Control System".</li> <li>2. To revise the Company's "Internal Control System".</li> <li>3. The proposal for the distribution of the company's main managers 2024 year-end bonuses.</li> <li>4. The proposal for the Company's remuneration distribution plan for employees and Directors for 2024.</li> <li>5. The proposal for the Company's 2024 Business Report and Financial Statements.</li> <li>6. The company's 2024 earnings distribution table and cash dividend distribution proposal.</li> <li>7. Evaluation of the independence and competency of the Company's CPA.</li> <li>8. The definition and scope of the Company's general employees.</li> <li>9. To amend the Company's "Articles of Incorporation".</li> <li>10. The proposal for the establishment of the company's "Regulations on Financial and Business Operations Between Related Parties."</li> <li>11. The proposal for the 2025 business plan.</li> <li>12. The proposal for the complete re-election of the company's board of directors.</li> <li>13. The proposal for the nomination of director candidates.</li> <li>14. Proposal to lift the non-compete restrictions for the newly appointed directors and their representatives.</li> <li>15. The proposal for the date, location, and reasons for convening the Company's 2025 annual shareholders' meeting.</li> <li>16. The period and location for accepting shareholder proposals for the Company's 2025 Annual General Meeting.</li> <li>17. The proposal for the Company to apply for a credit limit from financial institutions.</li> <li>18. The proposal for the land acquisition and</li> </ol>	None	None	None

Date/Term	Major Resolutions	Independent Directors' Opinions	The Company's Response	Independent Directors' Objection or Reserved Opinions on Record or Stated in Writing
	investment structure of the Company's subsidiary, TONG HSING ELECTRONICS PHILS. INC. 19. The proposal for the disposal of the Company's Taipei office.			
April 17,2025 14 <sup>th</sup> meeting of the 18 <sup>th</sup> Term	1. The proposal for the Company's 2025 Q1 consolidated financial statements.	None	None	None
May 28, 2025 1 <sup>st</sup> meeting of the 19 <sup>th</sup> Term	1. Proposal to elect a new Chairperson and Vice Chairperson. 2. Proposal to appoint Members of the Compensation Committee. 3. Proposal to appoint members of the Nomination Committee. 4. Proposal for the acquisition of land.	None	None	None
July 29,2025 2 <sup>nd</sup> meeting of the 19 <sup>th</sup> Term	1. The proposal for the Company's 2025 Q2 consolidated financial statements. 2. The proposal for the Company's 2024 Sustainability Report.	None	None	None
October 30, 2025 3 <sup>rd</sup> meeting of the 19 <sup>th</sup> Term	1. The proposal for 2026 Annual Audit Plan. 2. The distribution of remuneration to main managers and employees of 2024. 3. The proposal for the Company's 2025 Q3 consolidated financial statements. 4. The proposal for the earnings distribution for the first half of the Company's fiscal year of 2025. 5. The proposal for the Company's fund lending to its subsidiary, TONG HSING ELECTRONICS PHILS. INC. 6. The proposal for the Renewal of the Company's credit facilities with financial institutions. 7. The proposal for the amendment of certain provisions of the Company's " Procedures for Acquisition and Disposal of Assets ". 8. Proposal to establish the Company's Sustainable Development Committee and adopt the Charter Thereof. 9. The proposal to donate to the "Yageo Foundation".	None	None	None

B. Other resolutions of the Board, which the Independent Director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: None.

(2) Directors abstaining in certain proposals for being a stakeholder, (the name of the Director(s), the content of the proposal, reasons for abstentions and the results of voting counts should be stated):

Name of the Directors	The content of the proposal	Reasons for abstentions	Voting participation status
Hsi-Hu Lai	The proposal for the disposal of the Company's Taipei office.	The interested party to the proposal.	Recusal from the discussion and voting on the proposal.
Chia-Li Huang	Proposal to establish the Company's Sustainable Development Committee and adopt the Charter Thereof.	The interested party to the proposal.	Recusal from the discussion and voting on the proposal.
Ta-Sheng Chiu			
Shien-Hua Huang			

(3) Board of directors evaluation status:

Frequency	Period	Scope	Method	Content
Annually	January 1, 2025-December 31, 2025	Including Board of Directors, board members and functional committees.	Internal evaluation	As below
Once every three years	December 1, 2024-November 30, 2025		External evaluation	

In accordance with the Company's "Regulations for Evaluating the Performance of the Board of Directors", the Board of directors shall perform internal board performance evaluations in accordance with evaluation indicators and evaluation procedures every year. The performance evaluation of the Board of directors shall be conducted by an external professional institution or a team of external experts and scholars at least once every three years. Performance evaluation execution status:

A. Internal evaluation:

The results of the 2025 performance evaluation of the Company's Board of Directors are as follows:

The overall average score of the self-evaluation of the Board of Directors' performance was 4.85 points (out of 5 points).

The overall average score of the self-evaluation of individual Directors' performance was 4.97 points (out of 5 points).

The overall average score of the self-evaluation of the Audit Committee performance was 5.0 points (out of 5 points).

The overall average score of the self-evaluation of the Remuneration Committee

performance was 5.0 points (out of 5 points).

The overall average score of the self-evaluation of the Nomination Committee performance was 4.95 points (out of 5 points).

B. External evaluation:

The company adopted the Board Performance Evaluation Method by resolution of the Board of Directors on August 11, 2020. In accordance with the regulations, an external professional institution or a team of external experts and scholars shall conduct an evaluation at least once every three years.

In July 2025, the Company commissioned the Taiwan Corporate Governance Association (TCGA) to conduct an external board performance evaluation (evaluation period: December 2024 to November 2025). The institution and the experts engaged in the evaluation have no business relationship with the Company and are therefore independent.

The evaluation was conducted through document review and on-site interviews, assessing five key dimensions, board composition and division of responsibilities, guidance and oversight, delegation and risk management, communication and collaboration, as well as self-discipline and continuous improvement. The TCGA issued the Board Performance Evaluation Report on January 27, 2026.

The above recommendations and the proposed corrective measures were submitted to the Nomination Committee on February 25, 2026 for review and subsequently reported to the Board of Directors, and have also been disclosed on the Company's website.

A summary of the 2025 Board Performance Evaluation Report is as follows:

Item	Recommendations	Improvements
A.	It is recommended to continue aligning with sustainability goals to enhance succession planning and talent development for senior executives, and to regularly review implementation results to strengthen the board's oversight of talent sustainability.	Implemented in accordance with the recommendation
B.	It is recommended that the company periodically adjust board performance evaluation indicators in line with its development stage, in order to improve the differentiation and overall effectiveness of self-assessments.	Implemented in accordance with the recommendation
C.	It is recommended that, in setting objectives and evaluating the performance of the head of internal audit, the company take into account the audit committee's input to enhance audit independence and supervisory functions.	Implemented in accordance with the recommendation
D.	It is recommended that the company refine its major incident reporting mechanism by clearly defining reporting scope, timelines, and procedures, so that the board can promptly and effectively monitor various risks.	Implemented in accordance with the recommendation

(4) Measures taken to strengthen the functionality of the Board in the current and the latest year (e.g., establishing the Audit Committee, enhancing information transparency), and implementation status:

Implementation of Strengthening the Functional Objectives of the Board	Implementation Situation
A. All members of the Audit Committee attended and implemented risk control.	In 2025, the attendance rate of all members was 100%. The Company's financial statements, the selection (or dismissal) of certified accountants and their independence and performance, the effective implementation of the Company's internal control, and confirmation of the compliance to relevant laws and regulations were reviewed.
B. The Remuneration Committee regularly evaluates and reviews the policies, systems, standards and structures of performance appraisal and remuneration of directors and main managers.	In 2025, the attendance rate of all members was 100%. The remuneration of directors and main managers was evaluated.
C. Improving information transparency	The Company's website has regularly updated with bilingual (Chinese and English) information on business operations, finance, investor relations, and ESG.
D. Periodically reports to the Board of Directors regarding corporate governance	The corporate governance implementation status has been reported to the Board of Directors on October 30, 2025.
E. Efforts were made to continue promoting corporate governance and improving the ranking of corporate governance assessment.	The Company attaches great importance to corporate governance and continues to strengthen it with remarkable results. In 2025, the Company has completed the Annual Report and disclosure items at the Company's website in accordance with corporate governance evaluation indicators.

(II) Audit Committee

1. A total of 5 meetings of Audit Committee were held in 2025. The attendance status of independent directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remark
The 3rd term Audit Committee held 3 meetings in 2025. (A)					
Independent Director	Ta-Sheng Chiu	3	0	100	Re-elected on May 28, 2025
Independent Director	Shien-Hua Huang	3	0	100	Newly elected on May 28, 2025
Independent Director	Chung-Hou Tai	3	0	100	Newly elected on May 28, 2025
The 2nd term Audit Committee held 2 meetings in 2025. (A)					
Independent Director	Ta-Sheng Chiu	2	0	100	Re-elected upon the expiration of the term on

					May 28, 2025
Independent Director	Yueh-Hsiang Tsai	2	0	100	Term expired on May 28, 2025
Independent Director	Chin-Tsai Chen	2	0	100	Term expired on May 28, 2025

2. Other matters:

(1) The date of the Board meeting, the terms, contents of the proposals, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting:

A. Items listed in Article 14-5 of the Securities and Exchange Act:

Date/Term	Resolution and Follow-up Actions	Matters listed in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
February 27, 2025 11 <sup>th</sup> meeting of 2 <sup>nd</sup> Term	<ol style="list-style-type: none"> <li>1. Implementation of the 2024Q4 audit plan.</li> <li>2. To submit the "Statement of Internal Control System" of 2024.</li> <li>3. To revise the Company's "Internal Control System".</li> <li>4. The proposal for the Company's Business Report and Financial Statement in 2024.</li> <li>5. The company's 2024 earnings distribution table and cash dividend distribution proposal.</li> <li>6. Evaluation of the independence and competency of the Company's CPA.</li> <li>7. To amend the Company's "Articles of Incorporation".</li> <li>8. The land acquisition structure proposal of the Company's subsidiary, TONG HSING ELECTRONICS PHILS. INC.</li> <li>9. The Company's proposal for the disposal of the Taipei office.</li> </ol>	✓	No such circumstances
	Audit Committee resolution: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members.		
	The Company's actions in response to the opinions of the Audit Committee: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members. All attending directors unanimously agreed, no other special proposals were proposed. All items were executed.		
April 17, 2025 12 <sup>th</sup> meeting of	<ol style="list-style-type: none"> <li>1. Implementation of the 2025Q1 audit plan.</li> <li>2. The proposal for the Company's 2025Q1 consolidated financial statements.</li> </ol>	✓	No such circumstances
	Audit Committee resolution:		

Date/Term	Resolution and Follow-up Actions	Matters listed in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
2 <sup>nd</sup> Term	<p>The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members.</p> <p>The Company's actions in response to the opinions of the Audit Committee: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members. All attending directors unanimously agreed, no other special proposals were proposed. All items were executed.</p>		
May 28, 2025 1 <sup>st</sup> meeting of 3 <sup>rd</sup> Term	1. Proposal for land acquisition.	✓	No such circumstances
<p>Audit Committee resolution: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members.</p>			
<p>The Company's actions in response to the opinions of the Audit Committee: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members. All attending directors unanimously agreed, no other special proposals were proposed. All items were executed.</p>			
July 29, 2025 2 <sup>nd</sup> meeting of 3 <sup>rd</sup> Term	<p>1. Implementation of the 2025Q2 audit plan.</p> <p>2. The proposal for the Company's 2025Q2 consolidated financial statements.</p>	✓	No such circumstances
<p>Audit Committee resolution: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members.</p>			
<p>The Company's actions in response to the opinions of the Audit Committee: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members. All attending directors unanimously agreed, no other special proposals were proposed. All items were executed.</p>			
October 30, 2025 3 <sup>rd</sup> meeting of 3 <sup>rd</sup> Term	<p>1. Implementation of the 2025Q3 audit plan.</p> <p>2. The proposal for 2026 Annual Audit Plan.</p> <p>3. The proposal for the Company's 2025Q3 consolidated financial statements.</p> <p>4. The proposal for the earnings distribution for the first half of the Company's fiscal year of 2025.</p> <p>5. The proposal for the company's fund lending to its subsidiary, TONG HSING ELECTRONICS PHILS. INC.</p> <p>6. The proposal for the amendment of certain provisions of the company's "Procedures for Acquisition and Disposal of Assets".</p>	✓	No such circumstances
<p>Audit Committee resolution: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members.</p>			
<p>The Company's actions in response to the opinions of the Audit Committee: The chair consulted all Committee Members in attendance and the proposals were passed unanimously by the Committee Members. All attending directors unanimously agreed, no other special proposals were proposed. All items were executed.</p>			

- B. In addition to the items in the preceding items, other resolutions passed by two-thirds of all the Directors yet to be approved by the Audit Committee: None.
- (2) Independent Directors abstaining in certain proposals for being a stakeholder, (the name of the Independent Director(s), the content of the proposal, reasons for abstentions and the results of voting counts should be stated): None.
- (3) Independent Directors' communication with internal auditors and CPAs (including communication over the Company's financial and business status and the methods and results, etc.):
- A. Frequency and method of communication:
- (A) The Company quarterly convenes the meetings of the Audit Committee and the Board of Directors. The auditor supervisor will attend every meeting of the Audit Committee and the Board of Directors and report on the quarterly internal audit business as appropriate.
- (B) When the Company convenes an Audit Committee meeting and the Board meeting quarterly for approving the financial statements, the CPAs, in addition to attending the meetings, communicate audit findings, audit quality indicators (AQI) and major regulatory updates with the independent directors on a quarterly basis.
- (C) The audit head issues monthly audit reports and submits them to the Audit Committee for review. Apart from communicating the audit findings with the independent directors monthly, the audit head irregularly catches up with the financial and business conditions of the Company.
- (D) Independent directors hold communication meetings with CPAs whenever necessary.
- B. Contents and conclusions of communication:
- (A) The independent directors of the Company engaged in smooth communication on the execution and effectiveness of the audit business.

Date	Key Points in Discussion	Suggestions	Implementation Status
Audit Committee (February 27, 2025)	1. Implementation of the audit plan 2. To submit the Company's "Statement of Internal Control System". 3. To revise the Company's "Internal Control System".	None	Approved by Committee and submit to BOD meeting
Audit Committee (April 17, 2025)	1. Implementation of the audit plan.	None	Approved by Committee and submit to BOD meeting
Audit Committee (July 29, 2025)	1. Implementation of the audit plan.	None	Approved by Committee and

Date	Key Points in Discussion	Suggestions	Implementation Status
			submit to BOD meeting
Audit Committee (October 30, 2025)	1. Implementation of the audit plan. 2. The proposal for 2026 Annual Audit Plan.	None	Approved by Committee and submit to BOD meeting

(B) The independent directors of the Company engaged in smooth communication with CPAs.

Date	Key Points in Discussion	Suggestions	Implementation Status
Audit Committee (February 27, 2025)	1. CPA conducted a presentation and communication for the 2024 parent-company-only and consolidated financial reports. 2. Important Statute Update.	None	Approved by Committee and submit to BOD meeting
Audit Committee (April 17, 2025)	1. CPA conducted a presentation and communication for the 2025 Q1 consolidated financial reports. 2. Important Statute Update.	None	Approved by Committee and submit to BOD meeting
Audit Committee (July 29, 2025)	1. CPA conducted a presentation and communication for the 2025 Q2 consolidated financial reports. 2. Important Statute Update.	None	Approved by Committee and submit to BOD meeting
Audit Committee (October 30, 2025)	1. CPA conducted a presentation and communication for the 2025 Q3 consolidated financial reports. 2. Important Statute Update.	None	Approved by Committee and submit to BOD meeting

(4) The main annual tasks and key points of the audit committee of the company are summarized:

Reviewing annual and quarterly financial reports, reviewing additions and revisions to the internal control system, and evaluating the effectiveness of the internal control system, etc.

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

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons" thereof
	Yes	No	Description	
I. Does the Company establish and disclose its "Corporate Governance Best Practice Principles" based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established and published at its website the "Corporate Governance Best Practice Principles" for the purpose of implementing corporate governance and protecting shareholders' interests.	None
II. Shareholding Structure & Shareholders' Rights				
(I) Does the Company establish internal operating procedures or policies to handle shareholder suggestions, doubts disputes and lawsuits and implemented such procedures or policies?	✓		(I) The Company has appointed a spokesperson and acts as a spokesperson in accordance with the "Corporate Governance Best Practice Principles" to effectively handle shareholders' suggestions, questions, disputes and litigations. In addition, the Company has appointed KGI Securities to process related stock affairs.	None
(II) Does the Company possess a list of major shareholders and list of ultimate owners of these major shareholders?	✓		(II) The Company obtains the list of shareholders and possesses the top ten of shareholders on its website.	None
(III) Has the Company established and enforced risk control and firewall systems with its affiliate companies?	✓		(III) Business and financial dealings between the Company and an affiliate are treated as dealings with an independent third party, which are handled by the principles of fairness and reasonableness with documented rules established, and pricing and payment terms are clearly defined to prevent non-arm's-length transactions.	None

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" thereof
	Yes	No	Description	
(IV) Has the Company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		(IV) The Company has adopted the "Material Information and Measures for Preventing Insider Trading", which also includes prohibiting directors from trading in their shares 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report, in addition to expressly prohibiting company insiders from trading in securities by using unpublished information in the market. Additionally, in 2025, the Company carried out training for all employees to prevent insider trading and disclosed on the Company's official website that the directors, main managers, employees and substantial controllers of the company are prohibited from obtaining improper benefits for themselves or any other person by virtue of their positions or influence in the Company. Education and training situation description, please refer to "Chapter2 III. (VII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance" of this annual report.	None
III. Composition and Responsibilities of the Board of Directors (I) Is the composition of the Board of Directors determined by taking appropriate policy based on diversity and ensure the actual implementation?	✓		(I) The diversity policies of the Company's Board of Directors include two aspects: basic conditions and values, professional knowledge and skills. The detailed content is: (1) at least one-third female members in the Board of Directors and (2) at least having professional background in accounting, industry, finance, marketing or technology and industrial experience in semiconductor, finance, accounting or technology. The implementation of diversity of the board, please refer to "Chapter2 I. (I) 5. (1) Diversity of the Board of Directors" of this annual report.	None

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" thereof
	Yes	No	Description	
(II) In addition to the Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		(II) Aside, the Company has established nomination committee and sustainability committee in order to implement the spirit of corporate governance.	None
(III) Does the Company formulate rules and procedures for the Board of Directors' performance evaluation, conduct performance evaluation on the Board of Directors on a regular basis every year, report the results of performance evaluation to the Board of Directors, and apply the results to the individual Directors' remuneration and nomination for reappointment?	✓		(III) The Company has established the "Rules for Performance Evaluation of Board of Directors" (Rules) According to the Rules, external evaluation should be appointed to implement the evaluation in three years after the approval. The 2025 internal performance evaluation results of the Board of Directors were all excellent. The external performance evaluation was conducted by the Taiwan Corporate Governance Association, which issued its evaluation report on January 27, 2026. Both the evaluation results were submitted to the Board of Directors on February 25, 2026. For detailed information of the performance evaluation of the Board of Directors, please refer to "Chapter2 III. (I) 2. (3) Board of directors evaluation status" of this annual report.	None
(IV) Does the Company regularly assess on the independence of CPAs?	✓		(IV) The Company obtains a form on assessment for independence and competency of the CPA each year, and the results of the form on assessment for independence and competency of the CPA in 2025 are consistent. The results have been passed by resolution of the Board of Directors on February 25, 2026. The independence assessment items for CPAs, please refer to "Chapter2 III. (III) Note 1: CPAs' independence evaluation items." of this annual report.	None

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" thereof
	Yes	No	Description	
IV. Has the Listed and OTC Company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?	✓		(I) The Company has designated a Corporate Governance Office by the resolution of the Board of Directors on August 11, 2020. COO & CFO/Vice President Chai Li Huang has been appointed as the Company's Corporate Governance Officer to take charge of the corporate governance matters so as to protect the interests of the shareholders and process matters related to the Board and shareholders' meetings. (II) The corporate governance unit reported the business performance to the Board of Directors on October 30, 2025 ; The business execution status and training hours of the corporate governance unit, please refer to "Chapter2 III. (III) Note 2: Business execution status and continuing education hours of corporate governance units." of this annual report.	None
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	✓		(I) The Company has set up a stakeholders' section on the Company's website and specified the contact methods of the spokesperson and businesses on the Company's website. (II) The Company has also disclosed the stakeholder, concerns, communication methods and channels, frequency and response methods, in order to adequately respond to the relevant issues raised by the stakeholders. (III) The Company reported the communication of interested parties to the Board of Directors on October 30, 2025.	None
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed KGI Securities to process affairs related to shareholders meetings.	None

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" thereof
	Yes	No	Description	
VII. Information Disclosure				
(I) Has the Company established a corporate website to disclose information regarding the company's financial, business, and corporate governance status?	✓		(I) Information on the Company's financial operations and corporate governance has been disclosed on the Company's website <a href="http://www.theil.com">www.theil.com</a> .	None
(II) Has the Company established any other information disclosure channels (e.g. maintaining a website in English, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference, etc.)?	✓		(II) The Company has set up an investor section on its bilingual website in Chinese and English to disclose financial information and related information on investor conferences and corporate governance. A stakeholders' section has been set up to adequately respond to relevant questions.	None
(III) Has the Company announced and reported the annual financial report within two months after the end of the fiscal year, and announced and declared the financial reports of the first, second and third quarter and the operating conditions of each month before the prescribed period?	✓		(III) The declaration application of the company's 2025 annual financial report was on March 11, 2026. The reporting situation of the financial report for each quarter of 2025 is as follows: 2025Q1(April 17), 2025Q2(July 29) and 2025Q3 (October 31), all information has been announced and declared before the deadline. The monthly operation reports in 2025 were announced before the 10th of every month.	None
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?				

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" thereof
	Yes	No	Description	
(I) Employee rights and benefits	✓		(I) The Company focuses on employee rights, shows loving care for the employees, and provides the employees with a good environment that prioritize work-life balance, and reasonable benefits, including: 1. Welfare systems: distribution/allotment, bonus/gifts for festivals and holidays, various insurances and subsidies, and leave system according to the labor laws. 2. Leisure activities: domestic tours, department banquets, club activities and contracted stores, etc. 3. Working environment: all-round education and training sessions, smooth promotion channels, staff canteen, and nursing rooms, etc. 4. Job safety: motor vehicles parking spaces, dormitory, shuttle bus (Longtan Plant), health examination, and business phone.	None
(II) Staff Care	✓		(II) Canteens and a good working environment is provided, to guarantee the employee's welfare benefits. Furthermore, the Company also offers dinner banquets, education and training programs, and club activities to help employees to achieve a balance between work and life.	None
(III) Investor Relationship	✓		(III) In addition to the spokesperson system, the Company also allows the investors to access to the website of MOPS and the Company for relevant information; moreover, the Company also invites the investors to attend the Company's investor conferences every year, and learn about the quarterly operation status, and future directions.	None

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" thereof
	Yes	No	Description	
(IV) Supplier Relationship	✓		(IV) The Company and suppliers are long-term partners. With focus on the requirements of competitive quality, delivery time and cost, the company will pay more attention to supply chain management, environmental and social aspects in the future, so as to jointly promote sustainable development.	None
(V) Stakeholders	✓		(V) The Company maintains smooth communication channels and good relationship with the stakeholders. Concerns, communication channels and response methods of the stakeholders, please refer to "Chapter2 III. (III) Note3: Stakeholder operations " of this annual report.	None
(VI) Director's continuing education	✓		(VI) All 19th term Board members have completed 6 hours training in 2025. The disclosure of training hours on MOPS and the Company website has been completed. Please refer to "Chapter2 III. (III) Note4: Director's continuing education hours in 2025" of this annual report for details of directors' continuing education hours.	None
(VII) Risk management policy and execution	✓		(VII) The company manages the risks related to the operation of related companies through monthly production and sales meetings and reports the business plan to the Board of Directors once a year to ensure the normal operation of the risk control function. In addition, in 2025, it has carried out risk identification, Measurement, communication channels and response methods; the latest date of reporting to the Board of Directors is October 30, 2025. For the Company's risk policy and assessment, please refer to "Chapter2 III. (V-I) Note 1: Risk assessment policies of the Company" of this annual report.	None

Evaluation item	Implementation status			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons" thereof								
	Yes	No	Description									
(VIII) Execution of the customer service policy	✓		(VIII)The Company has appointed professional customer service personnel to provide channels for services and solutions for customers' questions, and to maintain smooth communication channels with the customers.	None								
(IX) The Company's purpose of liability insurances for the directors	✓		(IX) The liability insurances purchased by the Company for all directors and important employees as below. <table border="1" data-bbox="1019 534 1680 817"> <thead> <tr> <th>The Insured</th> <th>Insurance Company</th> <th>Insurance Amount (Unit: USD\$)</th> <th>Period of Insurance (commencement and termination)</th> </tr> </thead> <tbody> <tr> <td>All directors</td> <td>Chubb</td> <td>10,000,000</td> <td>From February 1, 2026, to February 1, 2027</td> </tr> </tbody> </table>	The Insured	Insurance Company	Insurance Amount (Unit: USD\$)	Period of Insurance (commencement and termination)	All directors	Chubb	10,000,000	From February 1, 2026, to February 1, 2027	None
The Insured	Insurance Company	Insurance Amount (Unit: USD\$)	Period of Insurance (commencement and termination)									
All directors	Chubb	10,000,000	From February 1, 2026, to February 1, 2027									
IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, improvement measures and plans for items yet to be improved. <p>(I) Improved aspects: The Company's website and annual report have strengthened the disclosure of corporate governance information to protect shareholders' rights and enhance information transparency, and have disclosed the effectiveness of corporate social responsibility implementation, risk management-related matters, information and communications security policies and measures, intellectual property rights plans and stakeholder communication status, etc. These disclosures were reported to the Board of Directors on October 30, 2025.</p> <p>(II) Establish a "Personal Data Protection Policy" and conduct relevant training so that employees can understand regulatory requirements related and are able to comply with them.</p> <p>(III) Conduct "Employee Satisfaction Surveys" to assess satisfaction with work, teams, culture, compensation, development, and the work environment. Results guide HR and organizational improvements, enhancing satisfaction, cohesion, and a stable, supportive workplace.</p> <p>(IV) The Company has been preparing Chinese and English ESG Reports in compliance with GRI Universal Standards since 2022, and starting from 2023 and continuing through 2025, an independent assurance statement from a third-party verification body has been consistently obtained.</p>												

Note 1: CPAs' independence evaluation items.

(1) Information of CPA in 2025

Name of CPA Firm	Name of CPA	Education and Positions
KPMG	I-Wen Wang	1.Department of Accounting, Soochow University 2.CPA of R.O.C
	Yu-Ting Hsin	1.Department of Business Administration, National Sun Yat-sen University 2.CPA of R.O.C

(2) The evaluation of the independence and competence of the CPAs

Item	Evaluation Results	Independence of the CPAs
(1) As of the most recent audit performed, no CPA has been changed for seven (7) consecutive years.	Yes	Yes
(2) The CPA is not involved in any significant financial interests with the Company.	Yes	Yes
(3) The CPA avoids any improper relationships with the Company.	Yes	Yes
(4) The CPA should ensure ethical conduct and independence of his/her assistants.	Yes	Yes
(5) The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before CPA practice.	Yes	Yes
(6) The CPA may not permit others to practice under his/her name.	Yes	Yes
(7) The CPA does not own any shares of the Company or its affiliated companies.	Yes	Yes
(8) The CPA does not engage in lending or borrowing of money with the Company and its affiliated companies.	Yes	Yes
(9) The CPA and the Company or its affiliated companies are not engaged in any joint investments or profit sharing.	Yes	Yes
(10) The CPA does not engage in regular work for the Company or its affiliated companies concurrently and does not receive a fixed salary from them.	Yes	Yes
(11) The CPA is not involved in the strategy-making and management of the Company and its affiliated companies.	Yes	Yes
(12) The CPA does not concurrently engage in other businesses that may lead to the loss of his/her independence.	Yes	Yes
(13) The CPA does not have spouse, lineal relatives by blood or by marriage, or collateral relatives by blood within the second degree of kinship with the management level of the Company.	Yes	Yes
(14) The CPA does not receive any commission related to his/her service.	Yes	Yes
(15) As of now, the CPA has not engaged in any matters that may result in disciplinary actions taken against him/her or may compromise his/her independence.	Yes	Yes

The results of the evaluation of the independence and competence of the CPAs (as shown in the table above) and the detached independence statement were obtained: all meet the Company's independence and competence assessment standards. The Company also refers to the audit quality index (AQI) and prepares the accountant evaluation and performance evaluation form. The evaluation results meet the independence and suitability evaluation.

Note 2: Business execution status and continuing education hours of corporate governance units.

1.The corporate governance unit responsibilities include:

- (1) Handling matters related to the Board and the shareholders' meeting.
- (2) Preparing meeting minutes of Board and shareholders' meetings.
- (3) Assisting the directors to take office and continuing education.
- (4) Providing materials and information necessary for the directors to perform the duties.
- (5) Assisting the directors to comply with the laws and regulations.
- (6) Other matters stipulated in the Article of Incorporation or contracts.

2.Key business points in 2025 include:

- (1) Sending the data of the meetings of the Board of Directors and the Functional Committee to the directors or committee members.
- (2) Publishing major information and announcements regarding major resolutions on the date of closure of the Board and shareholders' meetings.
- (3) Conducting the relevant affairs of the shareholders' meeting according to laws.
- (4) Providing the directors with the relevant information of continuing education and completing the relevant declarations.

3.Continuing education hours of Corporate Governance Officer in 2025:

Title	Name	Continuing education date	Organizer	Class	Training Hours
COO & CFO/Vice President	Chia-Li Huang	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
		July 31, 2025	Taiwan Stock Exchange	2025 Taiwan Capital Market Growth Summit	3.0 hours
		May 16, 2025	Securities and Futures Institute	2025 Seminar on the Prevention of Insider Trading	3.0 hours

Note3: Stakeholder operations

Stakeholder	Meaning for CSC	Communication Channels or Methods	Response Methods
Employees	<ul style="list-style-type: none"> <li>*Labor Relations</li> <li>*Salaries and Benefits / Labor Relations</li> <li>*Training and Development</li> <li>*Occupational Safety and Health</li> <li>*Company Policies and Strategies</li> <li>*Employee Relations</li> </ul>	<ul style="list-style-type: none"> <li>*Labor-Management Meetings</li> <li>*Employee Welfare Committee</li> <li>*Internal Website and Training Course</li> <li>*Ad hoc Communication Meetings / Awareness Sessions</li> <li>*Occupational Safety and Health Committee</li> <li>*Suggestion Box / Monthly Meetings</li> <li>*Employee Performance, Health Center, Employee Cafeteria, Lounge</li> </ul>	<ul style="list-style-type: none"> <li>* Hold labor-management meetings quarterly.</li> <li>* Provide gifts for the three festivals, employee travel, internal and external training courses, and employee health check-ups.</li> <li>*Offer on-site medical services and bank services.</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>*Company Policies and Strategies</li> <li>*Corporate Governance</li> <li>*Company Risk Management</li> <li>*Business Performance / Operational Status</li> <li>*Dividend policy</li> </ul>	<ul style="list-style-type: none"> <li>* Annual General Shareholders' Meeting</li> <li>*Company Website / Major Announcements / Market Observation Post System</li> <li>*Telephone Inquiries and Feedback Collection</li> <li>*Investor Conferences / Visits by Investors or Analysts</li> <li>*Company Website / Annual Report / Quarterly Financial Reports</li> </ul>	<ul style="list-style-type: none"> <li>*Held 1 annual general shareholders' meeting.</li> <li>*The company website is updated irregularly.</li> <li>*Conducted 104 investor communications, including 48 in-person meetings, 52 conference calls, and 4 quarterly earnings calls.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>*Process Technology</li> <li>*Product Quality and Responsibility</li> <li>*Customer Service/ Customer Relations</li> <li>*Product Delivery and Capacity</li> <li>*Integrity in Business and Ethics</li> <li>*Information Security</li> <li>*Conflict-Free Minerals Survey</li> <li>*Confidential Information Protection</li> </ul>	<ul style="list-style-type: none"> <li>*Customer Visits / Seminars</li> <li>*Customer Audits / Surveys</li> <li>*Surveys / Declarations</li> </ul>	<ul style="list-style-type: none"> <li>*Achieved customer annual audits.</li> <li>*Conducted customer satisfaction surveys.</li> </ul>
Suppliers (Contractors)	<ul style="list-style-type: none"> <li>*Supply Chain Management</li> <li>*Raw Material Delivery and Availability</li> <li>*Occupational Safety and Health</li> <li>*Compliance with Legal Regulations</li> </ul>	<ul style="list-style-type: none"> <li>*Annual Supplier Visits or Supplier Visits to Company</li> <li>*On-Site Audits of Contractors</li> <li>*On-Site Quality Audits of Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>*Regular supplier visits.</li> <li>*Audited supplier product quality.</li> <li>*Evaluated waste disposal providers.</li> </ul>
Government agencies	<ul style="list-style-type: none"> <li>*Compliance with Various Regulations</li> <li>*Labor Relations</li> <li>*Policy Advocacy and Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>*Greenhouse Gas Reduction</li> <li>*Water Resource Management</li> <li>*Water and Electricity Conservation Correspondence</li> <li>*On-Site Audits</li> <li>*Labor Relations Advocacy</li> <li>*Disaster Prevention Advocacy</li> <li>*Dormitory Fire Safety Advocacy</li> <li>*Safety and Health Management Advocacy</li> </ul>	<ul style="list-style-type: none"> <li>*Submitted reports regularly as required by law.</li> <li>*Attended government briefings.</li> <li>*Conducted 90 labor law advocacy sessions.</li> <li>*Conducted 90 disaster prevention law advocacy session.</li> </ul>
Banks	<ul style="list-style-type: none"> <li>*Business Performance / Operational Status, Innovative Product Services</li> </ul>	<ul style="list-style-type: none"> <li>*Telephone or Written Inquiries, Regular Feedback Collection</li> <li>*Interviews</li> </ul>	<ul style="list-style-type: none"> <li>*Communicated with banks regarding sustainable finance and investment.</li> <li>*Shared company profit performance data.</li> </ul>
Society/Public	<ul style="list-style-type: none"> <li>*Compliance with Environmental Regulations</li> <li>*Environment and Occupational Safety and Health</li> <li>*Public Welfare Activities</li> </ul>	<ul style="list-style-type: none"> <li>*Regular Audits</li> <li>*Suggestion Box/Complaint Channels</li> <li>*Public Service Ads/Blood donation</li> </ul>	<ul style="list-style-type: none"> <li>*Conducted 3 blood donation events</li> <li>*Establish Complaint Channels: Complaint phone number: 0226790122#1051, Complaint email: hr@theil.com.</li> </ul>
Academic Institutions	<ul style="list-style-type: none"> <li>*Corporate Social Responsibility and Social Participation</li> </ul>	<ul style="list-style-type: none"> <li>*Industry-Academia Collaboration</li> </ul>	<ul style="list-style-type: none"> <li>*Partners included: Industrial Technology Research Institute, National Central University, National Tsing Hua University, National Taipei University of Technology</li> </ul>

Note 4: Director's continuing education status in 2025

Title	Name	Continuing Education Date	Organizer	Class	Training Hours
Director	Tie-Min Chen	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
Representative of Juristic- person Director	Hsi-Hu Lai	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
Representative of Juristic- person Director	Chia-Li Huang	November 27-28, 2025	Accounting Research and Development Foundation of the Republic of China	Continuing training courses for accounting supervisors of issuers, securities companies and stock exchanges	12.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
		July 31, 2025	Taiwan Stock Exchange	2025 Taiwan Capital Market Growth Summit	3.0 hours
		May 16, 2025	Securities and Futures Institute	2025 Seminar on the Prevention of Insider Trading	3.0 hours
Representative of Juristic- person Director	Pen-Chi Chen	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
		July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0 hours
Representative of Juristic- person Director	Shao-Chiao Chen	July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours

Title	Name	Continuing Education Date	Organizer	Class	Training Hours
Representative of Juristic- person Director	Shu-Chen Tsai	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
Independent Director	Ta-Sheng Chiu	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours
		July 25, 2025	Securities and Futures Institute	2025 Legal Compliance Seminar on Insider Equity Trading.	3.0 hours
Independent Director	Shien-Hua Huang	June 27, 2025	Taiwan Corporate Governance Association	The Future Direction of Diversity, Equity, and Inclusion (DEI) Policies	1.0 hour
		April 23, 2025	Taiwan Corporate Governance Association	Management Accounting and ESG Innovation	1.0 hour
		February 21, 2025	Taiwan Corporate Governance Association	The Current Global Economic Outlook	1.0 hour
		February 21, 2025	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Taiwan’s Sustainable Development Policies and Relevant Securities Laws	3.0 hours
Independent Director	Chung-Hou Tai	October 30, 2025	Taiwan Corporate Governance Association	Group Governance and Performance Management	3.0 hours
		October 30, 2025	Taiwan Corporate Governance Association	Defense Against Hostile Takeovers and the Legal Liabilities of Company Officers	3.0 hours

(IV) Composition and operations of the Remuneration Committee, Nomination Committee, and other Functional Committees

1. Remuneration Committee

(1) Information of Remuneration Committee member:

There are three members in the Remuneration Committee of the Company. The Remuneration Committee of the Company consists of 3 independent directors. Please refer to "Chapter 2 I. (I) 4. Professional qualifications of Directors and the independence of independent directors." of the annual report for the professional qualifications, experience and independence of each member.

(2) Operations of Remuneration Committee:

The tenure of 6<sup>th</sup> Term Remuneration Committee is from May 28, 2025, to May 27, 2028. A total of 1 meetings of Remuneration Committee were held in 2025 (A). The attendance status of independent directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remarks
Convener	Ta-Sheng Chiu	1	0	100	Re-elected on May 28, 2025
Committee Member	Shien-Hua Huang	1	0	100	Newly elected on May 28, 2025
Committee Member	Chung-Hou Tai	1	0	100	Newly elected on May 28, 2025

The tenure of 5<sup>th</sup> Term Remuneration Committee is from June 8, 2022, to June 7, 2025. A total of 2 meetings of Remuneration Committee were held in 2025 (A). The attendance status of independent directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remarks
Convener	Chin-Tsai Chen	2	0	100	Term expired on May 28, 2025
Committee Member	Ta-Sheng Chiu	2	0	100	Re-elected upon the expiration of the term on May 28, 2025
Committee Member	Yueh-Hsiang Tsai	2	0	100	Term expired on May 28, 2025

(3) Other matters:

- A. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Nominating Committee, the date of the Board Meeting, sessions, the contents discussed, results of meeting resolutions, and the Company's disposition of opinions provided by the Nominating Committee shall be described in detail: None.
- B. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of proposal, and opinions of all members and the Company's handling of said opinions: None.

The meetings of the Remuneration Committee held in 2025 are summarized as follows:

Date/Term	Resolution	Resolution of the Meeting of the Remuneration Committee	The Company's Response to the Remuneration Committee's Opinions
January 17, 2025 6 <sup>th</sup> meeting of 5 <sup>th</sup> Term	1. The proposal for the Company's 2024 year-end bonus distribution for main managers.	Proposal passed without objections from all present committee members.	Approved by all directors present unanimously.
February 27, 2025 7 <sup>th</sup> meeting of 5 <sup>th</sup> Term	1. The proposal for the 2024 distribution of employee & directors compensation.	Proposal passed without objections from all present committee members.	Approved by all directors present unanimously.
October 30, 2025 1 <sup>st</sup> meeting of 6 <sup>th</sup> Term	1. The proposal for the 2024 distribution of employee & main managers compensation.	Proposal passed without objections from all present committee members.	Approved by all directors present unanimously.

2. Nominating Committee :

(1) Information of Nominating Committee member:

There are three members in the Nominating Committee of the Company. The Nominating Committee of the Company consists of 3 independent directors. Please refer to "Chapter 2 I. (I) 4. Professional qualifications of Directors and the independence of independent directors." of the annual report for the professional qualifications, experience and independence of each member.

(2) Operations of Nominating Committee:

The tenure of 2nd Nomination Committee is from June 8, 2022, to June 7, 2025. A total of 1 meeting of the Nominating Committee were held in the 2025 (A). The attendance status of the Nominating Committee members was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remarks
Convener	Chin-Tsai Chen	1	0	100	
Committee Member	Ta-Sheng Chiu	1	0	100	
Committee Member	Yueh-Hsiang Tsai	1	0	100	

(3) Other matters:

A. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Nominating Committee, the date of the Board Meeting, sessions, the contents discussed, results of meeting resolutions, and the Company's disposition of opinions provided by the Nominating Committee shall be described in detail: None.

B. For resolution(s) made by the Nominating Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of proposal, and opinions of all members and the Company's handling of said opinions: None

The meeting of the Nominating Committee held in 2025 are summarized as follows:

Date/Term	Resolution	Resolution of the Meeting of the Nominating Committee	The Company's Response to the Nominating Committee's Opinions
February 27, 2025 3 <sup>rd</sup> meeting of 2 <sup>nd</sup> Term	1. The results of the board performance evaluation in 2024 2. Proposal for the Nomination of Director Candidates.	Proposal passed without objections from all present committee members.	Approved by all directors present unanimously.

### 3. Sustainability Committee :

#### (1) Information of Sustainability Committee member:

There are three members in the Sustainability Committee of the Company. The Sustainability Committee of the Company consists of 1 director, and 2 independent directors. Please refer to "Chapter 2 I. (I) 4. Professional qualifications of Directors and the independence of independent directors." of the annual report for the professional qualifications, experience and independence of each member.

#### (2) Operations of Sustainability Committee:

The tenure of 1st Sustainability Committee is from Oct. 30, 2025, to May 27, 2028. A total of 1 meeting of the Sustainability Committee were held in the 2025 (A). The attendance status of the Sustainability Committee members was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B)/(A)	Remarks
Convener	Ta-Sheng Chiu	1	0	100	
Committee Member	Shien-Hua Huang	1	0	100	
Committee Member	Chia-Li Huang	1	0	100	

#### (3) Other matters:

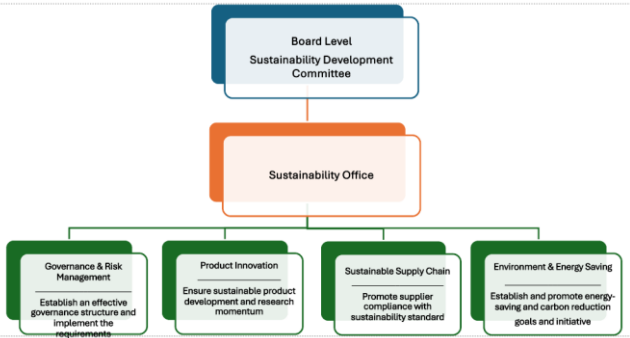
A. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Sustainability Committee, the date of the Board Meeting, sessions, the contents discussed, results of meeting resolutions, and the Company's disposition of opinions provided by the Sustainability Committee shall be described in detail: None.

B. For resolution(s) made by the Sustainability Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of proposal, and opinions of all members and the Company's handling of said opinions: None

The meeting of the Sustainability Committee held in 2025 are summarized as follows:

Date/Term	Resolution	Resolution of the Meeting of the Sustainability Committee	The Company's Response to the Sustainability Committee's Opinions
December 29, 2025 1 <sup>st</sup> meeting of 1 <sup>st</sup> Term	<ol style="list-style-type: none"> <li>Review of the Company's 2024 greenhouse gas inventory data.</li> <li>Review of trends in internal carbon pricing and potential pathways for Tong Hsing.</li> <li>Status of the implementation of risk management training.</li> </ol>	Not applicable.	

(V-I)Performance of sustainable development responsibility and differences between the performance and " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies " and reasons thereof.

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>(I) The Company established the Sustainability Committee in 2022. The Committee is led by senior management, which was authorized by the Board of Directors, and serves as the core organization for implementing ESG initiatives. On 2025 Oct. 30, at a Board meeting, we further resolved to establish a Board-level Sustainability Committee and appointed three directors as its members. Also, since 2022 the Company has set up a Sustainable Development Division as a dedicated unit to coordinate and promote sustainability-related initiatives. The structure of the Sustainability Committee is as follows:</p>  <pre> graph TD     A[Board Level Sustainability Development Committee] --&gt; B[Sustainability Office]     B --&gt; C[Governance &amp; Risk Management]     B --&gt; D[Product Innovation]     B --&gt; E[Sustainable Supply Chain]     B --&gt; F[Environment &amp; Energy Saving]     </pre>	None
			<p>(II) The composition, operation and implementation of the Sustainability Office members in the current year:</p> <ol style="list-style-type: none"> <li>The Sustainability Office is a full-time unit with one associate vice President and two administrators who coordinates and</li> </ol>	

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
			<p>promotes sustainable development operation.</p> <p>2. Sustainability Report: The Sustainability Office convenes the Corporate Governance and Risk Group (Finance/Accounting/Audit/Legal Affairs/Information Security/Human Resources), Product Innovation Group (R&amp;D/Engineering), Environmental Energy Saving Group (Plant Affairs/ General Affairs/Occupational Safety and Health), and Sustainable Supply Chain Team (Procurement/Quality Control/Logistics Customs Affairs/Sales) to investigate issues of concern to stakeholders, communicate with stakeholders, formulate risk management policies, and publicly disclose implementation performance to comply with international standards such as GRI and SASB so as to prepare sustainability reports. In addition, after obtaining third-party certification and independent assurance statements, the Office regularly issue Chinese and English versions of the sustainability reports every year.</p> <p>3. Greenhouse Gas Inventory: The Sustainability Office coordinates each plant to investigate water consumption, electricity consumption and the total weight of waste produced every quarter, sets water saving, energy saving and pollution prevention improvement targets and reduction targets,</p>	

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
			<p>and reviews the implementation status at the end of the year. Then, targets for the next year are set, and ISO14064-1:2018 organization greenhouse gas inventory in Q1 of each year is launched to calculate the Scopes 1, 2, and 3 carbon emissions of each plant. In the middle of each year, after the third-party certification body has certified the accuracy of the data, the certification obtained is publicly disclosed in the sustainability report and the Company's website.</p> <p>(III) Supervision of sustainable development by the Board of Directors: The Board of Directors is responsible for formulating the sustainable development strategy and overseeing the implementation of sustainability-related activities by the Sustainability Committee and the Sustainability Office, and reviewing progress and results on a quarterly basis. The specific management guidelines set for this year include reducing water, electricity and waste, and setting a 2% decrease in water savings or a 2% increase in recycled water, a 2% electricity saving and a 5% waste reduction as sustainable environmental management indicators. The board of directors has incorporated the above environmental and energy-saving indicators and ESG assessment results into the link between main managers' KPI performance and remuneration. To make sure the goals are met, a performance grading system was set up: hitting all</p>	

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
			<p>three goals gets an A+, two gets an A, one gets a B, and if none are met, it's a C. The board of directors reviews and makes adjustments based on performance results.</p> <p>The most recent report date is October 30, 2025. The Board of Directors puts forward suggestions and policies on the implementation of promoting sustainable development, and the Sustainable Development Committee develops follow-up implementation plans based on the Board of Directors' suggestions.</p>	
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>An annual risk assessment is conducted to identify strategies for mitigating risks that may affect the Company's operations based on the materiality and probability of the risks. Units responsible are in charge of evaluating, reporting, and implementing response plans within their respective areas of responsibility to minimize potential risks and continue the improvement.</p> <p>The Sustainable Office identifies the environmental, social, and corporate governance risks and develops effective strategies and practices for managing and controlling them ,please refer to "Chapter2 III. (V-I) Note 1: Risk assessment policies of the Company" and "Chapter4 IV. Disbursements for Environmental Protection"of this annual report.</p>	None
III. Environmental issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I) The Company has established the Environmental Safety and Health Management Regulations which are in compliance with relevant regulations and has	None

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		also obtained ISO-14001 Environmental Management System certification, which is valid until December 30 2027. (II) The primary source of energy for the Company is purchased electricity from Taiwan Power Company. In terms of energy management, we have dedicated units responsible for reducing energy consumption. We take a 2% absolute annual reduction for each plant as a management metric and review the electricity usage of each plant quarterly. In 2023, we initiated solar roof power generation projects at Longtan Plant and 2024 in Bade Plant, with the aim of improving the efficiency of renewable energy utilization, please refer to "Chapter4 IV. Disbursements for Environmental Protection" of this annual report.	None
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(III) The Company has conducted a risk assessment of the impact of climate change on the Company and formulate measures to mitigate the impact, please refer to "Chapter4 IV. Disbursements for Environmental Protection" of this annual report.	None
(IV) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(IV) In the past two years, the Company compiles monthly statistics on water consumption, electricity consumption, and total weight of waste, and sets improvement goals and schedules to achieve energy conservation, carbon emissions reduction, and cost reduction. The Company reviews the execution effect at the end of every year, and sets the goals of the next year please refer to "Chapter4 IV. Disbursements for Environmental Protection" of this annual report.	None

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
IV. Social issues				
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company supports and follows the United Nations "Universal Declaration of Human Rights", the United Nations "World Covenant", the "ILO Conventions of the International Labor Organization" and other human right conventions recognized by the international community, the "Responsible Business Alliance (RBA) Code of Conduct" and related rules. It establishes working rules and the related management measures to implement the laws and regulations, safeguard the rights and interests of employees, ensure humanitarian treatment and anti-discrimination protection. For detailed management procedures, please refer to "Chapter4 V. Labor Relations" of this annual report.	None
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(II) The Company adjusts the "Measures on Salary Standards for New Employees" with reference to the industry level. The "Measures for Payment of Performance Bonus" will be applied to the adjustment according to the correlation between the Company's business performance and employees' salary every year. For details of employee welfare measures, please refer to "Chapter4 V. Labor Relations" of this annual report.	None
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(III) The Company establishes an environmentally friendly, safe and healthy workplace, and obtains ISO-45001 Occupational Safety and Health Management System Certification, which is valid until December 30, 2027, in accordance with the requirements of the environmental protection, occupational safety, fire protection and other related laws and regulations, and the safety risk	None

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
(IV) Has the Company established effective career development training programs for employees?	✓		<p>evaluation results. In addition, the Company organizes regular health examination for employees and fire drills from time to time to familiarize employees with emergency response plans and procedures and minimize the impact of such emergencies on them.</p> <p>For the protection of the work environment and personal safety of employees, please refer to "Chapter4 V. Labor Relations" of this annual report.</p> <p>(IV) The Company formulates the annual education and training programs and professional training courses in accordance with the annual business strategies, new policies, laws and regulations, and job function requirements, such as external training courses for professional skills, online education training, presentation skills and English language continuing education, so as our employee cultivate their future development in their job with sound education and training system. For details of employee education and training measures, please refer to "Chapter4 V. Labor Relations" of this annual report.</p>	None
(V) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		<p>(V) The Company provides process and services by following the customer requirements, relevant laws and regulations, and international standards, and has passed verification of the following standards to protect the right and interest of the consumers and customers;</p> <p>1. ISO14064-1:2018 Organizational GHG Inventory Certification</p>	None

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
(VI) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<p>2. ISO27001:2022 Information Security Management System Certification</p> <p>3. ISO 9001 Quality Management System Certification</p> <p>4. ISO/TS 16949 Automobile Quality Management System Certification</p> <p>5. ISO 14001 EMS Certification</p> <p>6. OHSAS18001 Safety and Health Management System Certification</p> <p>7. ISO 13485:2016 – Medical Devices Quality Management System Standard</p> <p>8. ISO 45001:2018 – Occupational Health and Safety Management System</p> <p>(VI)The Company has implemented the "Supplier Management Procedure", which mandates both existing and new suppliers to complete the "Letter of Commitment of Tong Hsing Electronics Supplier for the Code of Ethics". Additionally, new suppliers are obligated to sign the "Notice of Social Responsibility Policy Advocacy" to demonstrate their compliance with and endorsement of this policy. In the future, the Company will pay more attention to supply chain management, environment and society and other aspects in order to cultivate partners with sustainable development.</p>	None
V. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company has complied sustainable reports in compliance with international standards. The reports adheres to SASB, GRI 2021, and the Accountability Principles AA1000 Type 1 Moderate Level of Assurance, in alignment with the United Nations Sustainable Development Goals as well as the "Sustainable Development Best Practice Principles for	None

Assessment Item	Implementation Status			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
			TWSE/TPEX Listed Companies", and conducting third-party verification annually to obtain assurance opinions.	
VI. If the Company has established the "Corporate Social Responsibility Best Practice Principles" based on the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and the implementation: The Company passed the "Code of Practice for Sustainable Development" on August 11, 2022, in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies".				
VII. Other important information to facilitate better understanding of the Company's CSR practices: Please refer to "Chapter4 IV. Disbursements for Environmental Protection" and "Chapter4 V. Labor Relations" of this annual report.				

Note 1: Risk assessment policies of the Company

Material Topic	Evaluation Item	Risk Management Strategy						
Environment	Climate Change	In accordance with the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), we have utilized appropriate models to estimate the effects of climate change. The volatile fluctuations in rainfall patterns and climate models have the potential to cause operational disruptions, such as flooding, in our plant facilities. To assess the risks in our different plant facilities, we have performed a financial impact evaluation using scenario simulations based on the 1.5°C and 2°C scenarios.						
		Physical Risk		SSP1-2.6 Scenario		SSP3-7.0 Scenario		
		Rising Temperature Scenario		1.5°C		2°C		
		Data on sea level rising around Taiwan		30 cm		50 cm		
		Annual total rainfall in Taiwan		12%		14%->15%		
		Average annual increase in maximum 1-day rainfall intensity		15.7%		18%->20%		
		Rainfall scenario assumption		Assuming there are no operational incidents that will affect the operation of plant facilities before 2030 Assuming there is one operational incident that will affect the operation of plant facilities before 2050		Assuming there are no operational incidents that will affect the operation of plant facilities before 2030 Assuming there are two operational incidents that will affect the operation of plant facilities before 2050		
		Potential financial impacts for each plant area		Taipei/Longtan/Zhubei Bade/The Philippines The terrain is elevated and has no impact in all plants		Taipei/Longtan/Zhubei Bade/The Philippines The terrain is elevated and has no impact in all plants		
		Plant		Taipei Plant	Longtan Plant	Bade Plant	Zhubei Plant	Philippine Plant
		The elevation above sea level of the lowest point of the plant buildings		10,600 cm	24,100 cm	12,000 cm	2,250 cm	13,100 cm
		Height of plant buildings		36m above ground level 6.6m beneath ground level	38.5m	49.98m	26.55m	15.30 m
		Names of the sea area closest to the plants		Zhuwei Fishing Harbor	Yong'an Fishing Harbor	Zhuwei Fishing Harbor	Nanliao Fishing Harbor	Port of Manila
Environment	Energy Resources	Each factory has implemented the ISO14001 management system, which includes a recycling water system and proper disposal of process waste in accordance with legal procedures. The materials used meet the requirements of the RoHS and REACH regulations of the European Union. We prioritize local procurement as much as possible and are gradually replacing outdated equipment with new, high-performance models, as part of our commitment to establishing a circular economy. The solar rooftop power generation project was launched at the Longtan plant in 2023 and at the Bade plant in 2024, with the						

Material Topic	Evaluation Item	Risk Management Strategy
		goal of increasing the use of renewable energy. We are dedicated to creating a regenerative process in our operations, minimizing negative impacts on the community, environment, and natural resources while ensuring public health and safety.
Society	Occupational Health and Safety	Each factory has implemented ISO 45001:2018 and complied with the requirements of the occupational health and safety management system in order to prevent work-related injuries and illnesses. By providing proactive training and enhancing occupational health and safety performance, our goal is to prevent operational disruptions and casualties resulting from industrial accidents. There were no industrial accidents reported in 2025.
	Human Rights	In accordance with the United Nations Universal Declaration of Human Rights, we adhere to RBA commitments regarding labor, health and safety, the environment, and ethics. We have established management responsibilities and conduct regular inspections to monitor compliance with applicable laws and customer demands. We also conduct risk assessments and implement risk management measures. Performance objectives are established and regularly evaluated. Additionally, we have developed training programs and communication procedures with the employees. There have been no incidents of human rights violations or discrimination in 2025.
	Labor Relations	Employee hiring complies with the Labor Standards Act: 1. Hold labor-management meetings quarterly. 2. There were no incidents of forced labor or confiscation of identifications in 2025.
Corporate Governance	Ethical Corporate Management and Business Ethics	As the dedicated unit responsible for promoting ethical corporate management, the Company's corporate governance unit regularly reports to the Board of Directors on the achievements of ethical corporate management and the prevention of unethical practices. The unit also provides updates on the implementation of these measures, which are as follows: 1. The Code of Business Conduct provides employees with specific guidelines to follow when carrying out their duties, including measures to prevent conflicts of interest. 2. "Procedures for Handling Material Inside Information and Preventing Insider Trading" has been formulated. 3. In 2025, the Company had no incidents of corruption, anti-competitive behaviors, anti-trust and monopoly practices. 4. According to the "Regulations for Whistle-blowing System", there is an independent channel for reporting complaints/grievances, which is published on the Company's website. There were no reported complaints/grievances in 2025.
	Finance	In accordance with the Climate Change Response Act, carbon fees will be levied based on the Regulations Governing the Collection of Carbon Fees. In 2025, the Company's total direct and indirect emissions did not reach Taiwan's carbon fee threshold of 25,000 metric tons of CO <sub>2</sub> e. However, considering global trends and the risk of a lower threshold in the future, the Company has already developed carbon reduction goals and strategies in phases for reducing emissions.
	Information Security	In the fourth quarter of 2021, the Information Security Office was established, and an information security management representative and dedicated information security personnel were appointed. The office complies with ISO27001 standards and implements effective measures in the classification of confidential information in order to protect the information assets of the Company.

(V-II) Climate-related information for TWSE/TPEX listed companies

1. Climate-related Information of the Company and Its Implementation Status

Item	Implementation Status
(1) Describe the supervision and governance of climate-related risks and opportunities implemented by the Board of Directors and the management.	The highest decision-making body for risk management is the Company's Board of Directors. Climate change risks have been integrated into the Company's overall risk management process since 2022. The Board of Directors actively participates in formulating climate-related policies and overseeing their implementation. This includes identifying and formulating risk strategies in various aspects of the Company. These measures ensure that Tong Hsing can effectively respond to and adapt to climate-related risks and opportunities. Climate risk identification follows the TCFD framework, and based on the results, each units develops, integrates, and manages response strategies.
(2) Describe how the identified climate risks and opportunities will affect the Company's business, strategies, and finances (in the short term, medium term, and long term).	In relation to the development of the business landscape, the management has identified the following climate risks that are deemed to have a significant impact on the Company: Rising raw material costs, changes in rainfall patterns, extreme changes in climate patterns, and the carbon tax. Risks that are likely to occur in the short term (within 3 years) are the following physical risks: Changes in rainfall patterns and extreme changes in climate patterns, reinforced reporting obligations of greenhouse gas emissions, and rising raw material costs. Potential risks that may occur in the medium to long term (in 3-10 years or later): In response to climate-related laws and regulations, the government may actively promote low-carbon manufacturing processes. Investors and regulatory agencies are increasingly focusing on the transparency of climate-related information disclosed in financial statements, which further intensifies the pressure for transformation. In terms of market opportunities, the primary potential opportunities include the utilization of low-carbon energy, the reduction of water and electricity consumption, changes in consumer preferences, and the growth of low-carbon products and services. These opportunities are anticipated to emerge in the medium to long term.
(3) Describe the financial implications of extreme weather events and transformation actions.	Extreme weather conditions have the potential to cause operational disruptions, prevent employees from coming to work, or result in flooding and property damage in the plants. Prolonged high temperatures will lead to increased electricity costs. The transformation actions taken in response to climate change, such as replacing equipment to reduce carbon emissions or choosing more expensive waste disposal methods, may result in the loss of customers due to the future tax burden imposed by the EU's carbon Border Adjustment Mechanism (CBAM), which will internalize external costs. In addition, financial institutions assess climate finance performance when deciding to invest and giving out loans, and failure to meet their requirements may have a negative impact on the Company.

Item	Implementation Status								
(4) Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	By implementing risk identification, assessment, monitoring, reporting, and disclosure procedures, we aim to control the extent of operational risks and take necessary measures to manage them. Moving forward, we will further improve the documentation of risk management procedures and their execution outcomes. We will also provide annual reports on the risk status to the Board of Directors to ensure the smooth functioning of the management framework and risk control functions.								
(5) If scenario analysis is employed to assess resilience to climate change risks, it is imperative to provide an explanation of the context, parameters, assumptions, analysis factors, and significant financial impacts.	According to the final draft of the IPCC Climate Change Sixth Assessment Report (AR6) Working Group I, the information on climate change estimation in Taiwan is summarized in the scientific highlights excerpt of the IPCC AR6 report and the updated analysis report on climate change in Taiwan. For details on scenarios, parameters, assumptions, analysis factors, and significant financial impacts, please refer to page 54 of the 2024 Sustainability Report.								
(6) If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transition risks.	<table border="1" data-bbox="801 603 2069 1193"> <thead> <tr> <th data-bbox="801 603 1267 644">Issue</th> <th data-bbox="1267 603 2069 644">Description of the Current Situation</th> </tr> </thead> <tbody> <tr> <td data-bbox="801 644 1267 804">(1) Disclosure of the metrics used by the organization to assess climate-related risks and opportunities as part of its strategy and risk management processes</td> <td data-bbox="1267 644 2069 804">Based on the strategies and risk management process outlined above, Tong Hsing has identified the necessary immediate measures and future tracking metrics. Metrics have been established for each risk and opportunity to enable the mechanisms of quantitative tracking and management.</td> </tr> <tr> <td data-bbox="801 804 1267 963">(2) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3</td> <td data-bbox="1267 804 2069 963">From 2023, the Company completed the third-party certification of greenhouse gas emissions in accordance with ISO14064-1 for each plant. Then, we will continue to collect data related to carbon emissions using the established method and establish reduction targets for greenhouse gas emissions.</td> </tr> <tr> <td data-bbox="801 963 1267 1193">(3) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.</td> <td data-bbox="1267 963 2069 1193">In light of the global net zero emissions initiative and the forthcoming carbon border tax mechanism in Western countries, Tong Hsing is prioritizing digital transformation and offering products and solutions in the areas of energy storage, energy conservation, and renewable energy. After conducting the first climate-related financial assessment in 2023, the Company will progressively establish management metrics and targets to formulate corresponding action plans.</td> </tr> </tbody> </table>	Issue	Description of the Current Situation	(1) Disclosure of the metrics used by the organization to assess climate-related risks and opportunities as part of its strategy and risk management processes	Based on the strategies and risk management process outlined above, Tong Hsing has identified the necessary immediate measures and future tracking metrics. Metrics have been established for each risk and opportunity to enable the mechanisms of quantitative tracking and management.	(2) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3	From 2023, the Company completed the third-party certification of greenhouse gas emissions in accordance with ISO14064-1 for each plant. Then, we will continue to collect data related to carbon emissions using the established method and establish reduction targets for greenhouse gas emissions.	(3) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.	In light of the global net zero emissions initiative and the forthcoming carbon border tax mechanism in Western countries, Tong Hsing is prioritizing digital transformation and offering products and solutions in the areas of energy storage, energy conservation, and renewable energy. After conducting the first climate-related financial assessment in 2023, the Company will progressively establish management metrics and targets to formulate corresponding action plans.
	Issue	Description of the Current Situation							
	(1) Disclosure of the metrics used by the organization to assess climate-related risks and opportunities as part of its strategy and risk management processes	Based on the strategies and risk management process outlined above, Tong Hsing has identified the necessary immediate measures and future tracking metrics. Metrics have been established for each risk and opportunity to enable the mechanisms of quantitative tracking and management.							
	(2) Disclosure of greenhouse gas emissions and associated risks in Scopes 1, 2, and 3	From 2023, the Company completed the third-party certification of greenhouse gas emissions in accordance with ISO14064-1 for each plant. Then, we will continue to collect data related to carbon emissions using the established method and establish reduction targets for greenhouse gas emissions.							
(3) Describe the targets that the organization employs to manage climate-related risks and opportunities, as well as the performance in implementing these targets.	In light of the global net zero emissions initiative and the forthcoming carbon border tax mechanism in Western countries, Tong Hsing is prioritizing digital transformation and offering products and solutions in the areas of energy storage, energy conservation, and renewable energy. After conducting the first climate-related financial assessment in 2023, the Company will progressively establish management metrics and targets to formulate corresponding action plans.								
(7) If internal carbon pricing is used as a planning tool, it is imperative that the method for determining the price be described.	Currently unavailable, as internal carbon pricing is currently under development.								
(8) If climate-related targets are set, it is imperative to provide clear description of the activities that will be covered, the scope of greenhouse gas	The Company is not a significant carbon emitter and is currently unaffected by climate warming or rising sea levels due to its high elevation. As a result, there are currently no climate-related targets, and no carbon offset or renewable energy certificates have been utilized in the past two years.								

Item	Implementation Status
emissions, the planning schedule, and the annual progress information. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these targets, it is imperative to specify the source and quantity of carbon offset or the quantity of RECs.	
(9)Inventory of greenhouse gases, assurance status, reduction targets, strategies, and specific action plans.	The organizational greenhouse gas inventory for the year of 2025, in accordance with ISO14064-1:2018, has been verified by the third-party TUV NORD, and the Company has obtained a statement of assurance.

1-1 Greenhouse gas inventory and assurance status for the past two years

1-1-1 Greenhouse gas inventory information

The Company conducted an inventory following the ISO 14064-1:2018 standard. The inventory was verified by a third-party organization. The organizational boundary was set with 100% control, and the data scope was from January 1, 2025 to December 31, 2025. The boundaries are Taipei Plant, Longtan Plant, Zhubei Plant, Bade Plant and the Philippine subsidiary. The Scope1 and Scope 2 greenhouse gas emissions amount is 64,348.9431 tons of CO2 equivalent. The comparison for the past two years is as follows:

Year	2024	2025
Scope1 and Scope 2 Greenhouse Gas Emissions Amount	64,623.6779	64,348.9431
Scope1 and Scope 2 Greenhouse Gas Emissions Intensity (CO2e per million New Taiwan dollars)	5.28	5.57

Amount of Greenhouse Gas Emissions (Tons of CO2e)			
Scope		2024	2025
1. Parent Company	Scope1 Direct Greenhouse Gas Emissions Amount	444.8323	403.4802
	Scope2 Indirect Greenhouse Gas Emissions Amount	45,594.4517	43,896.5556
	Subtotal	46,039.2840	44,300.0358
2. Consolidated Subsidiaries	Scope1 Direct Greenhouse Gas Emissions Amount	318.8271	280.2251
	Scope2 Indirect Greenhouse Gas Emissions Amount	18,265.5668	19,768.6822
	Subtotal	18,584.3939	20,048.9073
Total (1. + 2.)	Total	64,623.6779	64,348.9431
	Intensity (tCO2e / million NTD revenue)	5.28	5.57

1-1-2 Greenhouse gas assurance information

Assurance Scope		Amount of Greenhouse Gas Emissions (Tons of CO <sub>2</sub> e)	
		2024	2025
1. Parent Company	Scope1 Direct Greenhouse Gas Emissions Amount	444.8323	403.4802
	Scope2 Indirect Greenhouse Gas Emissions Amount	45,594.4517	43,896.5556
	Subtotal	46,039.2840	44,300.0358
	Percentage of Data Verified in Section 1-1-1	100%	100%
2. Consolidated Subsidiaries	Scope1 Direct Greenhouse Gas Emissions Amount	318.8271	280.2251
	Scope2 Indirect Greenhouse Gas Emissions Amount	18,265.5668	19,768.6822
	Subtotal	18,584.3939	20,048.9073
	Percentage of Data Verified in Section 1-1-1	100%	100%
Total (1. + 2.)	Total	64,623.6779	64,348.9431
Assurance Organization		TUV NORD Taiwan Co., Ltd.	TUV NORD Taiwan Co., Ltd.
Assurance Standards		ISO 14064-1 : 2018 ISO 14064-3 : 2019	ISO 14064-1 : 2018 ISO 14064-3 : 2019
Assurance Opinion		Reasonable Assurance Level ; Materiality 5%	Reasonable Assurance Level ; Materiality 5%

1-2 Reduction targets for greenhouse gases, strategies, and specific action plans

Reduction Targets and Strategies	The Company has continuously implemented energy-saving plans for electricity use and increased the use of renewable energy. The base year is expected to be 2024, with Scope 1 and Scope 2 emissions as the focus. There will be a 2% reduction in 2025 to 2026 compared to the base year. From 2027 to 2030, there will be an annual reduction of 4-8% compared to the base year, resulting in a total carbon reduction of 30% by mid-2030.
Specific Action Plans	<p>We continue to use the electricity saving rate (kWh) of each plant and the energy-saving measures as management indicators, requiring a year-on-year reduction. This includes replacing outdated equipment, promoting energy-saving awareness, purchasing high-efficiency equipment, and establishing a circular economy model.</p> <p>TongHsing completed the installation of a solar rooftop power generation system at the Longtan plant in 2023 and at the Bade plant in 2024. We aim to increase the proportion of renewable energy usage and will continue optimizing and managing energy consumption to achieve environmental protection goals through energy conservation and carbon reduction.</p>
Achievement of Emission Reduction Targets	In 2025, the Company's electricity consumption totaled 92,089,700 kWh, a decrease of 3,461,548 kWh compared to 2024. However, electricity consumption by subsidiaries increased from 25,640,870 kWh in 2024 to 28,780,295 kWh in 2025. The Company will continue to promote energy-saving initiatives to its subsidiaries and further increase the use of renewable energy.

(VI) Implementation of ethical corporate management and difference between the "Ethical Corporate Management Best Practice Principles and the Implementation for TWSE & TPEX Listed Companies" and reasons.

Assessment Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
I. Establishment of Ethical Corporate Management Policies and Programs				
(I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	✓		(I) The Company has established the "Code of Ethical Corporate Management" and disclosed it at the Company's website. The Company's ethical corporate management policies, commitment from the Board and the management and their implementation, such as the number of training hours, etc., are explained in the annual report.	None
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		(II) The Company irregularly collects cases of unethical conduct behavior and evaluates the degree of effect of the risk to the Company and set up the countermeasures. According to the "Code of Ethical Conduct", the following precautionary measures are taken: <ol style="list-style-type: none"> <li>1. To implement the policy, the "Measures for the Administration of the whistle-blowing System" was formulated to provide internal and external whistle-blowing channels against breach of integrity and disclosed on the Company website.</li> <li>2. To implement the Code of Ethical Conduct, the Legal Affairs is responsible for the management and evaluation of business secrets, patents and other intellectual property rights.</li> <li>3. The Company's corporate governance unit provides education and training to all employees annually to promote the ethical</li> </ol>	None

Assessment Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
(III) Has the Company provided any solutions to prevent the unethical conducts, stipulate the definite procedures, conduct guidelines, punishment for violation as well as appeals system and put into practice, and review and revise on a regular basis the aforesaid solutions?	✓		<p>corporate management policy, whistle blower reporting channels, reward and punishment system, material information and prevention of insider trading.</p> <p>(III) The Company formulated "Measures for the Administration of the whistle-blowing System" and "Service Discipline and Measures for Reward and Punishment" to implement the prevention of dishonesty and review the need for adjustment on an annual basis.</p>	None
<b>II. Fulfillment of Integrity Policy</b>				
(I) Has the Company evaluated business partners' ethical records and include ethics-related clauses in business contracts?	✓		(I) The Company operates business based on ethic and has assessed whether there is any unethical record with its transaction counterparties and requires suppliers to issue commitments to comply with corporate social responsibility, which include commitments to protect human rights and labor rights, environmental health and safety, ethics and corporate governance, etc. 100% of suppliers have submitted commitments to comply with ethics and corporate governance.	None
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(II) The corporate governance office is designated by the Company to promote corporate integrity. The integrity management policy and prevention of dishonest conduct and related implementation were reported to the Board of Directors on October 30, 2025	None
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		(III) The Company has established the company formulated "Regulations for Whistle-blowing system" to prevent conflicts of interest and set up	None

Assessment Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	✓		a suggestion mailbox and a complaint mailbox to provide channels for reports and communication. Individuals may report any conflict of interest or unethical conduct to the Company for immediate response. Whistle-blowing mailbox : thdiscipline@theil.com (IV) Our internal audit office formulated an annual audit plan based on the results of risk assessment covering all operations of the Company and its subsidiaries; In addition to executing according to the audit plan, the whistle-blower mailbox is reviewed regularly, general employees shall report to their department supervisors, and reported to the Audit Committee immediately if an unethical conduct involving main managers or directors is identified.	None
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(V) In 2025, the Company carried out 948 hours of education and training for directors, main managers and employees on integrity management and prevention of insider trading, a total of 1,628 participant-times.	None
III. Operations of Integrity Channel (I) Has the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(I) The Company has established the company formulated Measures for the Administration of the whistle-blowing System and set up a suggestion mailbox to process employee complaints and disciplinary matters. The Company has also set up a stakeholders' section on its website as a reporting channel. Whistle-blowing mailbox : <a href="mailto:thdiscipline@theil.com">thdiscipline@theil.com</a>	None

Assessment Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Description	
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II) According to "Measures for the Administration of the whistle-blowing System", the company promises to protect the whistleblower from any improper treatment and keep his or her identity confidential.	None
(III) Has the company provided proper whistleblower protection?	✓		(III) The Company has established "Measures for the Administration of the whistle-blowing System" and specified relevant confidentiality procedures to protect reporters from retaliation or improper treatment.	None
IV. Enhancement of Information Disclosure Has the Company disclosed its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company will disclose the content and implementation of the "Code of Ethical Conduct" in the special column of interested party. The Company's website is <a href="http://www.theil.com">www.theil.com</a> .	None
V. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. The Company has formulated the "Code of Ethical Conduct" to require all staff, main managers and board members of the Company to abide by it and relevant regulations, and conducted regular education and training. Therefore, the Company is in compliance with the "Code of Ethical Conduct of Listed Companies".				
VI. Other information relating to the "Ethical Corporate Management Best Practice Principles"(such as the amendment of the "Ethical Corporate Management Best Practice Principles") : The Company has formulated "Measures for the Administration of the whistle-blowing System" and disclosed them on the Company's website. For other information about the Company's Ethical Corporate Management, please refer to the Company's ESG reports , or the ESG section of the Company's website.				

(VII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance:

1. Tracking and Assessment of Laws and Regulations: In order to ensure compliance with relevant laws and regulations, the Company has always paid close attention to any domestic and international policies and laws that may have a material impact on the Company's business and finances, while regularly reviewing the Company's compliance with laws and regulations every month.

2. Diverse Education and Training: Various online courses are offered to help employees to learn at any time, and various online courses are successively offered, including anti-harassment, insider trading, confidential information protection, and personal data protection, and updated in line with amended laws and regulations and the Company's internal management regulations to ensure the immediacy and correctness of the course content.

Internal education and training were conducted for directors, main managers, employees and substantial controllers in 2025 to let them fully understand the Company's determination, policies, prevention plans and consequences of dishonest conduct. In 2025, the Company carried out a total of 1,628 person-times, 948 hours of education and training for directors, main managers and employees on integrity management and prevention of insider trading .

3. The Supply Chain of Non-Conflict Raw Materials: The Company supports the Conflict Minerals Reporting Statement and requires the whole supply chain to investigate the sources of the raw materials used and will continue to strive hard to establish a supply chain free of conflict minerals. There are 793 suppliers have submitted conflict-free-sourcing commitments in 2025.

4. The Company prepared 2024 sustainability report and disclosed it at MOPS and the Company's website on August 28, 2025, which has enhanced transparency in corporate governance.

5. The Company attaches great importance to and continues to strengthen its corporate governance with remarkable results. The result of the 12<sup>th</sup> Corporate Governance Evaluation has improved from 21%–35% in 2024 to 6%–20% in 2025.

(VIII) State of implementation of the Company's internal control system:

1. The Statement of Internal Control System was passed by the Board of Directors in their meeting held on February 25, 2026. The content of the Statement is available on the Market Observation Post System (MOPS) under Single Company > Corporate Governance > Company Regulations / Internal Control > Internal Control Statement (<https://mops.twse.com.tw/mops/#/web/t06sg20>).

2. CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(IX) Material resolutions of a shareholders meeting and Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Major resolutions of shareholders' meeting and implementation status:

The Company's general shareholders' meeting in 2025 was held at No. 398, Taoying Rd, Taoyuan District, Taoyuan City, Taiwan (Xiangfu Hall, Chuto Plaza Hotel) on May 28, 2025, and the key resolutions and implementation status were as follows:

Major Resolutions	Implementation Status
1. 2024 Business Report and Financial Statements.	<p>Voting Results:  Shares represented at the time of voting (including votes casted electronically): 146,797,561 votes.  Votes in favor: 142,965,208 votes, 97.38% of the total represented share present.  Votes in against: 24,103 votes, 0.02% of the total represented share present.  Votes in invalid: 0 votes, 0.00% of the total represented share present.  Votes in abstained: 3,808,250 votes, 2.6% of the total represented share present.  RESOLVED, that 2024 Business Report and Financial Statements were hereby accepted as submitted.</p>
2. The 2024 Earnings Distribution.	<p>Voting Results:  Shares represented at the time of voting (including votes casted electronically): 146,797,561 votes.  Votes in favor: 143,056,325 votes, 97.45% of the total represented share present.  Votes in against: 62,954 votes, 0.04% of the total represented share present.  Votes in invalid: 0 votes, 0.00% of the total represented share present.  Votes in abstained: 3,678,282 votes, 2.51% of the total represented share present.  RESOLVED, that the 2024 Earnings Distribution were hereby accepted as submitted.  Implementation status:  Designated June 21, 2025 as the ex-dividend baseline date, and cash dividends (NT\$3 shall be distributed for each share).</p>
3. The amendment to the "Company's Articles of Incorporation".	<p>Voting Results:  Shares represented at the time of voting (including votes casted electronically): 146,797,561 votes.  Votes in favor: 142,902,877 votes, 97.34% of the total represented share present.  Votes in against: 24,127 votes, 0.02% of the total represented share present.  Votes in invalid: 0 votes, 0.00% of the total represented share present.</p>

Major Resolutions	Implementation Status																														
	<p>Votes in abstained: 3,870,557 votes, 2.64% of the total represented share present.</p> <p>RESOLVED, that the amendment to the "Company's Articles of Incorporation" were hereby accepted as submitted.</p> <p>Implementation status: Amended and implemented based on the amendment of the "Company's Articles of Incorporation".</p>																														
<p>4. General Re-election of Directors.</p>	<p>Chairman has consulted all attending shareholders, the proposal was approved without objection.</p> <p>Implementation status:</p> <p>The list of the nine elected directors (including three independent directors) is as follows:</p> <table border="1" data-bbox="740 633 1410 1559"> <thead> <tr> <th data-bbox="740 633 932 703">Position</th> <th data-bbox="932 633 1235 703">Name</th> <th data-bbox="1235 633 1410 703">Votes Received</th> </tr> </thead> <tbody> <tr> <td data-bbox="740 703 932 837">Directors</td> <td data-bbox="932 703 1235 837">Multifield Investment Inc. Representative: Hsi-Hu Lai</td> <td data-bbox="1235 703 1410 837">132,592,652</td> </tr> <tr> <td data-bbox="740 837 932 875">Directors</td> <td data-bbox="932 837 1235 875">Tie-Min Chen</td> <td data-bbox="1235 837 1410 875">122,197,095</td> </tr> <tr> <td data-bbox="740 875 932 976">Directors</td> <td data-bbox="932 875 1235 976">Huan Tai Co., Ltd. Representative: Chia-Li Huang</td> <td data-bbox="1235 875 1410 976">113,019,109</td> </tr> <tr> <td data-bbox="740 976 932 1077">Directors</td> <td data-bbox="932 976 1235 1077">Huan Tai Co., Ltd. Representative: Pen-Chi Chen</td> <td data-bbox="1235 976 1410 1077">103,556,606</td> </tr> <tr> <td data-bbox="740 1077 932 1211">Directors</td> <td data-bbox="932 1077 1235 1211">San Tai Investment Ltd. Representative: Shao-Chiao Chen</td> <td data-bbox="1235 1077 1410 1211">103,056,144</td> </tr> <tr> <td data-bbox="740 1211 932 1346">Directors</td> <td data-bbox="932 1211 1235 1346">Shi Hen Enterprise Limited Representative: Shu-Chen Tsai</td> <td data-bbox="1235 1211 1410 1346">102,919,063</td> </tr> <tr> <td data-bbox="740 1346 932 1420">Independent Directors</td> <td data-bbox="932 1346 1235 1420">Ta-Sheng Chiu</td> <td data-bbox="1235 1346 1410 1420">102,560,620</td> </tr> <tr> <td data-bbox="740 1420 932 1494">Independent Directors</td> <td data-bbox="932 1420 1235 1494">Shien-Hua Huang</td> <td data-bbox="1235 1420 1410 1494">102,277,690</td> </tr> <tr> <td data-bbox="740 1494 932 1559">Independent Directors</td> <td data-bbox="932 1494 1235 1559">Chung-Hou Tai</td> <td data-bbox="1235 1494 1410 1559">102,098,215</td> </tr> </tbody> </table>	Position	Name	Votes Received	Directors	Multifield Investment Inc. Representative: Hsi-Hu Lai	132,592,652	Directors	Tie-Min Chen	122,197,095	Directors	Huan Tai Co., Ltd. Representative: Chia-Li Huang	113,019,109	Directors	Huan Tai Co., Ltd. Representative: Pen-Chi Chen	103,556,606	Directors	San Tai Investment Ltd. Representative: Shao-Chiao Chen	103,056,144	Directors	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	102,919,063	Independent Directors	Ta-Sheng Chiu	102,560,620	Independent Directors	Shien-Hua Huang	102,277,690	Independent Directors	Chung-Hou Tai	102,098,215
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<p>5. Proposal to Lift the Non-Compete Restrictions for the Newly Directors and Their Representatives.</p>	<p>Voting Results:</p> <p>Shares represented at the time of voting (including votes casted electronically): 146,797,561 votes.</p> <p>Votes in favor: 137,104,901 votes, 93.39% of the total represented share present.</p> <p>Votes in against: 1,088,713 votes, 0.74% of the total represented share present.</p> <p>Votes in invalid: 0 votes, 0.00% of the total represented share present.</p> <p>Votes in abstained: 8,603,947 votes, 5.87% of the total represented share present.</p> <p>RESOLVED, that Proposal to Lift the Non-Compete</p>																														

Major Resolutions	Implementation Status
	Restrictions for the Newly Directors and Their Representatives were hereby accepted as submitted.

2. Major resolutions of board meetings:

Date	Item	Major Resolutions
February 27, 2025 13 <sup>th</sup> meeting of the 18 <sup>th</sup> Term	Board of Directors	<ol style="list-style-type: none"> <li>1. To submit of the Company's 2024 "Statement of Internal Control System".</li> <li>2. To revise the Company's "Internal Control System".</li> <li>3. The proposal for the distribution of the company's main managers 2024 year-end bonuses.</li> <li>4. The proposal for the Company's remuneration distribution plan for employees and Directors for 2024.</li> <li>5. The proposal for the Company's 2024 Business Report and Financial Statements.</li> <li>6. The company's 2024 earnings distribution table and cash dividend distribution proposal.</li> <li>7. Evaluation of the independence and competency of the Company's CPA.</li> <li>8. The definition and scope of the Company's general employees.</li> <li>9. To amend the Company's "Articles of Incorporation".</li> <li>10. The proposal for the establishment of the company's "Regulations on Financial and Business Operations Between Related Parties."</li> <li>11. The proposal for the 2025 business plan.</li> <li>12. The proposal for the complete re-election of the company's board of directors.</li> <li>13. The proposal for the nomination of director candidates.</li> <li>14. Proposal to lift the non-compete restrictions for the newly appointed directors and their representatives.</li> <li>15. The proposal for the date, location, and reasons for convening the Company's 2025 annual shareholders' meeting.</li> <li>16. The period and location for accepting shareholder proposals for the Company's 2025 Annual General Meeting.</li> <li>17. The proposal for the Company to apply for a credit limit from financial institutions.</li> <li>18. The proposal for the land acquisition and investment structure of the Company's subsidiary, TONG HSING ELECTRONICS PHILS. INC.</li> <li>19. The proposal for the disposal of the Company's Taipei office.</li> </ol>
April 17, 2025 14 <sup>th</sup> meeting of the 18 <sup>th</sup> Term	Board of Directors	<ol style="list-style-type: none"> <li>1. The proposal for the Company's 2025 Q1 consolidated financial statements.</li> </ol>

Date	Item	Major Resolutions
May 28, 2025 1 <sup>st</sup> meeting of the 19 <sup>th</sup> Term	Board of Directors	<ol style="list-style-type: none"> <li>1. Proposal to elect a new Chairperson and Vice Chairperson.</li> <li>2. Proposal to appoint Members of the Compensation Committee.</li> <li>3. Proposal to appoint members of the Nomination Committee.</li> <li>4. Proposal for the acquisition of land.</li> </ol>
July 29, 2025 2 <sup>nd</sup> meeting of the 19 <sup>th</sup> Term	Board of Directors	<ol style="list-style-type: none"> <li>1. The proposal for the Company's 2025 Q2 consolidated financial statements.</li> <li>2. The proposal for the Company's 2024 Sustainability Report.</li> </ol>
October 30, 2025 3 <sup>rd</sup> meeting of the 19 <sup>th</sup> Term	Board of Directors	<ol style="list-style-type: none"> <li>1. The proposal for 2026 Annual Audit Plan.</li> <li>2. The distribution of remuneration to main managers and employees of 2024.</li> <li>3. The proposal for the Company's 2025 Q3 consolidated financial statements.</li> <li>4. The proposal for the earnings distribution for the first half of the Company's fiscal year of 2025.</li> <li>5. The proposal for the Company's fund lending to its subsidiary, TONG HSING ELECTRONICS PHILS. INC.</li> <li>6. The proposal for the Renewal of the Company's credit facilities with financial institutions.</li> <li>7. The proposal for the amendment of certain provisions of the Company's " Procedures for Acquisition and Disposal of Assets ".</li> <li>8. Proposal to establish the Company's Sustainable Development Committee and adopt the Charter Thereof.</li> <li>9. The proposal to donate to the "Yageo Foundation".</li> </ol>
February 25, 2026 4 <sup>th</sup> meeting of the 19 <sup>th</sup> Term	Board of Directors	<ol style="list-style-type: none"> <li>1. To submit of the Company's 2025 "Statement of Internal Control System".</li> <li>2. The proposal for the distribution of the company's main managers 2025 year-end bonuses.</li> <li>3. The definition and scope of the company's general employees.</li> <li>4. The proposal for the Company's remuneration distribution plan for employees and Directors for 2025.</li> <li>5. The proposal for the Company's 2025 Business Report and Financial Statements.</li> <li>6. The company's 2025 earnings distribution table.</li> <li>7. The proposal for Cash Distribution from Capital Surplus of the Company.</li> <li>8. Evaluation of the independence and competency of the Company's CPA.</li> </ol>

Date	Item	Major Resolutions
		9. To amend the Company's "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees". 10. To amend the Company's " Derivative Trading Rules ". 11. To amend the Company's "Corporate Governance Code ". 12. The proposal for the 2026 business plan. 13. The proposal for the date, location, and reasons for convening the Company's 2026 annual shareholders' meeting. 14. The period and location for accepting shareholder proposals for the company's 2026 Annual General Meeting.
April 14, 2026 5 <sup>th</sup> meeting of the 19 <sup>th</sup> Term	Board of Directors	1. The proposal for the Company's 2026 Q1 consolidated financial statements. 2. Proposed capital increase of the Company's subsidiary, TONG HSING ELECTRONICS PHILS. INC., by cash contribution. 3. Proposed issuance of employee stock option certificates at a price below market value and adoption of the "2026 Employee Stock Option Certificate Issuance and Subscription Plan." 4. Addition of agenda items for the Company's 2026 Annual General Meeting of Shareholders.

(X) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

#### IV. Information on the Professional Fees of the Attesting CPAs

Unit: NTD thousand dollars

Name of CPA Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee (Note)	Non-audit Fee	Total
KPMG	I-Wen Wang	January 1, 2025- December 31, 2025	3,840	1,249	5,089
	Yu-Ting Hsin				

Note: Non-audit fees include: (1)R&D tax consulting service fees NT\$468 thousand dollars; (2)Transfer pricing tax service fee NT\$162 thousand dollars; (3)Statutory Service Fee for Registration Amendment NT\$49 thousand dollars (4)Business Tax adopts Direct Deduction Method fee NT\$60 thousand dollars; (5) Tax Compliance Audit fee NT\$510 thousand dollars.

(I)If the audit fees decrease by more than 10% compared to the previous year, the reduction amount, percentage, and reason should be disclosed: None.

#### V. Information on Replacement of CPA: None.

#### VI. The Company's Chairperson, President, or any Managerial Officer in Charge of Finance or Accounting Matters has in the Most Recent Year Held a Position at the Accounting Firm of its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm: None.

**VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More Than 10 Percent During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report**

1. Changes in shareholding of directors, managerial officer and major shareholders

Unit: shares

Title	Name	2025		The Information as of March 27, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	Tie-Min Chen	-	-	-	-
Juristic- person Director & Vice Chairperson	Multifield Investment Inc. Representative: Hsi-Hu Lai	-	-	-	-
Juristic- person Director	Huan Tai Co., Ltd. Representative: Chia-Li Huang	295,000	195,000	-	-
Juristic- person Director	Huan Tai Co., Ltd. Representative: Pen-Chi Chen				
Former Juristic-person Director	Kaimei Electronic Corporation(Note1) Representative: Shu-Hwei Chen	-	(6,513,177)	-	-
Juristic- person Director	Shi Hen Enterprise Limited Representative: Shu-Chen Tsai	-	-	-	-
Juristic- person Director	San Tai Investment Ltd. (Note2) Representative: Shao-Chiao Chen	-	-	-	-
Juristic- person Director & COO & CFO/ Vice president	Chia-Li Huang	-	-	-	-
Independent Director	Ta-Sheng Chiu	-	-	-	-
Former Independent Director	Yueh-Hsiang Tsai (Note1)	-	-	-	-
Former Independent Director	Chin-Tsai Chen(Note1)	-	-	-	-
Independent Director	Shien-Hua Huang(Note2)	-	-	-	-
Independent Director	Chung-Hou Tai(Note2)	-	-	-	-
President/CEO	Shao-Pin Ru	80,000	-	-	-
Vice president	Chien-Chen Lee	-	-	-	-
Associate vice president	Zzu-Chi Chiu	-	-	-	-
Associate vice president	Ming-Yen Pan	-	-	-	-

Note1 : Resigned upon expiration of term on May 28, 2025.

Note2 : Appointed upon completion of the full re-election at the Annual General Meeting held on May 28, 2025.

2. The counterparty in any such transfer of equity interests is a related party: None.

3. The counterparty in any such pledge of equity interests is a related party: None.

**VIII. Relationship Information, if Among the Company's 10 Largest Shareholders any One is a Related Party or a Relative Within the Second Degree of Kinship of Another**

Unit: shares

Name	Current Shareholdings		Spouse & Minor Shareholding		TH Shareholdings by Nominee Arrangement		Name and Relationship of Top Ten Shareholders if They Are Related Parties or Spouse, or Relatives Within the Second Degree of Kinship to the Other Party.	
	Shares	%	Shares	%	Shares	%	Company Name	Relationship
Kaimei Electronic Corporation Representative : Shao-Pin Ru	9,764,774	4.67%	Not Applicable	Not Applicable	4,419,767	2.11%	Mu Yeh Wen Investment Corp.	Parent and subsidiary company
	174,650	0.08%	19,730	0.01%	0	0	None	None
Tie-Min Chen	9,559,057	4.57%	0	0	0	0	YAGEO Corp.	Representative
TransGlobe Life Insurance Inc. Representative : Wun-Huei Lin	5,336,300	2.55%	Not Applicable	Not Applicable	0	0	None	None
	0	0	0	0	0	0	None	None
Mu Yeh Wen Investment Corp. Representative : Pen-Chi Chen	4,419,767	2.11%	Not Applicable	Not Applicable	0	0	Kaimei Electronic Corporation	Parent and subsidiary company
	2,000	0.00%	0	0	0	0	None	None
Cathay Life Insurance Company, Ltd. Representative : Ming-He Syong	3,628,000	1.74%	Not Applicable	Not Applicable	0	0	None	None
	0	0	0	0	0	0	None	None
DB Taipei as Custodian for Hartford International Value Fund	3,595,001	1.72%	Not Applicable	Not Applicable	0	0	None	None
YAGEO Corp. Representative : Tie-Min Chen	3,306,500	1.58%	Not Applicable	Not Applicable	0	0	Tie-Min Chen	Representative
	9,559,057	4.57%	0	0	0	0	None	None
HSBC Taiwan as Custodian for Goldman Sachs International	3,246,148	1.55%	Not Applicable	Not Applicable	0	0	None	None
Chunghwa Post Co., Ltd. Representative : Kwo-Tsai, Wang	3,103,168	1.48%	Not Applicable	Not Applicable	0	0	None	None
	0	0	0	0	0	0	None	None
New Labor Pension Fund	3,040,097	1.45%	Not Applicable	Not Applicable	0	0	None	None

**IX. The Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, its Directors, Managerial Officers, and any Companies Controlled Either Directly or Indirectly by the Company**

December 31, 2025; Unit: Thousand shares

Investee business	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	Ownership	Shares	Ownership	Shares	Ownership
Tong Hsing Electronics Phils. Inc. (Tong Hsing- Philippines)	28,793	100%	-	-	28,793	100%
Multi-field Holdings Corporation (Note1)	-	-	20	40%	20	40%
Prism Horizon Holdings Corporation(Note2)	80	40%	-	-	80	40%
Terra Uno Landholding Corporation(Note2)	-	-	64	64%	64	64%
<p>Note1 : The directors of the subsidiary are members of the management team of the Company and its subsidiaries. From 2024 4<sup>th</sup> quarter, the Company obtained the authority to direct the subsidiary's personnel, financial, and operational decisions, and is therefore considered to have substantive control over the subsidiary. The subsidiary has accordingly been included within the scope of consolidation.</p> <p>Note2 : The Company resolved at a Board of Directors meeting in February 2025 to acquire land in response to Tong Hsing–Philippines' future operational expansion needs. In order to comply with local regulations regarding foreign shareholding restrictions applicable to companies purchasing land, the Company established new local subsidiaries for investment holding and land development purposes, which were duly incorporated in June and July 2025, respectively.</p>						

## Chapter 3 Capital Raising Activities

### I. Capital and Shares

#### (I) Source of capital stock

##### 1. Historical Information of Capitalization

Unit: NTS; Shares as of March 27, 2026

Month/Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Other
1975.08	10	3,000,000	30,000,000	3,000,000	30,000,000	Initial establishment.	None	None
1978.10	10	6,000,000	60,000,000	6,000,000	60,000,000	Capital increase by cash NTD 30,000,000.	None	None
1986.08	10	8,000,000	80,000,000	8,000,000	80,000,000	Capital increase by cash NTD 6,000,000. Capital increase by retained earnings NTD 14,000,000.	None	None
1988.09	10	10,000,000	100,000,000	10,000,000	100,000,000	Capital increase by cash NTD 2,000,000. Capital increase by retained earnings NTD 18,000,000. None	None	None
1989.12	10	12,000,000	120,000,000	12,000,000	120,000,000	Capital increase by retained earnings NTD 20,000,000.	None	None
1990.12	10	13,500,000	135,000,000	13,500,000	135,000,000	Capital increase by retained earnings NTD 15,000,000.	None	None
1991.12	10	16,065,000	160,650,000	16,065,000	160,650,000	Capital increase by retained earnings NTD 10,800,000. Capital increase by capital surplus NTD 14,850,000.	None	None
1997.11	10	19,965,000	199,650,000	19,965,000	199,650,000	Capital increase by cash NTD 39,000,000.	None	None
1999.07 (Note 1)	10	80,000,000	800,000,000	36,000,000	360,000,000	Capital increase by cash NTD 160,350,000.	None	None
2000.07 (Note 2)	10	80,000,000	800,000,000	54,800,000	548,000,000	Capital increase by retained earnings NTD 180,000,000. Capital increase by employee bonus NTD 8,000,000.	None	None
2001.07 (Note 3)	10	80,000,000	800,000,000	67,110,000	671,100,000	Capital increase by retained earnings NTD 109,600,000. Capital increase by employee bonus NTD 13,500,000.	None	None
2002.07 (Note 4)	10	93,000,000	930,000,000	73,821,000	738,210,000	Capital increase by retained earnings NTD 67,110,000.	None	None
2003.07 (Note 5)	10	93,000,000	930,000,000	77,912,050	779,120,500	Capital increase by retained earnings NTD 36,910,500. Capital increase by employee bonus NTD 4,000,000. None	None	None
2006.09 (Note 6)	10	93,000,000	930,000,000	81,807,652	818,076,520	Capital increase by retained earnings NTD 38,956,020.	None	None
2007.08 (Note 7)	10	150,000,000	1,500,000,000	86,698,034	866,980,340	Capital increase by retained earnings NTD 40,903,820. Capital increase by employee bonus NTD 8,000,000.	None	None
2007.11 (Note 8)	10	150,000,000	1,500,000,000	98,698,034	986,980,340	Capital increase by cash NTD 120,000,000.	None	None
2008.09 (Note 9)	10	150,000,000	1,500,000,000	105,132,935	1,051,329,350	Capital increase by retained earnings NTD 49,349,010. Capital increase by employee bonus NTD 15,000,000.	None	None
2008.10 (Note 10)	10	150,000,000	1,500,000,000	115,132,935	1,151,329,350	Capital increase by cash NTD 100,000,000.	None	None
2009.02 (Note 11)	10	150,000,000	1,500,000,000	114,341,935	1,143,419,350	Capital reduction by treasury stock NTD 7,910,000.	None	None
2009.08 (Note 12)	10	150,000,000	1,500,000,000	120,059,031	1,200,590,310	Capital increase by retained earnings NTD 57,170,960.	None	None
2009.11 (Note 13)	10	150,000,000	1,500,000,000	122,017,531	1,220,175,310	Executive employee warrants in the third quarter of 2009 NTS 19,585,000 in total	None	None
2009.12 (Note 14)	10	150,000,000	1,500,000,000	125,017,531	1,250,175,310	Issuance of common stock through merger, NTD 30,000,000.	None	None
2009.12 (Note 15)	10	150,000,000	1,500,000,000	125,086,531	1,250,865,310	Executive employee warrants in the fourth quarter of 2009 NTS 690,000 in total	None	None

Month/Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Other
2010.07 (Note 16)	10	200,000,000	2,000,000,000	141,086,531	1,410,865,310	Capital increase by cash NTD 160,000,000.	None	None
2010.11 (Note 17)	10	200,000,000	2,000,000,000	141,790,531	1,417,905,310	Executive employee warrants in the third quarter of 2010 NTS 7,040,000 in total	None	None
2011.04 (Note 18)	10	200,000,000	2,000,000,000	141,810,531	1,418,105,310	Executive employee warrants in the third quarter of 2010 NTS 200,000 in total	None	None
2011.08 (Note 19)	10	200,000,000	2,000,000,000	161,810,531	1,618,105,310	Capital increase by cash NTD 200,000,000.	None	None
2011.11 (Note 20)	10	200,000,000	2,000,000,000	162,535,031	1,625,350,310	Executive employee warrants in the third quarter of 2011, NTD 7,245,000.	None	None
2012.03 (Note 21)	10	200,000,000	2,000,000,000	162,708,031	1,627,080,310	Executive employee warrants in the fourth quarter of 2011, NTD 1,730,000.	None	None
2012.05 (Note 22)	10	200,000,000	2,000,000,000	162,878,031	1,628,780,310	Executive employee warrants in the first quarter of 2012, NTD 1,700,000.	None	None
2012.09 (Note 23)	10	200,000,000	2,000,000,000	162,886,031	1,628,860,310	Executive employee warrants in the second quarter of 2012, NTD 80,000.	None	None
2012.11 (Note 24)	10	200,000,000	2,000,000,000	162,907,031	1,629,070,310	Executive employee warrants in the third quarter of 2012, NTD 210,000.	None	None
2017.03 (Note 25)	10	200,000,000	2,000,000,000	165,357,520	1,653,575,200	Convertible bond transferred to common stock, 2,450,489 shares.	None	None
2020.03 (Note 26)	10	400,000,000	4,000,000,000	165,357,520	1,653,575,200	Approved raising Authorized Capital by Ministry of Economic Affairs, R.O.C.	None	None
2020.08 (Note 27)	10	400,000,000	4,000,000,000	236,647,569	2,366,475,690	Transfer of shares with Kingpak Technology Inc. and issuance of 71,290,049 new shares	None	None
2020.10 (Note 28)	10	400,000,000	4,000,000,000	178,848,321	1,788,483,210	Executive employee warrants in June 2020, NTS 758,840 in total Return of NTS 578,751,320 for capital reduction in cash	None	None
2021.01 (Note 29)	10	400,000,000	4,000,000,000	178,730,839	1,787,308,390	Cancellation of new restricted employee shares, with capital reduction of NTS 1,174,820 in total	None	None
2021.01 (Note 30)	10	400,000,000	4,000,000,000	178,708,282	1,787,082,820	Cancellation of new restricted employee shares, with capital reduction of NTS 225,570 in total	None	None
2022.05 (Note 31)	10	400,000,000	4,000,000,000	178,708,282	1,787,082,820	Cancellation of new restricted employee shares, with capital reduction of NTS 178,570 in total	None	None
2022.09 (Note 32)	10	400,000,000	4,000,000,000	178,682,906	1,786,829,060	Cancellation of New Shares Restricting Employee Rights, NTS 75,190 in total	None	None
2022.11 (Note 33)	10	400,000,000	4,000,000,000	160,813,864	1,608,138,640	Cash capital reduction and return of NTS 178,690,420 in total	None	None
2023.08 (Note 34)	10	400,000,000	4,000,000,000	209,058,024	2,090,580,240	Stock Dividends NTS 482,441,600 in total	None	None

Note 1: Approved No. (88)Tai Cai Zheng (1)63696, Securities and Futures Commission, Ministry of Finance on July 16, 1999.

Note 2: Approved No. (89)Tai Cai Zheng (1)58483, Securities and Futures Commission, Ministry of Finance on July 6, 2000.

Note 3: Approved No. (90)Tai Cai Zheng (1)148167, Securities and Futures Commission, Ministry of Finance on July 25, 2001.

Note 4: Approved No. Tai Cai Zheng Zi (1)0910137224, Securities and Futures Commission, Ministry of Finance on July 9, 2002.

Note 5: Approved No. Tai Cai Zheng Zi (1)0920129941, Securities and Futures Commission, Ministry of Finance on July 9, 2003.

Note 6: Approved No. Jin Guan Zheng Zi (1)0960028615, Financial Supervisory Commission, Executive Yuan on July 11, 2006.

Note 7: Approved No. Jin Guan Zheng Zi (1)0960028615, Financial Supervisory Commission, Executive Yuan on June 5, 2007.

Note 8: Approved No. Jin Guan Zheng Zi (1)0960057360, Financial Supervisory Commission, Executive Yuan on October 17, 2007.

Note 9: Approved No. Jin Guan Zheng Zi (1)0970032788, Financial Supervisory Commission, Executive Yuan on July 1, 2008.

Note 10: Approved No. Jin Guan Zheng Zi (1)0970032789, Financial Supervisory Commission, Executive Yuan on July 8, 2008.

Note 11: Approved No. Jin Guan Zheng Zi (3)0980003332, Financial Supervisory Commission, Executive Yuan on January 23, 2009.

Note 12: Approved No. Jin Guan Zheng Fa Zi 0980034440, Financial Supervisory Commission, Executive Yuan on July 10, 2009.

Note 13: Approved No. Tai Zheng Shang Zi 09800300531, Taiwan Stock Exchange on November 25, 2009.

Note 14: Approved No. Jin Guan Zheng Fa Zi 0980063108, Financial Supervisory Commission, Executive Yuan on December 2, 2009.

Note 15: Approved No. Tai Zheng Shang Zi 09900090711, Taiwan Stock Exchange on April 9, 2010.

Note 16: Approved No. Jin Guan Zheng Fa Zi 0990022159, Financial Supervisory Commission, Executive Yuan on May 18, 2010.

Note 17: Approved No. Tai Zheng Shang Zi 09900359141, Taiwan Stock Exchange on November 26, 2010.

Note 18: Approved No. Tai Zheng Shang Zi (1)10000118511 on April 20, 2011.  
 Note 19: Approved No. Jin Guan Zheng Fa Zi 1000022470 on June 7, 2011.  
 Note 20: Approved No. Tai Zheng Shang Zi (1)10000366751 on November 18, 2011.  
 Note 21: Approved No. Tai Zheng Shang Zi (1)10100061041 on March 23, 2012.  
 Note 22: Approved No. Tai Zheng Shang Zi (1)10100113671 on May 24, 2012.  
 Note 23: Approved No. Tai Zheng Shang Zi (1)10100217031, 09/25/2012.  
 Note 24: Approved No. Tai Zheng Shang Zi (1)10100264601, 11/22/2012.  
 Note 25: Approved No. Jing Shou Shang Zi 10601080420, 06/20/2017.  
 Note 26: Approved No. Jing Shou Shang Zi 10901031460, 03/20/2020, Ministry of Economic Affairs.  
 Note 27: Approved No. Jing Shou Shang Zi 10901125850, 08/04/2020, Ministry of Economic Affairs.  
 Note 28: Approved No. Jin Guan Zheng Fa Zi 1090143160, 08/26/2020, Financial Supervisory Commission, Executive Yuan.  
 Note 29: Approved No. Jing Shou Shang Zi 10901238970, 01/15/2021, Ministry of Economic Affairs.  
 Note 30: Approved No. Jing Shou Shang Zi 11001005960, 01/21/2021, Ministry of Economic Affairs.  
 Note 31: Approved No. Jing Shou Shang Zi 11101062800, 05/04/2022, Ministry of Economic Affairs.  
 Note 32: Approved No. Jing Shou Shang Zi 11101179120, 09/19/2022, Ministry of Economic Affairs.  
 Note 33: Approved No. Tai Zheng Shang Zi (1) 1111805027, 10/14/2022.  
 Note 34: Approved No. Jing Shou Shang Zi 11230162580, 08/18/2023, Ministry of Economic Affairs.

## 2. Type of Shares

Unit: Shares as of March 27, 2026

Share Type	Authorized Capital			Remark
	Issued Shares	Unissued Shares	Total	
Common Stocks	209,058,024	190,941,976	400,000,000	Listed on TWSE.

3. Information for Shelf Registration: None.

## (II) Major Shareholders

Unit: Shares as of March 27, 2026

Name of Major Shareholders	Shareholding	Ownership (%)
Kaimei Electronic Corporation	9,764,774	4.67%
Tie-Min Chen	9,559,057	4.57%
TransGlobe Life Insurance Inc.	5,336,300	2.55%
Mu Yeh Wen Investment Corp.	4,419,767	2.11%
Cathay Life Insurance Company, Ltd.	3,628,000	1.74%
DB Taipei as Custodian for Hartford International Value Fund	3,595,001	1.72%
YAGEO Corp.	3,306,500	1.58%
HSBC Taiwan as Custodian for Goldman Sachs International	3,246,148	1.55%
Chunghwa Post Co., Ltd.	3,103,168	1.48%
New Labor Pension Fund	3,040,097	1.45%

## (III) The Company's dividend policy and implementation thereof:

### 1. Dividends Policy in the Company's Articles of Incorporation

When allocating the earnings for each fiscal year, the Company must pay tax and cover the accumulated losses first, also share the remaining profit as follows:

- (1) Set aside 10% of the earnings as legal reserve. However, when the legal reserve amount equals to the paid-in capital of the Company, it is not subject or such restriction.
- (2) Set aside or reverse special reserve in accordance with the relevant laws and regulations.
- (3) Pay dividends or bonuses for an amount not less than 30% of the amount net of the

legal reserve and special reserve as stipulated in the preceding paragraph and the cash dividends shall account for at least 50% of the current year's total dividends. The Board of Director shall prepare the earnings distribution proposal for the resolutions of the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders' meeting.

The Company's dividend policy is based on the current and future development plans, consideration of the investment environment, capital requirements, domestic and international competition, and the interests of shareholders, etc. The Board of Directors shall prepare a resolution to be approved by the shareholders in a meeting. If the Company has no loss, the Board of Directors, with two-thirds of the directors present and a majority of the directors present, shall issue all or a portion of the legal reserve and the capital surplus as provided in Paragraph 1, Article 241 of the Company Act to the shareholders in cash in proportion to their original shares and report the same to the shareholders' meeting.

2. The dividend distribution proposed by the Board of Directors Meeting is as follows

- (1) For the Company's future working capital needs, Board of Directors resolved no dividend distribution for the first half year of 2025 on October 30, 2025.
- (2) Pursuant to Article 241 of the Company Act, the Company will distribute cash from capital surplus arising from the issuance of common shares at a premium in an amount of NT\$627,174,072, equivalent to NT\$3 per share. The actual cash distribution per share will be calculated based on the number of issued and outstanding shares as of the record date for distribution. Cash distributions will be calculated to the nearest NT dollar (with amounts below NT\$1 truncated). Any fractional amounts less than NT\$1 in aggregate will be recognized as other income of the Company.
- (3) The proposal of the capital surplus cash distribution was approved by the 4th meeting of the 19th Board of Directors held on February 25, 2026. The distribution ratio is calculated based on the Company's current issued and outstanding shares of 209,058,024 shares. The Chairperson is authorized to determine the record date, the payment date, and other related matters. If the number of issued and outstanding shares subsequently changes due to variation in the Company's share capital, resulting in adjustments to the distribution ratio of capital surplus cash, the Chairperson is authorized to handle such matters with full discretion.

3. A material change in dividend policy is expected: None.

- (IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.
- (V) Profit-sharing compensation of employees and directors:

1. Article 19: If the Company makes a profit (profit is defined as income before tax less distribution of employees' compensation and directors' compensation) in a year, no less than 3% shall be set aside as employees' compensation and no more than 3% shall be set aside as directors' remuneration.

However, if the Company still has accumulated losses, the Company shall retain the amount to offset such losses in advance and then provide for the employees' compensation and directors' remuneration in proportion to the aforementioned amounts. The amount of employee compensation mentioned in the preceding paragraph shall allocate no less than 0.5% of the aforementioned profits for distribution to non-executive employees. The distribution shall be made in the form of cash or stocks for employees, but only in the form of cash for the directors. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

The distribution of employees' and directors' compensation shall be resolved by the Board of Directors with at least two-thirds of the directors in attendance and a majority of the attending directors' approval, and shall be reported to the shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The estimation of employee and director remuneration expenses in the Company is determined by the Board of Directors, in accordance with the "Remuneration Policy for the Directors and Managerial Officers", the "Articles of Incorporation", and industry standards. Any discrepancies between the estimated and actual amounts of employee and director remuneration for the current period will be recorded as expenses for the following year.

3. Information on any approval by the Board of Directors of distribution of profit-sharing compensation:

- (1) If the amount of employee compensation distributed in cash or stocks and compensation for directors and supervisors differs from the recognized expenses, the discrepancy, its cause and the status of treatment shall be disclosed:

The Company's proposal on distribution to the employee's and directors' compensations for 2025 was approved by the resolution of the Board of Directors on February 25, 2026. The proposed employee's compensation and the directors' compensation were respectively NT\$ 89,096 thousand (including NT\$73,718 thousand allocated to non-executive employees), and NT\$58,703 thousand, which was in line with the estimates.

- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current

period and total employee compensation: None.

4. The actual distribution of employee and director profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director profit-sharing compensation, additionally the discrepancy, cause, and how it is treated:

Actual employee and director remuneration paid in 2024 included NT\$ 114,320 thousand for the employees and NT\$ 62,340 thousand for the directors, which was in line with the actual distribution.

(VI) Status of the Company repurchasing its own shares: None.

**II. Corporate Bonds: None**

**III. Preferred Shares: None.**

**IV. Global Depository Receipts (GDRs): None.**

**V. Employee Share Subscription Warrants: None.**

**VI. New Restricted Employee Shares: None.**

**VII. New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.**

**VIII. Implementation of the Company's Capital Allocation Plans: None.**

# Chapter 4 Overview of Business Operation

## I. A Description of the Business

### (I) Scope of business

#### 1. Major products revenue and its proportion respectively:

Unit: NT\$ thousands

Major Products	Net operating revenue for 2025	
	Amount	%
Image Products	5,714,103	49.50
Hybrid Modules & Specialty Packaging	2,320,317	20.10
Ceramic Metalized Substrates	2,026,247	17.56
RF Module	1,268,829	10.99
Other	213,960	1.85
Total	11,543,456	100.00

#### 2. Company's Products and Services:

Tong Hsing aims to be a world-class professional assembly and testing service provider. In the semiconductor packaging field, we provide complete solutions for high-power, high-reliability, and high-heat dissipation attributes. Our range of products (services) includes ceramic substrates, MEMS modules, image sensor packaging, analog chip packaging, RF communication modules, fiber optic communication modules, power modules, and integrated optics. These are applied in automotive, communication, industrial, mobile, medical, and energy sectors.

(1)RF Module, Hybrid Modules & Specialty Packaging: Primarily focuses on satellite communication, Known Good Die (KGD) wafer reconstruction for fiber optics, Fiber Array Unit (FAU) packaging, automotive electronics, aerospace, semiconductor-biomedical, and micro-display module packaging and testing.

(2)Ceramic Metalized Substrates: Primarily high-brightness LED ceramic heat dissipation substrates. Applications include industrial lighting, mobile flashes, special lighting, plant growth lights, UVC sterilization, ADB adaptive headlights, high-power lasers, optical communication lasers, high-lumen display lasers, and power module substrates.

(3)Image products: Primarily wafer testing, reconstruction, and packaging services for image sensors. Applied in automotive intelligence, autonomous driving, smartphones, and machine vision.

(4)Power Semiconductors: Primarily SiC & GaN die wafer reconstruction, discrete components, and module packaging and testing services. Applied in EVs (DC/DC, OBC, inverters), data centers (HVDC), and smart grids (solid-state circuit breakers, solid-state transformers).

#### 3. New products (services) development:

In 2025, we invested approx. NT\$470 million in R&D, accounting for 4.11% of net operating revenue. Future developments include:

- (1) Ceramic core substrates for High-Performance Computing (HPC).
- (2) Multilayer ceramic substrates for RF resonators.
- (3) Ceramic Integrated Passive Devices (IPD) for AI-PMIC.
- (4) Fiber Array Unit (FAU) attaching for optical communication.
- (5) Double-sided cool power semiconductor discrete components and module packaging/testing.
- (6) Biomedical chip packaging structures and processes.
- (7) Optoelectronic semiconductor module packaging.
- (8) High-power wafer level burn-in and die sorting.
- (9) Ultra-high power semiconductor discrete components and modules.
- (10) Infrared sensing module packaging
- (11) PFAS-Free material development for sensing products.
- (12) Thermal imaging packaging module
- (13) Advanced package for automotive stacked image sensors.

(II) Overview of industry:

1. Trend and competition for our major products and services:

(1) RF Module:

The Low Earth Orbit (LEO) satellite industry is entering a phase of large-scale commercialization and technical deepening. International giants are accelerating Starlink deployment to provide stable connections similar to terrestrial networks. Market deployment of "ground terminal equipment" is rapid, pursuing higher integration of phased array antennas, RF components, and baseband chips. Direct-to-cell technology is maturing, with 3GPP including Non-Terrestrial Networks (NTN) in 6G standards.

In Datacom, AI optimization drives demand for higher data rates, low latency, and low power in switches and transceivers. "Copper and optics coexist" is moving to mass production, with transceivers evolving from 400G to 1.6T.

Tong Hsing assembly capability for communication modules mainly combines surface mounting, flip-chip, thermal compression bonding and stealth dicing to provide packaging solutions with compact size and fulfill high-frequency characteristics.

(2) Power discrete and modules:

In the realm of power semiconductors, the active deployment of AI has driven a "thirst for energy" that now rivals the pursuit of "computing power". Distributed grids, smart grids, bidirectional power flow, AC/DC conversion, backup power, energy storage, and High-Voltage Direct Current (HVDC) transmission are all universally pursuing higher efficiency and resilience.

**1. Grid Applications and SiC Advantages**

In grid applications, power semiconductors must typically withstand ultra-high voltage conditions of 3.3kV or more. Compared to traditional silicon-based components, Silicon Carbide (SiC) can operate under extreme voltages ranging

from 3.3kV to 4.5kV while significantly reducing high-frequency switching losses. This enables a substantial reduction in the physical footprint of solid-state transformers and HVDC systems, accompanied by a marked improvement in conversion efficiency.

As power grids evolve into complex networks emphasizing real-time dispatch, the internal components must not only operate under ultra-high voltages but also guarantee a service life of 20 to 30 years under harsh outdoor conditions. This places extreme demands on packaging capabilities and reliability standards.

## **2. HVDC in AI Data Centers**

In AI-driven HVDC applications where total power consumption can reach megawatt levels, every energy conversion stage results in efficiency loss and heat dissipation. To counter this, data centers are adopting 800V DC distribution architectures that extend directly to the 48V architecture within server racks. This "all-DC" approach significantly reduces the number of components required for rectification, thereby boosting overall conversion efficiency. Furthermore, by upgrading from a 400V to an 800V architecture, the system can proportionally reduce transmission current. This leads to less waste heat and reduced copper usage, freeing up critical rack space for advanced cooling systems.

## **3. Power the automotive**

In automotive power semiconductors, wide-bandgap (WBG) semiconductors are utilized in DC/DC converters, traction inverters, on-board chargers (OBC), and off-board chargers (charging piles) for electric vehicles. Starting in 2025, European automakers began trickling down 800V architectures from high-end models to mid-range pure electric platforms. Among Japanese manufacturers, Lexus's pure electric platform serves as a key example of the adoption of 800V architectures. Regarding charging infrastructure, the EU's *Alternative Fuels Infrastructure Regulation* has mandated deployment between 2025 and 2030, with a target of establishing 350kW high-power charging stations for heavy vehicles every 100 kilometers. From infrastructure to the vehicles themselves, the future growth potential of Silicon Carbide (SiC) power modules is firmly established.

In its hybrid integrated circuit module process, Tong Hsing primarily combines high-thermal-conductivity ceramic circuit substrates with power semiconductor packaging technologies to deliver the high-reliability packaging structures necessitated by SiC and GaN semiconductors.

### **(3) Ceramic Metalized Substrates:**

We have focused for many years on Thick Film and Thin Film ceramic circuit board manufacturing technologies. Through processes such as Direct Plated Copper (DPC), Direct Bonding (DB), and Active Metal Brazing (AMB), ceramic materials are metallized. Circuit patterns are subsequently produced through exposure, development, and etching processes. These are primarily applied in high-brightness

LEDs, lasers, and power modules. Market Segmentation include:

1. High-Brightness LED: Divided into (1) General/Outdoor/Industrial/Plant Lighting; (2) Automotive Lighting; (3) Mobile Flashlights and UVC.
2. Laser: Divided into (1) Precision Processing; (2) High-Lumen Projection; (3) Optical Communication.
3. Power Modules: Divided into (1) Industrial and (2) Automotive applications.

#### **1. Horticulture Lighting**

TrendForce (2025) predicts a new wave of replacement demand driven by the global expansion of controlled environment agriculture (CEA) and vertical farming. These sectors aim for higher yields, year-round production, AI optimization, and reduced energy consumption, requiring LED lighting with superior Photosynthetic Photon Efficacy (PPE) and Full Spectrum illumination.

#### **2. Automotive Lighting:**

According to TrendForce (June 2024), headlight penetration was expected to rise from 70% to 77% in 2023, exceeding 90% for New Energy Vehicles (NEVs). The total automotive LED market reached approximately \$3.3 billion in 2023. Adaptive Driving Beam (ADB) headlights, with a 3.7% penetration rate in 2022, are projected to reach 17% by 2027. While low-pixel LED matrix headlights are currently mainstream, high-end models are transitioning toward high-pixel (>10K pixels) uLED headlights.

#### **3. UVC Lighting:**

Demand has shifted from pandemic prevention to new applications such as dynamic water purification, commercial HVAC purification, factory-installed automotive sterilization, and food processing/cold chain logistics. Manufacturers are focused on shortening wavelengths (365nm to 265nm), increasing power (100mW to 200mW), and extending service life (10K to 20K hours). TrendForce (2025) estimates the UV LED market value will reach \$323 million, with a 13% CAGR for 2024–2029.

#### **4. Laser Submounts:**

These are increasingly vital as lasers become pivotal in precision processing, such as synchronous motor coil welding and power module copper welding. To prevent rapid heat conduction in copper, hybrid lasers (Blue-IR or Blue-Green) have been introduced, requiring substrates with higher heat dissipation capabilities. In display applications, water-cooling systems are being integrated with high-thermal-conductivity substrates. For optical communication, heat dissipation substrates paired with heat sinks are utilized in External Laser Small Form-Factor Pluggable (ELSFP) modules to prevent rising threshold currents and efficiency drops caused by high operating temperatures.

Tong Hsing mainly focuses on copper plating, gold plating and silver-plating technology that are applied to alumina and aluminum nitride Ceramic Metalized Substrates. It also features narrower line and space of traces by lithography process

(4) Image products:

Tong Hsing provides a comprehensive range of services in the CMOS image sensor (CIS) market, including wafer testing, wafer reconstruction, various packaging types, final testing, and module manufacturing. These services are primarily applied in the automotive sector, smartphones, tablets, AR/VR, laptops, security surveillance cameras, medical imaging, and thermal imaging.

**1. Smartphone Market Analysis**

Regarding smartphones, Counterpoint (Jan 2026) initially estimated a 2% YoY sales growth for 2025. However, a subsequent forecast in February 2026 revised total shipment numbers downward by 12% due to rising memory prices. Since Android devices predominantly occupy the low-to-mid-end market where memory costs represent a higher proportion of the Bill of Materials (BOM), the pressure on sales volume is expected to be higher than that of iOS. In terms of specifications released by various IDMs and Fabless companies, 1-inch sensors and 100-megapixel-plus products are increasingly becoming the mainstream for primary cameras.

**2. Automotive Market and Regulatory Trends**

In the automotive sector, image sensors will be extensively used beyond traditional front/rear-view and surround-view systems to include safety ranging, lane centering, active parking, collision avoidance, and lane departure warnings. Furthermore, driver monitoring systems (DMS), gesture-controlled fatigue warnings, and pedestrian/cyclist alerts will also drive significant sensor adoption. Regarding regulations, Euro NCAP has introduced further DMS detection items, such as "alcohol testing," "low-light cabin detection," and "AEB intervention in complex environments". As vehicles progress to Level 2+ and higher autonomous driving, the application of visible light, non-visible light, and ToF (Time-of-Flight) perception suites, along with sensor fusion technology, will drive rapid growth in the image sensor market.

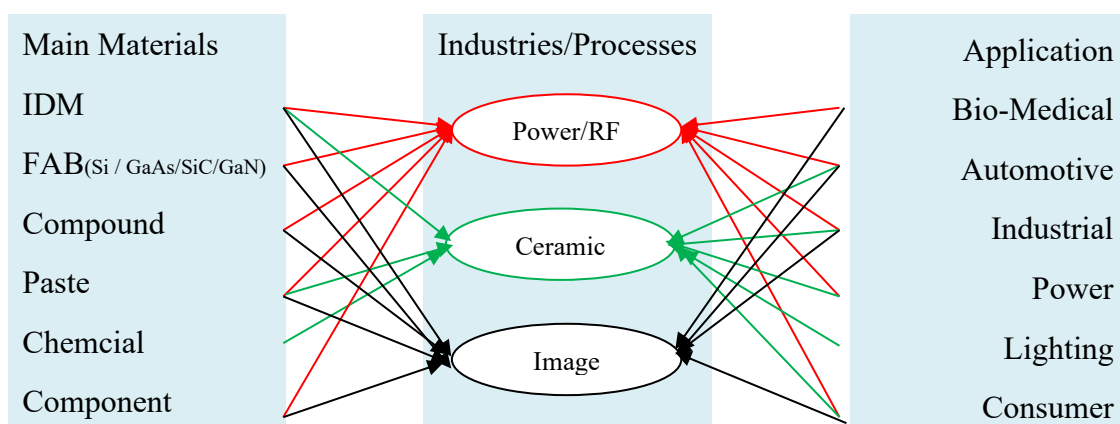
**3. LiDAR and Autonomous Driving**

LiDAR has become an indispensable technology for autonomous driving, with sensing distances distributed at 250m, 30m, and 10m to compensate for the blind spots of pure vision-based sensing. In the continuous evolution of intelligent driving, platforms such as Nvidia's Alpamayo and BYD's DiPilot 5.0 have both integrated LiDAR into their autonomous driving systems.

About the forecast, according to 2025 data from Yole, the total volume of automotive image sensors is projected to increase from 273 million units in 2025 to 400 million units by 2030.

2. Position among the upstream, midstream, and downstream segments of the industry supply chain.

The relationship between our products and the overall industry can be summarized as follows:



(III) Overview of the Company's technologies and its research and development work

1. Listing of research and development expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Unit: NT\$ thousand dollars

Year	2025	2026Q1
R&D Expense	474,254	115,209
As % of net revenue	4.11%	4.09%

2. Listing of technologies and/or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Year	Process Technologies	Product Applications
2025	Ceramic submounts for high power optics (projectors, optical communications lasers, and machining lasers.)	Optics
	High-power module utilizing ceramic spacers/interposers.	Power
	Ceramic core (TCV) for advanced packaging.	High performance computing
	Packaging and testing for high-voltage DC (HVDC) in data centers.	Power
	High-reliability potting glue for ultra-high voltage power modules	Power
	CoB module for high-flatness APSC image sensors.	Image sensor
	iBGA for advanced automotive stacked image sensor chips.	Image sensor
	iBGA for advanced automotive LiDAR chips.	Image sensor
Packaging technology for +100M image sensor.	Image sensor	

(IV) Long-Term and Short-Term Business Development Plan:

1. Short-Term Business Plan
  - (1) Proactively develop next-generation products in line with market trends and customer product plans.
  - (2) Provide the services with good value and novel technologies for increasing market share.
  - (3) Expand new business relationships by leveraging the current sales network.
2. Long-Term Business Plan
  - (1) Build up strategic partners from components, materials and intellectual property aspects to ensure a leading position in technology.
  - (2) Extend investment in next-generation products and necessary technologies.
  - (3) We devote packaging solutions followed by revolution of automotive intelligence

and electrification, high-dense telecom & datacom, industrial, mobile, medical, and clean energy

- (4) Enhance synergy of production sites between Taiwan and Philippine to maximize production resilience.
- (5) Accelerate product and service development in high-performance computing (HPC) applications.
- (6) Conduct studies and planning for front-end semiconductor manufacturing processes.

## II. Analysis of the Market as well as the Production and Marketing Situation

### (I) Market Analysis

#### 1. Geographic areas where the main products (services) provided (supplied)

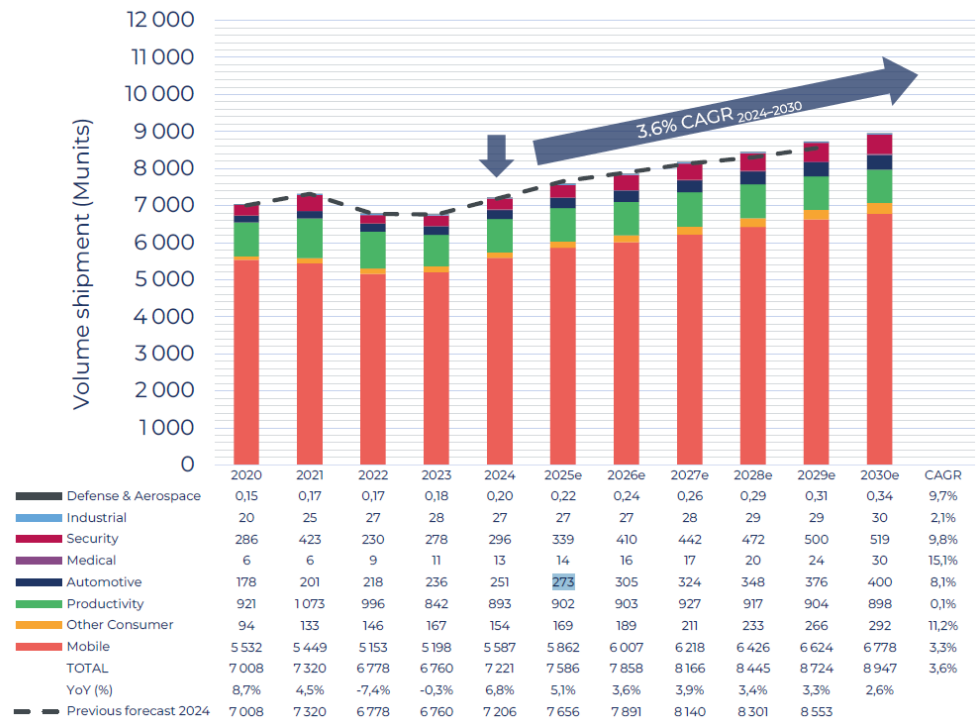
Unit: NT\$ thousand dollars

Regions	2025 Sales Regions and Weights	
	Net Revenue	%
Americas	5,958,130	51.62%
Asia	3,506,055	30.37%
Europe	1,630,478	14.12%
Other	448,793	3.89%
Total	11,543,456	100.00%

Note: Based on the country of the customer's headquarters.

#### 2. Market Share

According to the latest research report from Yole, the global demand for CMOS image sensors in the automotive sector in 2025 is projected to reach 273 million units, with our market share estimated to be above 30%. The compound annual growth rate of the automotive market from 2026-2030 is about 5.5%. The outlook for the automotive image sensor market remains positive and its growth in demand is expected to continue.



Source: Yole (2025)

### 3. Strengths, Weaknesses, Opportunities and Threats of Tong Hsing

The market, industry competition and diversified development trend have been outlined in "Chapter4 I. (II) Overview of industry" of this annual report. The industrial profile, competitive niches and internal and external challenges are briefly stated as follows:

#### (1) Internal advantages and external opportunities:

- A. Tong Hsing has ranked the first in the industry in terms of the production scale of ceramic circuit boards and image products in automotive and runs high volume production of tier 1 companies. Currently, the power discrete and modules required for electric vehicles, HVDC and smart grid have been deployed, which will be the new dynamics to the future growth.
  - B. We have been engaged in module assembling services for more than two decades. We have in-depth knowledge of industry trends and deep involvement of co-development with customers. Apart from the advanced technological development, we constantly improve in material, process, and manufacturing quality, product yield and cost structure, to form stronger competitiveness.
  - C. Continue to deploy automotive image sensor packaging patents to strengthen competitiveness and entry barriers.
  - D. We proactively invest in automotive, telecommunications, data communication, industrial, mobile, medical, and energy sectors to assure the leadership in the market.
  - E. We set up long-term partnerships with global strategical customers and suppliers. It keeps fulfilling customers' needs and seizing market opportunities.
  - F. Amid the challenges of geopolitical issue, our Philippine plant can be deployed as a contingency site. It has been running for over 30 years, we can seamlessly response to customer demands for diversified supply chain without the lead time for factory construction, system building up and labor force established.
- Weaknesses and Strategy

#### (2) Internal weaknesses and external challenges

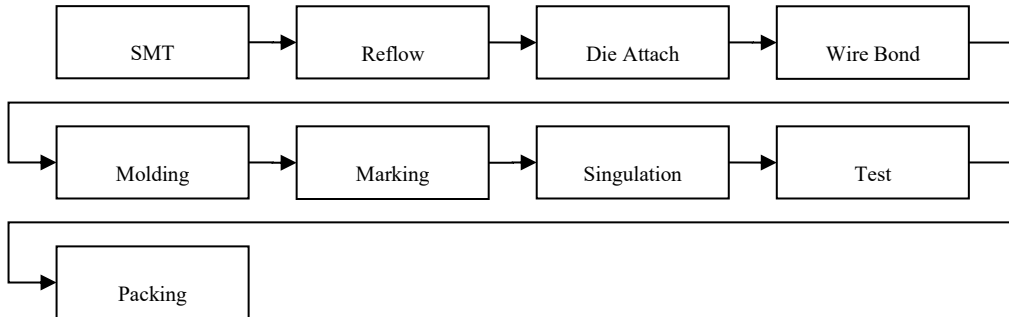
- A. With the gradual maturity of LED technology, the market competition is gradually developing towards price competition and rapid changes, and major international enterprises have also outsourced non-vehicle lighting LEDs to mainland China manufacturers to reduce production costs. In the aspect of image sensors, the leading chip supplier has continued to expand its market share in recent years, squeezing out the share of suppliers after 2nd place. As a result, those suppliers are adjusting themselves and actively exploring orders in the new market.
- B. The development cycle for new products requiring high reliability is generally longer than that of consumer products, resulting in a lengthier timeline to mass production. We remain proactive in addressing customer requirements and closely monitor industry developments, making timely adjustments during the

development phase and implementing change management processes to effectively respond to market needs.

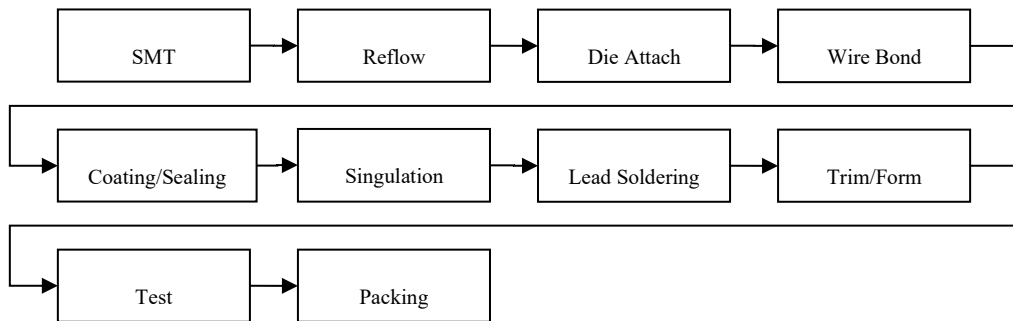
- C. In recent years of uphill demand in semiconductor industry, shortage of labor forces has become an issue in Taiwan. Also, Taiwan government intensify this issue by more restricted law for hiring foreign labor. We will increase investment in machinery and equipment, strengthening the automation of production in Taiwan as industry transformation and move labor-intensive products overseas with comparative advantage of labor cost.

(II) Usage and manufacturing processes for the Company's main products

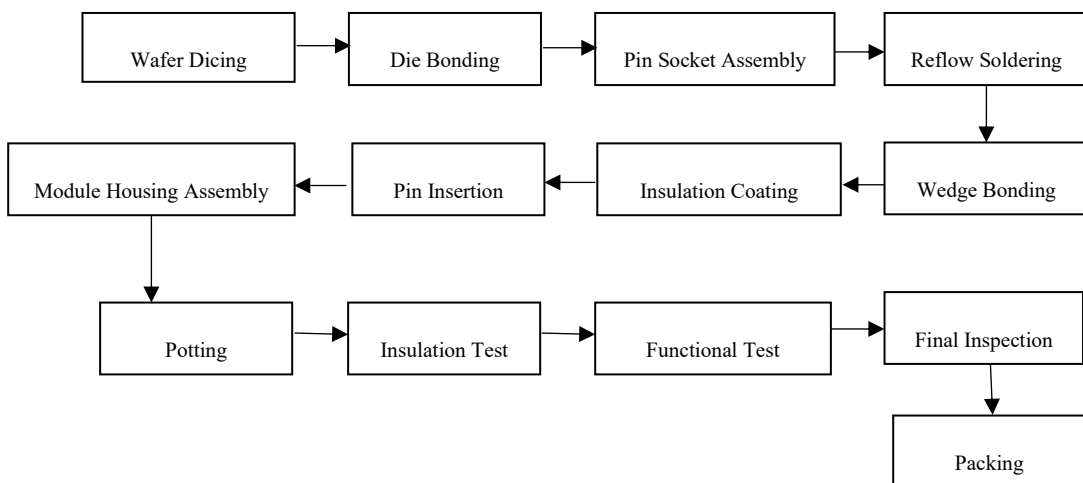
1. RF Module: RF Power Amplifier and front-end modules of mobile phones, and broadband digital communication modules.



2. Thick Film Hybrid Integrated Circuits: Automotive, navigation/communication equipment, medical sensors, etc.

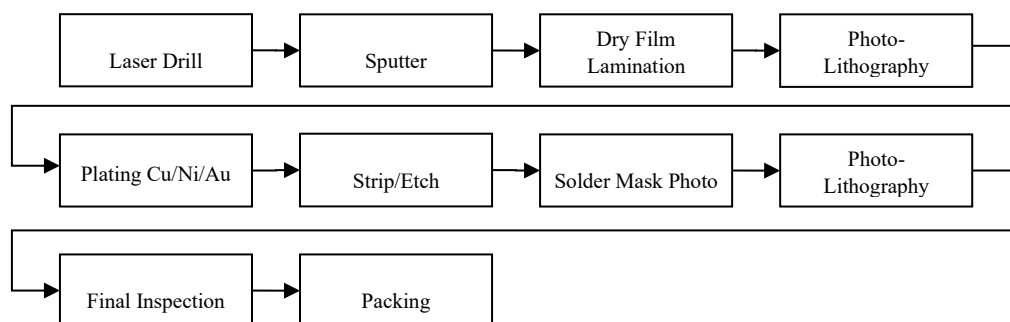


3. Power Module : Used in compound semiconductor high-voltage devices such as solid-state relays, solid-state circuit breakers, and power switches.



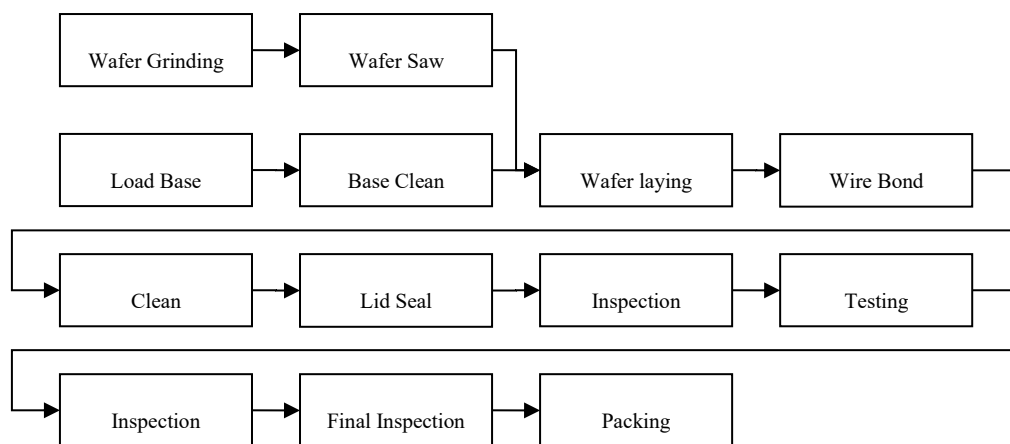
4. Ceramic Metalized Substrates: High brightness LED, general lighting, vehicle lighting, laser, industrial automatic control, RF switches, semiconductor devices, etc.

A. Plated Ceramic Substrates

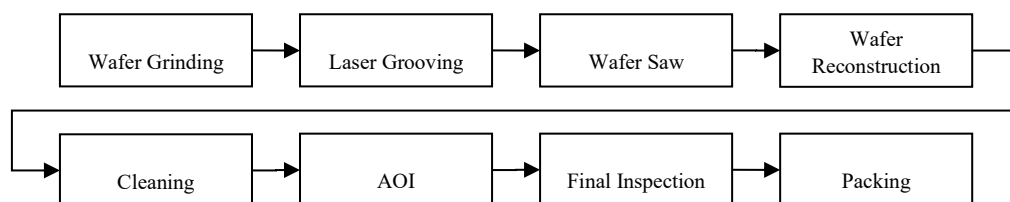


5. Image sensors: Automotive: reverse cameras, lane divider tracking, blind spot monitoring during turns, front and rear wheel monitoring, remote obstacle monitoring, and dash cams., driver monitoring system, pedestrian collision warning. Consumer electronics: Digital cameras, digital video recorders, and mobile phones. IT electronics: laptop computers and monitors: Industrial control and safety monitors: Products with image and video recording functions.

(1) Image sensor packaging



(2) Image Sensor Reconstructed Wafer



(III) Supply situation for the Company's major raw materials

Major Raw Materials	Source of Supply	Supply Situation
PCB	Taiwan, China, Japan, Switzerland,	Abundant
IC	United States, China	Abundant
Wire	Japan, Singapore	Abundant
Epoxy	United States, Japan, China, Taiwan	Abundant
Substrate	China, Japan, Malaysia, United States, Taiwan	Abundant
Glass Lid	Japan, China, Taiwan	Abundant
PKPGC/PKPSC/Pd	Taiwan	Abundant

(IV) Any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures

1. List of major suppliers with over 10% of the total purchase in the last two years

Unit: NT\$ thousand dollars

Item	2024				2025				2026 (as of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percentage to Net Purchase in 2026 up to the First Quarter (%)	Relation with Issuer
1	Company G	769,122	18.28	None	Company G	544,929	14.19	None	Company G	163,032	14.97	None
2	Company H	447,128	10.62	None	Company H	420,695	10.96	None	Company H	124,509	11.44	None
3	-	-	-	-	-	-	-	-	Company I	114,608	10.53	None
4	Other	2,992,242	71.10	-	Other	2,874,082	74.85	-	Other	686,564	63.06	-
	Net Total Purchases	4,208,492	100.00		Net Total Purchases	3,839,706	100.00		Net Total Purchases	1,088,713	100.00	

Reason for the Change:

Due to the changes in market supply and demand, product mix, and the Company's stock strategy.

2. List of major clients with over 10% of the total sales in the last two years

Unit: NT\$ thousand dollars

Item	2024				2025				2026 (as of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percentage to Net Sale in 2026 up to the First Quarter (%)	Relation with Issuer
1	Company I	2,730,878	22.59	None	Company J	2,841,748	24.62	None	Company J	595,440	21.12	None
2	Company H	2,114,447	17.49	None	Company I	1,863,559	16.14	None	Company I	447,270	15.86	None
3	Company J	2,022,614	16.73	None	Company H	1,554,031	13.46	None	Company H	371,355	13.17	None
4	Other	5,223,055	43.19	-	Other	5,284,118	45.78	-	Other	1,405,172	49.85	-
	Net Total Sales	12,090,994	100.00		Net Total Sales	11,543,456	100.00		Net Total Sales	2,819,237	100.00	

Reason for the Change:

Due to changes in market supply and demand, and the customer's adjustment of the order amount.

### III. The Number of Employees Employed for the Two Most Recent Fiscal Years, and During the Current Fiscal Year up to the Date of Publication of the Annual Report

Unit: person; age; year

Item/ Year		2024	2025	2026 (as of April 15)
Number of Employees	Direct labor	1,763	1,964	1,581
	Indirect labor	1,269	903	1,297
	Management	382	466	463
	Total	3,414	3,333	3,341
Average Age		36.6	37.02	37.54
Average Years of Service (Years)		7.8	7.9	8.0
Academic distribution ratio (%)	Ph.D.	0.18	0.18	0.18
	Masters	8.52	8.79	8.56
	Bachelor's Degree	53.37	49.24	48.55
	Senior High School	35.00	34.32	36.94
	Below Senior High	2.93	7.47	5.77

Note : The number of employees include the employees of Tong Hsing Philippines.

### IV. Disbursements for Environmental Protection

- (I) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

There were no penalties for violation of environmental protection laws and regulations in the most recent fiscal year up to the publication date of the Annual Report.

- (II) Estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

- (III) Promoting sustainable development - Environmental issues

- The Company has set up sewage treatment equipment and has special personnel to comprehensively handle related environmental protection matters and has obtained a waste (sewage) water discharge permit and has passed the international ISO-14001 environmental management system certification. In 2024, the Taipei Plant, Bade Plant, Longtan Plant, and Zhubei Plant successfully completed the integrated certification of ISO 14001 and ISO 45001.

ISO14001 Certificate validity period	ISO45001 Certificate validity period
12/31/2024~12/30/2027	12/31/2024~12/30/2027

- The Company shall continue to provide a safe and healthy work environment to employees, preventing occupational injury and health risks to sustain a culture where EHS is given the same priority as business performance.
- The Company counts water consumption, electricity consumption and total weight of waste on a monthly basis, sets improvement targets and reduction targets for water saving, energy saving and pollution prevention, reviews the annual implementation

results at the end of each year, and formulates targets for the next year.

Greenhouse gas emissions, water consumption and total waste weight for the last two years are as follows,

Item	Medium-term Goal	2024	2025
Scope1 and Scope2 Greenhouse gas emissions (CO <sub>2</sub> e)	30% carbon reduction by 2030 The annual target power saving is greater than 2%	64,624	64,349
Water Consumption (m <sup>3</sup> )	The annual target water saving is greater than 2%	1,338,726	1,375,342
Total Weight of Waste (T)	Target waste reduction >5% per year	1,626	1,402

For the above medium-term goals, the Company takes the following measures,

- (1) Replacing old equipment, promoting energy-saving awareness, purchasing new high-efficiency equipment, constructing a circular economy model, optimizing process wastewater recycling technology, and promoting waste reduction and reuse, etc.
  - (2) To reduce pollution in the environment, save energy, and reduce carbon emissions, the Company will continue to evaluate the recycling and reuse of wastewater created by general use or production. We shall also adopt variable frequency drives to the related sewage system based on evaluation results to reduce electricity consumption and comply with the regulations of the central competent authority on energy conservation.
  - (3) The Company has been conducting greenhouse gas inventories in all plants since 2022, and the results are reported to the Board of Directors every quarter. Furthermore, the Company underwent external certification by a third-party international certification body from 2023. The 2025 certification results showed that the total greenhouse gas emissions from Categories 1 to 6 in all plants, including the Philippine Plant, are 122,225.3180 metric tons of carbon dioxide equivalent, with the Philippine Plant accounting for 40.72%. Among the emissions, direct emissions of Category 1 greenhouse gas emissions are 683.7053 metric tons of carbon dioxide equivalent, with the Philippine Plant accounting for 40.99%. Indirect emissions from the purchase of energy sources of Category 2 greenhouse gas emissions are 63,665.2378 metric tons of carbon dioxide equivalent, with the Philippine Plant accounting for 31.05%. The remaining indirect greenhouse gas emissions are 57,876.3749 metric tons of carbon dioxide equivalent, with the Philippine Plant accounting for 51.36%.
  - (4) At present, the Company's products have fully met the European Union ROHS regulations (environmental protection). The company also implements the waste removal plan to carry out legal waste removal and resource waste recycling.
4. The Company's Sustainability Committee responsible for assessing the current and future potential risks and opportunities of climate change on the Company, using four aspects: "Governance", "Strategy", "Risk Management" and "Indicators and Goals",

formulate strategies and actions in response to climate change, jointly identify and implement the impact of climate-related risks and opportunities on the Company, and identify potential risks and new business models that may be caused by climate.

## V. Labor Relations

The Company supports and follows the rights and interests revealed in the "United Nations Universal Declaration of Human Rights", "United Nations Global Covenant", "Conventions of International Labor Organizations", "Responsible Business Alliance RBA Code of Conduct" and various international human rights conventions to create a work that fully protects human rights Environment, formulate relevant management measures to protect employees' right to work, humane treatment and prohibition of child labor, gender and racial discrimination. In 2025, the total man-hour of the Human Rights training courses was 10,169.64 hours.

Course training of Human Rights in 2025

Unit: hours

Course	General training	Workplace Violence Prevention	Safety of Workplace	Gender equality protection	Total
Hour	2,822.5	633.37	6,080.4	633.37	10,169.64

(I) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. The employee's benefits related to measures are as follows to provide physical and mental relaxation, and enhance mutual communication:

(1) Employee benefit plan:

To ensure that our employees are devoted to work when working and relieve their family from financial burdens, apart from the relevant laws and regulations, we also provide extra insurance to employees to protect them in case of casualties or hospitalization. Employees also receive special subsidies for weddings and funerals, according to the Company's regulations for the matter.

(2) Professional physicians are appointed to offer medical care services and conduct various health promotion knowledge advocacy and other activities.

(3) The Company provides the employees with a variety of meals (canteen, vegetarian, staff meals or light meals for Filipino employees) and dormitory.

(4) Employee benefits plan also includes cash gifts for birthday and National holidays.

(5) The Company also establishes independent medical and nursing room which opens 24 hours day.

(6) The Company has appropriated NT\$30,612 thousand in 2025 to fund the employee welfare committee:

- A variety of club activities with subsidy mechanism are set up, such as the Aixin Sustainability Club, the LOHAS Sports Club, the Badminton Club, and other recreational and sports clubs.
- Periodically holds employee communication meetings.

- Employee travel.
- Birth subsidy, scholarship, hospitalization subsidy, catastrophic illness subsidy.
- Holiday bonus and birthday gift money

2. Retirement system and implementation status

In order to provide employees with safety and security at work, the Company has formulated specific measures below per the laws and regulations:

- (1)The Company appropriates the retirement reserves every year pursuant to the “Labor Act”. Adequate appropriation of the retirement reserves is made through a professional actuary. The pension is calculated based on the service length of the employees and the average salary of the employee over the 6 months before retirement.
- (2)In addition, pursuant to the Regulation on Labor Pension, 6% of the monthly salary of the employee (the new retirement system) will be appropriated to the pension and is deposited in the special individual pension account with the Labor Insurance Bureau. The annual salary of the employees before July 1, 2005, was retained in this account.
- (3)In addition to complying with the aforementioned relevant retirement laws and regulations, in order to express gratitude towards employees for their contributions, the Company has prepared commemorative medals for retirement as a token of its appreciation towards the retirees for their contribution.

3. Continuing education and training

(1)On-the-Job Learning:

To implement the concept that "Employee growth drives the company progress", the Company provides domestic and international courses for related training from time to time to enhance professional knowledge of our employees and cultivate talents. The Company’s internal training courses include ordinary training, professional and skills training, managerial function training, quality and occupational safety training, etc. In 2025, the total man-hour of the training courses was 135,606.3 hours.

Course training category in 2025

					Unit: hour
Course	General training	Professional skills training	Management function training	Quality and occupational safety training	Total
Hour	12,473.1	79,069.5	307.0	43,756.7	135,606.3

(2)Education Subsidies:

We highly value our employees' and their children's education and provide scholarships when qualifications are met.

(3)Company Celebration and Sports Events:

To relieve the daily work pressure of employees, the Company holds various recreational events and gatherings from time to time.

4. Employee communication or disputes:

Since our establishment, we've been committed to establishing a trustworthy, cooperative working atmosphere and environment to form a harmonious relationship with the employees and to discuss and resolve problems as they arise.

All provisions concerning employee benefits are implemented in accordance with the relevant laws and regulations. Any new or revised provisions will be finalized after a thorough discussion by both parties. As the Company has not yet established a labor union, no collective bargaining agreement has been executed.

The following measures are taken to prevent future labor disputes:

- (1) Implement an employee benefits plan that is superior to the "Labor Act" requirements.
- (2) Hold labor meetings on a regular basis
- (3) Provide extra channels to facilitate communication between management and employee.
- (4) Reinforce Labor-Management Ethics
- (5) Establish employee's complaint channels.
- (6) Appoint interpreters to assist the foreign peers for smooth communication and offer them with feedback channels.
- (7) Formulate the "Code of Conduct" for all employees.

#### 5. Workplace diversity and equality

In 2025, the gender ratio of employees was 66% for male employees and 34% for female employees. In 2025, the ratio of management employees (direct/indirect) was 51.5% for male employees and 48.5% for female employees.

The Company adheres to the principle of equal pay for equal work for new-hires, annual salary increase, performance appraisal and promotion, which will not be affected by gender. Filipino employees are also entitled to same benefits as Taiwanese employees. There is no difference in salary calculation in attendance between Filipino employees and Taiwanese employees. In addition, to cater for employees' special needs for families or individuals, employees regardless of nationality are offered the option of taking leave without pay for their flexible use.

#### 6. Operating performance reflected in employee compensation

##### (1) Article 19 of Articles of Incorporation

The Company shall appropriate no less than 3% of the earnings as employee compensation when the operation is profitable for the year (meaning the pre-tax net income before employee compensation and director remuneration).

##### (2) Overall compensation policy

The Company attends market compensation survey and conducts below policy to ensure the Company's competitiveness in compensation.

- A. Based on the operating profits of each business unit and with reference to individual performance evaluations, quarterly bonuses, annual bonuses, and year-end bonuses are planned and distributed to achieve a differentiated

compensation strategy based on individual performance.

- B. Based on the Company’s outlook and profitability, the operating performance of each business division, as well as the external market salary levels, individual job responsibilities, previous year’s performance appraisal and position salary caps, the 2025 annual salary increase rate was over 3% last year.

7. Protective measures for work Environment and employees' personal safety:

The Company follows the Labor “Safety and Health Act” and its implementation rules, and the relevant regulations.

The key routine environmental safety and health management achievements in 2025 were as follows:

Target	Description	Results
Testing for Drinking Water Quality	Testing of the concentration of coliform bacteria contained in the drinking water machines is performed through samples every three months pursuant to the “Management Measures Regarding Use and Maintenance of Continuous Water Supply Fixed Equipment for Drinking Water” in order to protect drinking water hygiene and quality, and employee’s health.	Quantity of tested drinking water machines:75sets Percentage of pass: 100%
Detection of working environment	Detection of carbon dioxide, noise, and chemical substances in the workplaces is performed pursuant to the “Implementation Rules for Monitoring of Workplace” to analyze the concentration of the chemical substances in the environment through the samples from machines, equipment, operation or environment that uses or stores chemicals so as to protect the employees from and against physical and chemical hazards.	Tested 981 items in total Percentage of pass: 100%
Health Examination	General and special physical examination will be performed for the employees working in specific workplaces every two years.	General physical examination: 4 Employees Physical examination for special type of work: 203 employees
Environmental Protection and Labor Safety Training Subject to the “Rules for Occupational Safety and Health Education and Training”.	The following education and training are organized to protect the employee’s safety and health: 1. Occupational safety and health training for new employees: to establish employee’s awareness of safety and health. 2. Occupational safety and health training for exist employees: to establish employees' awareness of general safety and health hazards to prevent occupational accidents. 3. General hazard training for exist employees: to establish employee’s awareness of chemical hazards and teach them how to use protective supplies. 4. Mechanical equipment safety training for	1.Occupational safety and health training for new employees : 332 employees 2. Occupational safety and health training for exist employees : 2,052 employees 3.General hazard training : 2,158 employees 4.Mechanical equipment safety training for exist employees: 2,027employees

Target	Description	Results
	<p>exist employees: to establish employees' awareness of mechanical equipment operation hazards and key considerations for maintenance and servicing.</p> <p>5. In-service labor security, firefighting, fire extinguishing, and refuge refresher training.</p> <p>6. Emergency response drills every quarter in every plant.</p> <p>7. Irregularly hold traffic safety driving seminars.</p>	5. Emergency response drills : 1,639 employees
Patrol Inspection, Safety Check-up and Internal Audit	<p>1. Daily environmental safety and health patrol inspection and audit</p> <p>2. Execution of “Safety Checking of High-Risk Machines and Equipment”.</p> <p>3. Periodical environment, safety and health committee.</p> <p>4. Internal audit of environmental safety and health management system.</p>	<p>1. Periodical checking of tread depth of motor vehicles : 3,314 motor vehicles</p> <p>2. Periodical environment, safety and health committee</p> <p>2. Executing Internal audit yearly</p>
Greenhouse Gas Control	The Company assesses the economic and technological feasibility and reduces greenhouse gas emission.	Check the gas concentration, and declare the importance of environmental protection according to laws as basis of gas emission reduction
Four Protection Plans	<p>1. Promote human hazard prevention programs.</p> <p>2. Driving Abnormal Workloads to Trigger Disease Prevention Programs.</p> <p>3. Promoting the prevention plan for illegal infringement in the execution of duties.</p> <p>4. Promote maternal health protection plan.</p>	<p>Promote human hazard prevention : 2 employees</p> <p>Abnormal Workloads to Trigger Disease : 36 employees</p> <p>Unlawful Infringement in the Performance of Duties : 4 employees</p> <p>maternal health protection : 17 employees</p>

8. Specific Measures and Implementation Results for the Prevention and Control of Employee Obesity, Hyperglycemia, Hyperlipidemia, and Hypertension.

Plant	Specific Measures and Implementation Results
Taipei Plant	<p>1. A charity blood donation drive was held on March 25 and September 25, with a total of 65 participants.</p> <p>2. The All-Age Walking Go Go Go Program was organized in Q2 and Q3, with 137 participants in total.</p> <p>3. From September 8 to November 20, a fitness point-collection and weight-loss program was held, with 50 participants. Participants collectively lost 92 kg, and the overall body fat rate decreased by 28.9%.</p>
Bade Plant	<p>1. A charity blood donation drive was held on March 26, with 23 participants.</p> <p>2. From March 1 to June 30, the All-Age Walking Go Go Go Program was held. A total of 71 participants achieved the target of 6,000 steps per day for 15 days per month.</p>

Plant	Specific Measures and Implementation Results
	3. From July 1 to September 30, the All-Age Walking Go Go Go Program continued, with 88 participants achieving the target of 150,000 cumulative steps per month.
Longtan Plant	1. A charity blood donation drive was held on April 25, with 24 participants. 2. From April 1 to June 30, the All-Age Walking Go Go Go Program was held, with 40 participants. 3. From July 1 to September 30, the All-Age Walking Go Go Go Program was held, with 38 participants. 4. A charity blood donation drive was held on November 21, with 14 participants. 5. On December 18, a health seminar titled “Control Your Blood Lipids, and Your Heart Will Thank You” was held, with 18 participants.
Zhubei Plant	1. From April 1 to June 30, the All-Age Walking Go Go Go Program was held, with 82 participants. 2. On June 13, a smoking cessation seminar was held, with 14 participants. 3. From July 1 to September 30, the All-Age Walking Go Go Go Program was held, with 89 participants. 4. On July 4, a disease prevention seminar was held, with 15 participants.

(II) Losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

Penalty Date	Reference No.	Violated Legal Provision	Description of Violation	Penalty
Apr 25, 2025	New Taipei Labor Inspection No. 11446721231	Article 24 of the Labor Standards Act	Failure to pay overtime wages in accordance with regulations	Fine: NTD 50,000
Apr 25, 2025	New Taipei Labor Inspection No. 1144672123	Article 22, Paragraph 2 of the Labor Standards Act	Failure to pay wages in full directly to employees	Fine: NTD 48,000
Jul 4, 2025	Hsinchu Environmental No. 1140021544	Article 32, Paragraph 2 of the Labor Standards Act	Total working hours, including overtime, exceeded the statutory limit of 12 hours per day	Fine: NTD 50,000

#### Estimated Potential Future Loss

In 2025, there were three penalties imposed for violations of the Labor Standards Act, all of which have been fully paid and closed.

Based on an assessment by the Human Resources Department, considering experience and penalty standards, the estimated maximum potential future loss is approximately NTD200,000. This amount is not expected to have a material impact on overall operations or shareholders' equity.

#### Future Mitigation Measures

The Human Resources Department is currently addressing this issue from three perspectives: systems, policies, and training:

1. Implement systematic controls on daily overtime limits and enhance the attendance management system to allow employees to independently access their leave and overtime records.
2. Strengthen the pre-approval system for overtime, reiterating that overtime must be approved by supervisors in advance. Employees are also advised to avoid staying at the workplace after hours for personal matters without prior overtime application.
3. Continue to promote bilateral labor-management communication by holding regular meetings, reiterating work rules and overtime management policies, and strengthening awareness of working hours management and legal compliance among supervisors and employees.

## **VI. Cyber Security Management**

- (I) The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Governance and Oversight:

The Company cybersecurity as a critical component of corporate governance and overall risk management. A clear cybersecurity governance framework and management mechanism have been established. The Company has set up a dedicated Information Security Office, staffed with a Chief Information Security Officer and dedicated information security personnel, responsible for overseeing the Company's overall cybersecurity strategy, policy formulation, risk assessment, and the implementation of improvement plans, as well as coordinating cybersecurity management matters across departments and plant sites.

The Company's cybersecurity management mechanism is established in accordance with the international information security management standard ISO 27001 and adopts a systematic, risk-based management approach. Cybersecurity risks are regularly identified, analyzed, and assessed, and incorporated into the Company's overall operations and internal control framework to ensure that management can promptly identify potential risks and take appropriate response measures.

2. Policy and Compliance:

To ensure the confidentiality, integrity, and availability of its information assets, the Company has established and implemented information security policies and related management regulations in accordance with ISO 27001 (2022 edition), which serve as the highest guiding principles for cybersecurity management.

These policies apply to all employees, suppliers, contractors, and other third parties who may access the Company's information or information systems. Compliance is enforced through contractual provisions, management procedures, and audit mechanisms.

Relevant policies and regulations are reviewed at least once per year and revised as necessary to reflect regulatory requirements, emerging cybersecurity threats, technological developments, and changes in business strategy, ensuring their continued

appropriateness and compliance.

### 3. Risk-based Controls:

The Company's core cybersecurity objectives are to "Ensure the stable operation of critical business systems, safeguard the information assets of the Company and its stakeholders, and mitigate the operational and financial impact of cybersecurity incidents". Based on a risk-oriented approach, the Company continues to implement the following key measures:

#### (1) Layered and Segmented Defense Architecture

A tiered and segmented network and system protection framework is established according to system criticality and risk level. External networks, internal office environments, and production systems are effectively segregated to minimize the impact of any single cybersecurity incident on overall operations.

#### (2) Cybersecurity Risk Prevention and Vulnerability Management

Regular vulnerability scans, risk assessments, and security evaluations are conducted for information systems and networks. Remediation and patching plans are implemented based on risk prioritization to continuously reduce cybersecurity exposure.

#### (3) Protection of Critical Systems and Data

Comprehensive data backup and recovery mechanisms are established for critical systems, such as ERP and MES. Daily data backups are performed, and periodic recovery drills and tests are conducted to ensure business operations can be restored within an acceptable timeframe in the event of incidents, system failures, or disasters.

#### (4) Email and Social Engineering Risk Management

To address common threats such as phishing emails, malware, and social engineering attacks, email filtering, protection, and monitoring mechanisms are implemented. Regular drills are conducted to enhance employees' awareness and response capabilities.

#### (5) Continuous Enhancement of Cybersecurity

Based on operational characteristics and risk assessment results, the Company continuously reviews and optimizes its cybersecurity controls and protection mechanisms, progressively strengthening its overall cybersecurity management to address increasingly sophisticated threats.

### 4. Resources and Awareness:

The Company continuously invests necessary resources in personnel, systems, and training as a fundamental pillar of its cybersecurity management. In addition to establishing a dedicated information security organization, the Company provides regular cybersecurity awareness training for both new hires and existing employees to enhance overall security awareness and risk management capabilities, reducing cybersecurity risks arising from human error.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

## VII. Important Contracts

Agreement	Parties	Period	Major Contents	Restrictions
Medium-term loan contract	Hua Nan Commercial Bank	2021.04~2026.04	Action for Accelerating Investments of Enterprises in Taiwan	None
Medium-term loan contract	Mega International Commercial Bank	2021.04~2028.04	Action for Accelerating Investments of Enterprises in Taiwan	None
Long-term loan contract	Chang Hwa Commercial Bank	2021.04~2031.04	Action for Accelerating Investments of Enterprises in Taiwan	None

## Chapter 5 Review and Analyze Financial Position, Performance and Assess the Risks

### I. Financial Position

#### Comparative Analysis of Financial Status

Unit: NT\$ thousand dollars

	2025	2024	Difference	
			Amount	%
Current Assets	11,215,352	11,187,943	27,409	0.24
Property, Plant and Equipment	11,464,369	11,358,470	105,899	0.93
Intangible Assets	8,098,345	8,186,491	(88,146)	(1.08)
Other Assets	3,577,409	3,882,675	(305,266)	(7.86)
Total assets	34,355,475	34,615,579	(260,104)	(0.75)
Current Liabilities	4,185,350	4,887,570	(702,220)	(14.37)
Non-current Liabilities	3,435,302	3,895,150	(459,848)	(11.81)
Total liabilities	7,620,652	8,782,720	(1,162,068)	(13.23)
Equity Attributable to Shareholders of the Parent	26,681,572	25,787,285	894,287	3.47
Share capital	2,090,581	2,090,581	-	-
Capital Surplus	15,117,641	15,117,641	-	-
Retained earnings	9,480,240	8,503,370	976,870	11.49
Others Equity	(6,890)	75,693	(82,583)	(109.10)
Treasury stock	-	-	-	-
Non-controlling interests	53,251	45,574	7,677	16.85
Total Equity	26,734,823	25,832,859	901,964	3.49

Description and explanation of significant changes (over 20% before and after change, with change amount of up to NT\$ 10 million or more):

1. Decrease in others Equity :

Mainly due to the decrease in exchange differences on translation of financial statements of foreign operations.

## II. Financial Performance

### (I) Financial Performance

Unit: NT\$ thousand dollars

Item	Year	2025	2024	Increase (Decrease) Amount	% of Change
Operating revenue		11,543,456	12,090,994	(547,538)	(4.53)
Gross profit		3,186,404	3,325,898	(139,494)	(4.19)
Net Operating Income		1,606,104	1,742,861	(136,757)	(7.85)
Non-operating Income and Expenses		218,864	179,572	39,292	21.88
Income before Income Tax		1,824,968	1,922,433	(97,465)	(5.07)
Income from Continuing Operations		1,601,398	1,718,449	(117,051)	(6.81)
Loss from Discontinuing Operations		-	-	-	-
Net Income		1,601,398	1,718,449	(117,051)	(6.81)
Other Comprehensive Income (Loss), After Tax		(75,302)	131,704	(207,006)	(157.18)
Comprehensive Income		1,526,096	1,850,153	(324,057)	(17.52)
Net Income Attributable to Shareholders of the Parent		1,597,296	1,713,825	(116,529)	(6.80)
Net Income Attributable to Minority Equity		4,102	4,624	(522)	(11.29)
Comprehensive Income Attributable to Shareholders of the Parent		1,521,461	1,845,804	(324,343)	(17.57)
Comprehensive Income Attributable to Minority Equity		4,635	4,349	286	6.58

Explanations for significant changes (over 20%):

1. Increase in non-operating income and expenses:

Mainly due to the gains on disposal of non-current assets held for sale.

2. Decrease in other comprehensive gains and losses (net):

Mainly due to the decrease in the translation of financial statements of foreign operating institutions this year.

### III. Cash Flow

(I) Analysis cash flow changes during the most recent fiscal year

Unit: NT\$ thousand dollars

Cash at Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow from Investing and Financing Activities	Effect of Change to Exchange Rate	Cash balance (Deficit)	Remedial Measures for Cash Inadequacy	
					Investment Plan	Financing Plan
3,007,906	3,758,236	(2,445,121)	(44,419)	4,276,602	-	-

Net cash inflow increased by NT\$ 3,007,657 thousand compared with that of the previous period mainly because:

Item	2025	2024	Increase (decrease) in Net Cash Inflow (Outflow)
Operating Activities	3,758,236	572,548	3,185,688
Investing Activities	(758,301)	(1,572,484)	814,183
Financing Activities	(1,686,820)	(823,486)	(863,334)
Foreign Currency Exchange Rate	(44,419)	84,461	(128,880)
Net Cash Flow	1,268,696	(1,738,961)	3,007,657

- (1) Increase in net cash inflow from operating activities:  
Mainly due to the decrease in financial assets acquired-current this year.
- (2) Decrease in net cash outflow from investment activities:  
Mainly due to the increase in the disposal of financial assets measured at amortized cost this year.
- (3) Increase in net cash outflows from financing activities:  
Mainly due to the repayment of long-term borrowings this year.
- (4) The impact of exchange rate changes on cash and cash equivalents:  
Mainly due to the impact of exchange rate changes on the translation of financial reports of foreign operating institutions.

(II) Action plans to improve the cash flow: Not Applicable.

(III) Cash liquidity analysis for the upcoming year

The Company's estimated cash outflows in the next year mainly relate to future operating plan and investment demands. In addition to cash inflow expenditures of the operating activities, we plan to take bank loans to finance the capital demands if the cash balance is not sufficient.

### IV. The Effect Upon Financial Operations of any Major Capital Expenditures During the Most Recent Fiscal Year.

(I) Distribution of major capital expenditures and source of capital

Unit: NT\$ thousands

Plan	Actual Source of Capital	Actual Distribution of Capital for 2025
Property, plant and equipment	Own funds and bank loans	1,409,112

(II) Estimated Benefits

To expand production capacity, upgrade equipment, enhance product quality and manufacturing processes to meet customer demands, thereby reducing costs and increasing operating profits.

**V. The Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year**

(I) Profits or losses from reinvestments as of December 31, 2025

Unit: NT\$ thousand dollars

Investee Business	Number of Shares Invested (Thousand shares)	Investment Shares Percentage	Net Equity	Accounting Method	2025 Losses on Investments
Tong Hsing Electronics Phils, Inc.	28,793	100.00%	1,884,412	Equity Method	(50,168)
Multi-field Holdings Corporation	-	-	50,718	-	-
Prism Horizon Holdings Corporation	80	40.00%	84,305	Equity Method	(16,530)

Note: The investment gain or loss of the subsidiary Terra Uno Landholding Corporation has been included in the results of Tong Hsing Philippines and Prism Horizon Holdings Corporation. Therefore, it is not presented separately

(II) Investee business analysis table

Unit: NT\$ thousand dollars

Investee Business	Investment Amount	Policies	Main Reasons for Profit or Loss	Improvement Plan	Other Future Investment Plans
Tong Hsing Electronics Phils, Inc.	0	100% owned - a low-cost production hub	Adjustment of Product Portfolio	Optimize Production line Allocation and Control Costs	-
Prism Horizon Holdings Corporation	0	40% owned - Investment in other enterprises	Established in compliance with Philippine land ownership regulations, the subsidiary has no substantive source of operating revenue. The loss is mainly attributable to the recognition of necessary operating expenses.	-	-

**VI. Risk Analysis and Assessment**

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

The Company prioritizes security management for the allocation of capital and regularly evaluates reasonable return on investments. We established specific foreign exchange operating strategies and rigorous monitoring procedures to monitor changes in foreign exchange rates. In addition, we also closely monitor changes in market prices and maintain good interactions with suppliers and customers. By collecting information of the inflation and government pricing policy, we have not suffered material impact as a result of inflation

and will continue to uphold the risk management strategy to reduce the impact of interest rate, exchange rate variation, and inflation on the Company's income.

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

The Company does not engage in high-risk and high-leverage investments. All investments and derivatives trading are carefully evaluated before implementation. On Oct. 30<sup>th</sup> 2025, the Board of Directors approved a USD 30 million loan to TONG HSING ELECTRONICS PHILS. INC.. As of the annual report publication date, the full amount remains available, and there was no endorsements guarantees provided. All the execution according to” Procedure for Lending Funds to Other Parties and or Guarantee” &” Procedure for Derivatives Trading.”

- (III) Future R&D Plans and Estimated Research and Development Expenses:

In addition to fundamental research on new processes and materials, our R&D focus is categorized into the following areas: Cloud Sector: Primary development directions include ceramic substrates for high-performance computing (HPC), communications, high-frequency, and high-power applications. Edge Sector: Development of application technologies for sensors, image sensors, automotive, and biomedical fields. We expect to invest approximately NT\$480 million in research and development expenses.

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

The Company’s operation follows the relevant laws and regulations as the top guidelines. Thus, our operation team pays attention to any changes of the appropriate laws and regulations at any time, so as to cope with various situations arising from changes to the laws and regulations. So far, the Company’s significant strategies have not been altered with changes to laws and regulations.

- (V) Impact of Technological Changes (Including Information Security Risks) and Industry Changes on the Company's Finance and Business, and Corresponding Measures :

We discuss the impacts and countermeasures for RF wireless communication modules, power semiconductors, ceramic circuit boards, and image products as follows:

#### **AiP in Low Earth Orbit (LEO) Satellite Communication**

The LEO satellite industry has entered a phase of large-scale commercialization and technological deepening. Taking Starlink as an example, it has established an in-house FOPLP (Fan-out Panel Level Package) factory in Texas, USA. This move aims to create a vertically integrated satellite production line to reduce costs and accelerate product iteration. Furthermore, due to multiple US government contracts, Starlink must utilize domestic supply chains to ensure physical security. Countermeasures: Beyond continuous R&D of next-generation products to align with market trends and diversify risks, we actively leverage our Philippines facility as a strategic resource to help customers mitigate geopolitical risks.

#### **Power devices in High-Performance Computing (HPC) Market**

Benefiting from the AI surge and technologies such as HVDC (High-Voltage Direct Current), there is an unprecedented demand for ultra-efficient power supplies. The authority to define specifications in this sector is highly concentrated among a select few global AI chip designers and total energy management solution providers. This "winner-takes-all" industry structure presents extremely high business risks for late entrants. Talking about Investment Risks: AI industry requirements evolve rapidly, with new architectures launching every one to two years. Failing to synchronize with the development cycles of AI chip manufacturers poses a significant investment risk.

Countermeasures: Our strategy focuses on deep collaboration with target customers. By employing a robust project management system and redundant resource management, we ensure that project milestones for both direct and end-customers are met. We align our technical milestone strictly with customer product roadmaps, aiming for "design-in" and "design-win" in their next-generation products

### **Power devices in Automotive Market**

Compared to 2023, the automotive market in 2025 faces a more rigorous environment for Electric Vehicles (EVs), characterized by uncertain profitability and intensifying competition from Chinese automakers. Consequently, many major car manufacturers have scaled back their "all-electric" ambitions. This shift has led to constant adjustments in the timeline for trickling down Silicon Carbide (SiC) power modules from high-end models to mid-to-low-end platforms.

In response, we have adopted a cautious approach to expanding the production capacity of Active Metal Brazing (AMB) substrates used in automotive power modules. We have established forecast validation procedures to remain agile toward capacity fluctuations in our customers' terminal markets. Regarding power modules, we conduct rigorous product reviews, prioritizing the projects with designs featuring high power density and high heat dissipation efficiency. Furthermore, we perform continuous market analysis to build technical reserves, mitigating risks associated with long automotive validation cycles and shifting product specifications.

### **Metalized Ceramic Substrates in LED and Laser**

The analysis for LED and laser applications within the ceramic circuit board sector is as follows:

LED Applications (ADB Headlights): Adaptive Driving Beam (ADB) headlights represent a vital market for us and remain the industry mainstream. While the U.S. IIHS only tested automatic high/low beam switching prior to 2023, they have since begun testing adaptive headlights. In contrast, Euro NCAP initiated testing for high/low beam switching on highways as early as 2020. In recent years, Euro NCAP has introduced further integration requirements for ADB, including night vision and autonomous emergency braking (AEB). Beyond closely monitoring industry trends, we are actively seeking product breakthroughs and alternative applications to diversify risk.

Laser Applications (Optical Communication): For optical communication, lasers remain the

dominant light source compared to uLEDs. Lasers possess distinct advantages in an era of rapidly increasing data rates, offering an extremely narrow spectrum, minimal dispersion, high modulation bandwidth, and a superior Polarization Extinction Ratio (PER).

However, uLEDs offer excellent low power consumption and low temperature sensitivity, making them a perfect fit for near-field optical communication between chiplets. Our laser substrates act as a complement rather than a substitute for uLED solutions in optical communication; thus, the risk level remains low. We continue to collaborate closely with existing customers while monitoring potential alternative solutions to ensure our investments achieve the projected Return on Investment (ROI).

### **Automotive Image Sensors**

In the field of automotive image sensing, the packaging solutions provided by us possess extensive experience in industrialization and large-scale production. For Tier 1 customers, our solutions are considered fully validated and carry extremely low risk.

However, alternative solutions such as CoB (Chip on Board) and CSP (Chip Scale Package) have emerged in the market. The former has been utilized in Tesla's electric vehicles for several years, prompting latecomers in the industry to follow suit. The latter (CSP) continues to see shipments in the market for resolutions below 5 megapixels.

At present, these applications have not yet formed a definitive paradigm shift. In addition to closely monitoring these developments, we have introduced solutions with more competitive dimensions and costs to meet diverse customer needs. By securing early design-ins, we ensure the stability of subsequent orders.

### **Cybersecurity and Information Security**

In response to the frequent occurrence of information security threats in recent years, we are actively planning its cybersecurity system layout. With information asset protection as our core objective, we are conducting a precise inventory of information assets. This process aims to:

Define the value of information assets across different classification levels.

Assess the specific risks associated with each asset.

Execute appropriate and corresponding countermeasures based on those assessments.

Through these actions, we aim to achieve comprehensive cybersecurity risk management, ensuring a secure and trustworthy communication environment.

(VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response: None.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

The Company is mainly constructing plants to increase production capacity of Philippines in response to the industry's continuous growth demands. By strengthening the Company's product line range and leveraging economies of scale can we increase revenue and profits,

and expand market share. The Company's expansion of the plants has been carefully evaluated and planned internally, striving to meet customer demands while also optimizing the use of capital. As the new plants are gradually put into use, the benefits of plant expansion will gradually appear, and the risks should be rather limited.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

For information regarding the proportion of purchases from a single supplier relative to the total net purchases, as well as the proportion of sales to a single customer relative to total net sales, please refer to "Chapter 4 II. (IV) major clients and suppliers information" of this annual report. Currently, the Company does not face any significant risk of over-concentration in either procurement or sales.

The Company has established long-term and stable relationships with its key suppliers, and the purchase ratios for the past two fiscal years and the current year up to the first quarter have remained consistent. In addition to maintaining strong relationships with existing customers, the Company is also actively developing new customers and business opportunities to expand its revenue base and reduce dependence on any single customer.

- (X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director and shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

- (XI) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the Company and/or any director, the president, any person with actual responsibility for the Company, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

- (XIII) Other important risks, and mitigation measures being or to be taken: None.

**VII. Other Important Matters: None.**

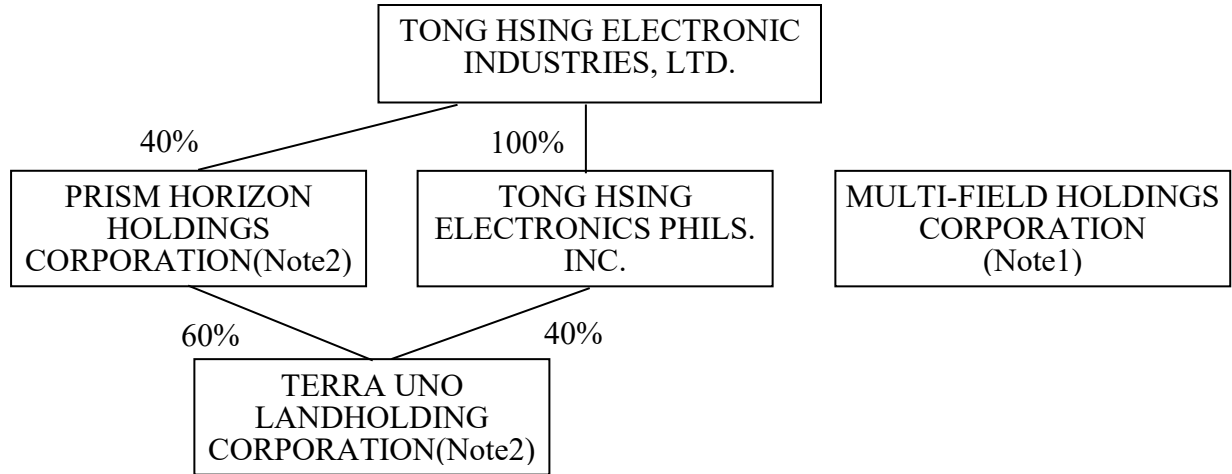
# Chapter 6 Special Disclosure

## I. Information Related to the Company's Affiliates

(I) Consolidated business report

### 1. Organizational Chart

December 31, 2025



Note1: The directors of the company are appointed by the management of our company and its subsidiaries. Starting from the fourth quarter of 2024, our company has the authority to dominate its personnel, financial, and business operations. Therefore, it is determined that our company has substantive control over this subsidiary.

Note2: The Company resolved at a Board of Directors meeting in February 2025 to acquire land in response to Tong Hsing–Philippines’ future operational expansion needs. In order to comply with local regulations regarding foreign shareholding restrictions applicable to companies purchasing land, the Company established new local subsidiaries for investment holding and land development purposes, which were duly incorporated in June and July 2025, respectively.

### 2. Basic Information of the Company's Affiliated Enterprises:

December 31, 2025; Unit: NT\$ thousand dollars

Name of Corporation	Date of incorporation	Region	Capital	Major Business
TONG HSING ELECTRONICS PHILS. INC.	Jun. 1994	Philippines	1,633,651	Sale and Production for RF modules, hybrid, ceramic substrates and image sensor products.
MULTI-FIELD HOLDINGS CORPORATION	May 2001	Philippines	2,752	Real estate sales and leasing.
PRISM HORIZON HOLDINGS CORPORATION	June 2025	Philippines	100,393	Investment holding company
TERRA UNO LANDHOLDING CORPORATION	July 2025	Philippines	514,444	Land development company

### 3. Information for Common Shareholders of Treated-as Controlled Companies and Affiliates:

None.

4. The business scope covered by the Company and its affiliates:

The business covered by the Company includes production and sale of RF communication modules, ceramic circuit boards, hybrid integrated circuit modules, image products and other electronic products.

5. The division of business, business of the Company and its affiliates are related to each other including:

Production and sale of RF communication modules, ceramic circuit boards, hybrid integrated circuit modules, image products and other electronic products.

6. Directors, supervisors and president of affiliated enterprises

Unit: thousand shares

Name of Corporation	Title	Name or Representative	Shareholding	
			Shares	Ownership (%)
TONG HSING ELECTRONICS PHILS. INC.	Chairperson	Hsi-Hu Lai	28,793	100%
	Director/ President	Yung-Hung Lu		
	Directors	Chia-Li Huang		
	Directors	Jocelyn C. Francia		
	Directors	Roberto Jose Castillo		
MULTI-FIELD HOLDINGS CORPORATION	Director/ President	Roberto Jose Castillo	50	100%
	Directors	Yung-Hung Lu		
	Directors	Jocelyn C. Francia		
	Directors	Chia-Li Huang		
	Directors	Mauricio Tomas A. Borja		
PRISM HORIZON HOLDINGS CORPORATION	Director/ President	Mauricio Tomas A. Borja	200	100%
	Directors	Jocelyn C. Francia		
	Directors	Ma. Cecilia I. Lacbayo		
	Directors	Hsi-Hu Lai		
	Directors	Yung-Hung Lu		
TERRA UNO LANDHOLDING CORPORATION	Director/ President	Mauricio Tomas A. Borja	100	100%
	Directors	Jocelyn C. Francia		
	Directors	Ma. Cecilia I. Lacbayo		
	Directors	Chia-Li Huang		
	Directors	Yung-Hung Lu		

## (II) Summarized operation results of affiliated enterprises

December 31, 2025; Unit: NT\$ thousand dollars

Name of Corporation	Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating Income (Loss)	Net Income (Loss)	Earnings Per Share (\$)
TONG HSING ELECTRONICS PHILS. INC.	1,633,651	2,401,518	517,106	1,884,412	2,820,045	(61,758)	(68,957)	(2.39)
MULTI-FIELD HOLDINGS CORPORATION	2,752	61,272	10,554	50,718	-	(997)	4,642	92.84
PRISM HORIZON HOLDINGS CORPORATION	100,393	304,857	220,552	84,305	-	(3,021)	(17,070)	(85.35)
TERRA UNO LANDHOLDING CORPORATION	514,444	618,972	122,849	496,123	-	(7,476)	(11,739)	(117.39)

Note: The exchange rate between USD and NTD as of December 31, 2025 was US\$ / NT\$ = 31.430, and the average exchange rate for the year 2025 was US\$ / NT\$ = 31.380.

(III)Statement of declaration for consolidated financial statements

## **Statement of Declaration**

The entities that are required to be included in the consolidated financial statements of Tong Hsing Electronic Industries, Ltd. for 2025 (ended December 31, 2025) under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements of the affiliates is included in the parent-subsidary consolidated financial statements. Consequently, Tong Hsing Electronic Industries, Ltd. and subsidiaries do not prepare a separate set of combined financial statements.

Sincerely,

Company name: Tong Hsing Electronic Industries, Ltd.

Chairperson: Tie Min Chen

Date: February 25, 2026

(IV) Affiliation report: None.

**II. Where the Company has Carried out a Private Placement of Securities During the most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.**

**III. Supplementary Disclosures: None.**

**Chapter 7 Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might Materially Affect Shareholders' Equity or the Price of the Company's Securities, has Occurred During the most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.**

**TONG HSING ELECTRONIC INDUSTRIES, LTD.**

**Chairman: Tie-Min Chen**