Stock Code: 8042

Taiwan Chinsan Electronic Industrial Co., Ltd.

臺灣金山電子工業股份有限公司

Annual Report for the Year 2025

Notice to readers
This English-version Annual Report is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Public Information Disclosure Platform Inquiry Website: http://mops.twse.com.tw

Publication Date: April 27, 2026

1. Spokesperson and Acting Spokesperson of the Company:
   Company spokesperson: An-Chi Chen
   Title: Director, Administration Department
   Telephone: (02) 2995-0535
   Email address: angel.chen@chinsan.com
   Deputy Spokesperson: Mao-Sung Tsai
   Title: Director, Finance Department
   Telephone: (02) 2995-0535
   Email address: mason.tsai@chinsan.com

2. Addresses and telephone numbers of the head office and factories
   Head Office Address: 2nd Floor, No. 1, Alley 11, Lane 68, Section 1, Guangfu Road, Sanchong District, New Taipei City
   Telephone: (02) 2995-0535
   Factory address: 2nd Floor, No. 1, Alley 11, Lane 68, Section 1, Guangfu Road, Sanchong District, New Taipei City
   Telephone: (02) 2995-0535

3. Stock Transfer Agency
   Stock Affairs Proxy Department, Fubon Securities Co., Ltd.
   Address: 6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
   Website: http://www.gfortune.com.tw/
   Telephone: (02) 2371-1658

4. Certified Public Accountant for the Most Recent Annual Financial Statements
   Names of Certified Public Accountants: Chan-Yuan Tu, Tsung-Hsi Lai
   Firm Name: PricewaterhouseCoopers Taiwan
   Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City
   URL: https://www.pwc.tw/
   Telephone: (02) 2729-6666

5. Name of the trading venue for overseas listed securities and the method for obtaining information on such overseas securities: None.

6. Company website: http://www.chinsan.com/

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One. Report to Shareholders

Dear Shareholders,

Thank you to all Shareholders for taking time out of your busy schedules to attend the Chinsan Electronic Shareholders' Meeting. Respectfully submitted to: my deepest gratitude.

In 2025, affected by changes in international trade policies, the global trade environment became more cautious. Overall trade momentum slowed in the first half of the year, and market demand did not show a significant rebound in the second half. However, certain emerging application areas, such as AI and BBU, continued to develop and provided some support to related industries. Under this environment, the Company maintained revenue growth. Consolidated revenue for the year was NT$3,765,883 thousand, representing an increase of 9.79% compared with NT$3,430,181 thousand in 2024.

Looking ahead to 2026, uncertainty remains in the global economy and trade environment, and demand in the consumer electronics and white goods industries may continue to be affected. In addition, geopolitical risks, inflationary pressures, and fluctuations in energy prices may also affect end-market demand and supply chain stability. Overall, future operations will continue to face multiple variables. The Company will continue to monitor changes in the external environment and respond with a prudent and sound business strategy.

In terms of capacity planning, the Company prudently advances relevant investment plans based on market demand. The Suvarnabhumi plant in Thailand (Plant 3) continues to carry out equipment investment and related construction projects. The plants in Mainland China are also gradually adjusting and expanding capacity to respond to potential changes in future market demand. The benefits of these investments will emerge progressively depending on overall market conditions.

On January 22, 2026, the Board of Directors approved that the Company's subsidiary, Guangzhou Jinri Technology Co., Ltd., would negotiate matters related to land expropriation for the property located at No. 704, Guangshan 1st Road, Tianhe District, Guangzhou, with a building area of 15,596 square meters, in response to the Land Expropriation Pre-Announcement of the People's Government of Tianhe District, Guangzhou (Sui Tian Fu Yu Zheng [2025] No. 5). The subsidiary negotiated the expropriation with the local government and the Kemulang Joint-stock Cooperative Economic Association, Fenghuang Street, Tianhe District, Guangzhou City, and signed a demolition compensation agreement with the association on February 6, 2026. The compensation amount was approximately NT$329,394 thousand (RMB73,252 thousand). This expropriation matter has not had a material impact on the Group's operations.

1. Operating Results for the Year

(1) Results of Implementation of the Business Plan

The Company's consolidated net operating revenue for the year 2025 was NT$3,765,883 thousand, representing an increase of 9.79% compared with NT$3,430,181 thousand in the previous year. Profit for the period attributable to owners of the parent amounted to NT$115,439 thousand, and earnings per share were NT$0.89.

Unit: Thousands of New Taiwan Dollars (NT$)

Year / Contents	Year 2025	Year 2024
Net operating revenue	3,765,883	3,430,181
Gross profit from operations	754,007	674,554
Operating expenses	561,066	534,387
Operating profit	192,941	140,167
Profit before tax	166,952	137,199
Profit after tax	114,381	78,091
Profit for the period attributable to owners of the parent	115,439	77,429
Earnings per share (NT$)	0.89	0.60

(2) Budget Execution Status

The Company did not publicly disclose financial forecasts for the year 2025; therefore, disclosure of budget execution is not required.

(3) Analysis of Financial Revenue, Expenditure, and Profitability

Unit: %

Contents	Financial Ratios	Year 2025	Year 2024
Financial Structure	Liabilities-to-Assets Ratio	54.80	53.67
	Long-term funds to property, plant and equipment ratio	254.55	230.76
Solvency	Current Ratio	180.20	147.13
	Quick Ratio	131.02	109.43
Profitability	Return on Assets	1.89	1.46
	Return on Equity	2.80	1.94
	Pre-tax profit to paid-in capital ratio	12.90	10.60
	Net profit margin	3.04	2.28
	Earnings per share (NT$)	0.89	0.60

(4) Research and Development Status

A. Research Achievements for the Past Year

- Mass production of solid-state and liquid-type V-CHIP aluminum capacitors
- Mass production of solid-state high-voltage 100WV products
- Development of AI server products
- Development of miniaturized sintered foil products

B. New Products (Services) Planned for Future Development

- Development of solid-state and solid-liquid vehicle application specifications (continued)
- Development of solid and liquid aluminum capacitors for high-temperature applications at 135℃ (continued)
- Development of solid-state high-voltage 120WV products
- PEDOT development
- Development of server 550V and 600V products (continued)
- Development of miniaturized sintered foil products (continued)
- Development of AI server products (continued)

2. Summary of the Business Plan for the Year

(1) Business Policies

A. Implement intelligent and automated production processes to strengthen product quality and reduce labor costs.

B. Continue to expand production capacity and scale, and strengthen vertical integration of upstream and downstream operations to achieve synergy.

C. Expand into new markets, acquire new customers, and enhance the breadth and depth of product applications.

D. Continue to invest in the research and development of new products and new technologies to enhance and improve product quality.

E. Integrate group resources to enhance operational efficiency and effectively reduce management costs.

F. Strengthen corporate governance and fulfill corporate social responsibility.

(2) Business objectives and anticipated sales volume

Over the long term, the Company has pursued the ultimate goal of creating mutually beneficial outcomes with customers, suppliers, Shareholders, Employees, and the general public. In response to the rapid evolution of technology and market dynamics, the Company steadfastly implements its established growth strategies with a pragmatic approach. Through differentiated services, ongoing innovation in product development, and continuous quality enhancement, the Company leads all Employees in advancing toward its strategic blueprint. The Company's ambition and capabilities are evidenced by tangible operational results.

3. Future Corporate Development Strategy

The Company recognizes that, in the current era of narrow profit margins within the electronics industry, it is essential not only to continue developing new products to enhance competitiveness, but also to accelerate the advancement of innovative products and higher value-added solutions. In addition, the Company actively provides training for Employees to acquire new knowledge and is committed to fostering synergy through collaboration among group entities and the integration and application of related product technologies. The management team will continue to work diligently to overcome challenges and create new opportunities for the Company, with the goal of pursuing stable growth and profitability.

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

Looking ahead to 2026, uncertainty remains in the global economy and trade environment, and demand in the consumer electronics and white goods industries may continue to be affected. In addition, geopolitical risks, inflationary pressures, and fluctuations in energy prices may also affect end-market demand and supply chain stability. Overall, future operations will continue to face multiple variables. The Company will continue to monitor changes in the external environment and respond with a prudent and sound business strategy.

The Company actively develops niche products that meet customers' cost requirements and launches new products in response to market demand, thereby effectively creating larger-scale markets. Accordingly, we maintain a cautiously optimistic view of future operations and prospects. The aforementioned measures are expected to minimize the adverse effects of the external competitive and regulatory environments on the Company. In terms of the regulatory and operating environment, the Company actively implements its corporate governance system to respond to government policies and strengthen the protection of Shareholders' rights and interests, thereby further driving high-quality growth. In addition, the Company considers competitive niches and advantageous innovation from the value system of the overall macro environment, seeks to establish a leading position for the Group's core businesses and strengthen differentiation from competitors, and takes profitability improvement as its primary objective in pursuit of high-quality corporate growth.

Finally, I extend my best wishes to all Shareholders.

Wishing you good health and all the best in your endeavors.

Chairman of the Board: CHIANG, SHIH-HSIN

Two. Corporate Governance Report

1. Information on Directors, General Manager, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

(1) Director Information (1)

2026/04/10

Job Title (Note 1)	Nationality or Registered Location	Name	Gender Age (Note 2)	Date of Appointment or Election	Term of Office	Date of initial appointment (Note 3)	Shareholding at the time of appointment		Shares currently held		Shares currently held by the spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 4)	Currently holding concurrent positions at the Company and positions at other companies	Other managerial officers, Directors, or Supervisors who are spouses or related within the second degree of kinship			Notes (Note 5)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Job Title	Name	Relationship	
Chairman of the Board	Republic of China	Hong-Pu Investment Co., Ltd.		2023.05.31	3 Years	2000.09.20	7,428,154	5.74%	10,648,154	8.22%					None	None	None	None	None	None
	Republic of China	Representative: CHIANG, SHIH-HSIN	Male 71-80	2023.05.31	3 Years	2000.09.20	1,467,950	1.13%	1,467,950	1.13%	781,477	0.60%	0	0	Mechanical Engineering Department, Tatung Industrial High School	Taiwan Chinsan Electronic Industrial Co., Ltd. Chairman of the Board of Hong-Pu Investment Co., Ltd. Director of Chinsan (Cayman) Enterprises Co., Ltd. Chairman of the Board, Chinsan (BVI) Chairman of the Board, EAGLE ZONE (SAMOA) Chairman of the Board, Chinsan Electronic Industrial (Thailand) Co., Ltd. Ching Rong Investment Co., Ltd.Chairman of the Board Chairman of the Board, Chinsan Tai-An Co., Ltd. Taiwan Tower Corporation, Ltd.Supervisor Chairman of the Board, Royal Cheng Investment Co., Ltd.	Director and General Manager	CHIANG, CHING-SHIN	Parent and subsidiary	None
Director	Republic of China	TRICKLE CO., LTD.		2023.05.31	3 Years	2023.05.31	2,058,345	1.59%	2,058,345	1.59%					None	None	None	None	None	None
	Republic of China	Representative: CHEN, SHIH-YANG	Male 61-70	2023.05.31	3 Years	2023.05.31	84,113	0.06%	84,113	0.06%	46,580	0.04%	0	0	Department of Accounting, Soochow University	Taiwan Chinsan Electronic Industrial Co., Ltd. Zhongshan United CPAsCertified Public Accountant Chairman of the Taxation Committee, National Federation of Certified Public Accountants Associations of the Republic of China Director of Shinkong Steel Co., Ltd. Independent Director, Wantek Technology Co., Ltd. Independent Director, Dahua Construction Co., Ltd. Deputy Editor-in-Chief, Monthly Financial and Tax Practice Review	None	None	None	None

Job Title (Note 1)	Nationality or Registered Location	Name	Gender Age (Note 2)	Date of Appointment or Election	Term of Office	Date of initial appointment (Note 3)	Shareholding at the time of appointment		Shares currently held		Shares currently held by the spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 4)	Currently holding concurrent positions at the Company and positions at other companies	Other managerial officers, Directors, or Supervisors who are spouses or related within the second degree of kinship			Notes (Note 5)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Job Title	Name	Relationship	
																Director, National Federation of Certified Public Accountants Associations of the Republic of China				
Director	Republic of China	HSU, CHUNG-YUAN	Male 61-70	2025.03.13	3 Years	2025.03.13	0	0	0	0	0	0	0	0	Doctor of Philosophy in Accounting, University of Memphis, United States Master of Accounting, Department of Accounting, National Chengchi University Bachelor of Commerce in Statistics, National Chengchi University Chair, Department of Accounting, National Chengchi University	Taiwan Chinsan Electronic Industrial Co., Ltd. Adjunct Professor, Department of Accounting, National Chengchi University Consultant to the Taxation Committee of the National Federation of Certified Public Accountants Associations, Republic of China Advisor to the Audit Committee and Advisor to the Taiwan Financial Reporting Standards Committee Advisor to the Enterprise Accounting Standards Committee Members of the Ministry of Examination Test, Question Setting, and Question Review Committees Hong Cheng Industrial Co., Ltd.Independent Director	None	None	None	None
Director	Republic of China	DAVID CHAN	Male 61-70	2025.03.13	3 Years	2025.03.13	0	0	0	0	0	0	0	0	Graduate Institute of Accounting, Soochow University Manager, Taoyuan Branch, SinoPac Bank; Finance Manager, DuPont Taiwan Group (U.S.); and Credit Manager, Greater China Region	Taiwan Chinsan Electronic Industrial Co., Ltd.	None	None	None	None
Director	Republic of China	CHIANG, CHING-SHIN	Male 41-50	2023.05.31	3 Years	2008.06.13	1,175,712	0.91%	1,175,712	0.91%	0	0	0	0	University of New South Wales ,BA.of Commerce The Institute of Chartered Accountants Australia (CA)	Director and General Manager of Taiwan Chinsan Electronic Industrial Co., Ltd. Director of Chinsan Electronic Industry (Thailand) Co., Ltd. Xinmao Applied Materials Co., Ltd.Chairman of the Board	Chairman of the Board	CHIANG, SHIH-HSIN	Parent and subsidiary	Increase the number of seats for independent directors
Independent Director	Republic of China	TSAI, CHIH-WEI	Male 41-50	2023.05.31	3 Years	2011.06.24	0	0	0	0	0	0	0	0	Master of Science, Graduate Institute of	Taiwan Chinsan Electronic Industrial Co., Ltd.Independent Director Cheng Yi Certified Public	None	None	None	None

Job Title (Note 1)	Nationality or Registered Location	Name	Gender Age (Note 2)	Date of Appointment or Election	Term of Office	Date of initial appointment (Note 3)	Shareholding at the time of appointment		Shares currently held		Shares currently held by the spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 4)	Currently holding concurrent positions at the Company and positions at other companies	Other managerial officers, Directors, or Supervisors who are spouses or related within the second degree of kinship			Notes (Note 5)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Job Title	Name	Relationship	
															Accounting, National Chengchi University Cheng Yi Certified Public Accountants Responsible Person of Cheng Yi Management Consulting Co., Ltd.	Accountants Independent Director, Yankee Engineering Co., Ltd.				
Independent Director	Republic of China	SHEN, HSUEH-JEN	Male 51-60	2023.05.31	3 Years	2020.06.12	0	0	0	0	0	0	0	0	Graduate Institute of Management, Fu Jen Catholic University Consultant, New Vision Management Consulting Co. Associate Investment Manager, Zhirong Brand Management Consulting Company	Taiwan Chinsan Electronic Industrial Co., Ltd.Independent Director Investment Consultant, National Innovation and Entrepreneurship Association Independent Director of Liang De Electric Co., Ltd. Director of Thermaltake Technology Co., Ltd. Lida-KY Independent Director Independent Director, Taiwan Port Engineering Co., Ltd.	None	None	None	None
Independent Director	Republic of China	SHEN, CHIH-CHENG	Male 61-70	2023.05.31	3 Years	2020.06.12	0	0	0	0	0	0	0	0	Master’s Degree, Graduate Institute of Law, National Chengchi University	Taiwan Chinsan Electronic Industrial Co., Ltd.Independent Director Managing Partner, SHEN, CHIH-CHENG Law Firm President of the Taiwan Association for Traffic Accident Care	None	None	None	None
Independent Director	Republic of China	HUANG, WEN-CHI	Female 41-50	2025.03.13	3 Years	2025.03.13	0	0	0	0	0	0	0	0	Department of Accounting, National Pingtung University	Taiwan Chinsan Electronic Industrial Co., Ltd.Independent Director Certified Public Accountants in Practice, Yong Yi United CPAs Firm Tian Gang Information Co., Ltd.Independent Director Jin Ju Development Co., Ltd.Supervisor	None	None	None	None

Note 1: Corporate Shareholders shall separately disclose the name of the Corporate Shareholder and the Representative (for Representatives of Corporate Shareholders, the name of the Corporate Shareholder must be specified), and shall complete Table 1 below.
Note 2: Please indicate the actual age, which may be expressed in ranges, such as 41–50 years or 51–60 years.
Note 3: Please indicate the date of initial appointment as Director of the company. If there was any interruption, an Explanation shall be provided.
Note 4: Experience relevant to the current position, including any employment at an audit and attestation CPA firm or an affiliated enterprise during the aforementioned period, must specify the title held and the responsibilities undertaken.
Note 5: If the Chairman of the Board and the General Manager or an equivalent position (the highest-ranking executive) are the same individual, spouses, or first-degree relatives, an explanation shall be provided regarding the reasons, reasonableness, necessity, and corresponding measures.The number of Independent Director positions has been increased in compliance with legal requirements, and currently, the majority of Directors do not concurrently serve as Employees or managerial officers.

Table 1: Major Shareholders of Corporate Shareholders

2026/04/10

Name of Corporate Shareholder (Note 1)	Major Shareholders of Corporate Shareholder (Note 2)	Shareholding Percentage (Note 2)
Hong-Pu Investment Co., Ltd.	CHIANG, SHIH-HSIN	36.19%
	Jiang Huang Bai Lian	45.84%
	Jiang Yi-Che	12.67%
	Jiang Qingying	1.81%
	CHIANG, CHING-SHIN	1.81%
	Chiang Ching-Yang	1.68%
TRICKLE CO., LTD.	CHANG,TIEN-CHEN	34.84%
	Chang Tai-Dou	12.37%
	Chang Yu-Sheng	9.34%
	Zhang Yu-Tang	8.60%
	Zhang Yingxuan	6.38%

Note 1: Where a Director or Supervisor serves as a representative of a corporate Shareholder, the name of the corporate Shareholder shall be specified.

Note 2: Enter the names and respective shareholding ratios of the principal Shareholders of the corporate Shareholder (i.e., those whose shareholding ratios rank among the top ten). If any of these principal Shareholders are corporations, Table 2 below must also be completed.

Note 3: For institutional Shareholders that are not organized as companies, the required disclosure of Shareholder name and shareholding ratio refers to the name of the contributor or donor (as may be verified through Judicial Yuan public announcements) and their respective contribution or donation ratio: None.

Table 2: Major Shareholders of the Corporate Shareholders Listed in Table 1: None.

Director Information (2)

Disclosure of Directors' Professional Qualifications and Independence of Independent Directors

Conditions / Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public companies concurrently serving as Independent Director
Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	Work experience in business, finance, management, industry expertise, crisis management, and other competencies required for company operations. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Not applicable	0
TRICKLE CO., LTD. Representative: CHEN, SHIH-YANG	Possesses work experience essential for company operations, including expertise in business, finance, management, and crisis management. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	Not applicable	2
HSU, CHUNG-YUAN	Work experience relevant to company operations, encompassing business, financial, crisis management, managerial competencies, and an international market perspective. For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.	Not applicable	1

<table>
<tr><th>Conditions / Name</th><th>Professional Qualifications and Experience (Note 1)</th><th>Independence Status (Note 2)</th><th>Number of other public companies concurrently serving as Independent Director</th></tr>
<tr><td></td><td>None of the circumstances set forth in Article 30 of the Company Act are present.</td><td></td><td></td></tr>
<tr><td>DAVID CHAN</td><td>Work experience relevant to company operations, encompassing business, financial, and management competencies, crisis management skills, and an international market perspective.
For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.
None of the circumstances set forth in Article 30 of the Company Act are present.</td><td>Not applicable</td><td>0</td></tr>
<tr><td>CHIANG, CHING-SHIN</td><td>Work experience relevant to company operations, encompassing business, financial, and management expertise, crisis management skills, an international market perspective, and industry knowledge.
For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.
None of the circumstances set forth in Article 30 of the Company Act are present.</td><td>Not applicable</td><td>0</td></tr>
<tr><td>TSAI, CHIH-WEI</td><td>Work experience in business, crisis management, finance, and operational management relevant to company operations.
For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.
None of the circumstances set forth in Article 30 of the Company Act are present.</td><td rowspan="4">(1) Not an employee of the Company or any of its affiliated enterprises.
(2) Not a Director or Supervisor of the Company or any of its affiliated enterprises.
(3) Neither the individual, their spouse, minor children, nor any person holding shares in the Company on their behalf holds 1% or more of the total issued shares of the Company, nor is among the top ten individual Shareholders.
(4) Not a manager specified in item (1), nor the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of any person listed in items (2) or (3).
(5) Not a Director, Supervisor, or employee of a corporate Shareholder that directly holds 5% or more of the total issued shares of the Company, is among the top five Shareholders, or appoints a Representative to serve as a Director or Supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act.
(6) Not a Director, Supervisor, or employee of another company whose Director seats or voting shares representing more than half of such seats or shares are controlled by the same person who controls more than half of the Director seats or voting shares of the Company.
(7) Not a Director, Supervisor, or employee of another company or institution where the Chairman of the Board, General Manager, or equivalent position of the Company is the same person or the spouse of such person.
(8) Not a Director, Supervisor, manager, or Shareholder holding more than 5% of the shares in any specified company or institution that has financial or business dealings with the Company.
(9) Not a professional, sole proprietor, partner, business owner, Director, Supervisor,</td><td>1</td></tr>
<tr><td>SHEN, HSUEH-JEN</td><td>Work experience relevant to company operations, encompassing business acumen, industry knowledge, an international market perspective, and management capabilities.
For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.
None of the circumstances set forth in Article 30 of the Company Act are present.</td><td>3</td></tr>
<tr><td>SHEN, CHIH-CHENG</td><td>Work experience in business operations, legal affairs, crisis management, management, and other functions essential to the conduct of company business.
For details regarding experience, please refer to 1(1) Information on Directors and Supervisors.
None of the circumstances set forth in Article 30 of the Company Act are present.</td><td>0</td></tr>
<tr><td>HUANG, WEN-CHI</td><td>Work experience relevant to company operations, encompassing expertise in business, finance, and industry, as well as an international market perspective and management capabilities.
For details regarding experience, please refer to 1(1) Information on</td><td>1</td></tr>
</table>

Conditions / Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public companies concurrently serving as Independent Director
	Directors and Supervisors. None of the circumstances set forth in Article 30 of the Company Act are present.	manager, or spouse thereof of a company or institution providing audit or other business, legal, financial, or accounting services to the Company or its affiliated enterprises, or who has received remuneration for such services within the past two years. (10) Does not have a spousal relationship or second-degree kinship with any other Director. (11) Not elected as a government, legal entity, or its Representative pursuant to Article 27 of the Company Act.	

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each Director and Supervisor. For members of the Audit Committee with accounting or financial expertise, state their accounting or financial background and work experience. Additionally, provide an Explanation as to whether they are not subject to any of the circumstances specified in each subparagraph of Article 30 of the Company Act.

Note 2: Independent Directors shall disclose the circumstances demonstrating their independence, including but not limited to: whether the individual, their spouse, or relatives within the second degree of kinship serve as a Director, Supervisor, or employee of the Company or its affiliated enterprises; the number and percentage of shares of the Company held by the individual, their spouse, or relatives within the second degree of kinship (including shares held in the name of others); whether the individual serves as a Director, Supervisor, or employee of any company having a specific relationship with The Company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the past two years for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises.

Note 3: In accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained statements of independence from each Independent Director, confirming that all Independent Directors meet the statutory qualifications for independence as required by law.

Board Diversity Policy and Independence

Duties of the Board of Directors:
The Board of Directors of the Company shall guide the Company's strategy, supervise management, and be accountable to the Company and the Shareholders. All operations and arrangements of the Company's corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with applicable laws, the Articles of Incorporation of the Company, or the Resolutions of the Shareholders' Meeting.

Professionalism and Independence of the Board of Directors:
The Company adopts a candidate nomination system, whereby all Director candidates are nominated and their qualifications reviewed by the Board of Directors. Upon approval by Board Resolution, the candidates are submitted to the Shareholders' Meeting for election. Pursuant to Article 20, Paragraph 3 of the Company's Corporate Governance Best Practice Principles, Directors should generally possess the knowledge, skills, and character necessary to perform their duties. To achieve the optimal objectives of corporate governance, the Board of Directors as a whole should possess the following competencies:
(1) Ability to exercise operational judgment.
(2) Proficiency in accounting and financial analysis.
(3) Managerial competence.
(4) Crisis management capabilities.
(5) Industry expertise.
(6) International Market Outlook.
(7) Leadership skills.
(8) Decision-making capability.
(9) Knowledge and competence in risk management.

Specific Management Objectives of the Director Diversity Policy
Pursuant to Article 20 of the Corporate Governance Best Practice Principles, the number of Directors concurrently serving as managers of the company shall not exceed one-third of the total seats on the Board of Directors in order to fulfill supervisory objectives. The composition of the Board should take into account the company's operational structure, business development direction, future trends, and other relevant needs. Consideration should also be given to various aspects of diversity, including but not limited to: basic composition (such as gender, age, and nationality), professional knowledge and expertise, professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Specific management objectives:
1. The current Board of Directors is composed of 9 Directors, including 4 Independent Directors and 5 non-independent Directors. All Directors must be distinguished individuals from either industry or academia.
2. The Company places great importance on gender equality in the composition of its Board of Directors. Currently, there is one female Director, and the Company aims for female Directors to account for at least one-third (33.33%) of the total number of Directors.
3. Professional background, expertise, or industry experience: At least (1) three individuals with a background in finance and accounting, of whom at least two must be certified public accountants; (2) one individual with a legal background (preferably an Attorney); (3) one individual with management expertise; and (4) two individuals with an industry background or industry experience.
4. Each Director shall have distinct industry experience and professional expertise.
5. To ensure effective supervision, the number of Directors concurrently serving as managers of the Company shall not exceed one-third of the total number of Director positions.

Implementation of the Board Diversity Policy by Directors

1. The current Board of Directors is composed of 9 Directors, including 4 Independent Directors. The Directors possess practical experience in business management of listed companies, have held managerial positions in government agencies, served as managing partners of accounting firms or heads of law firms, and have acted as Independent Directors, corporate Directors, or Supervisors of listed companies. Each Director brings a diverse background, extensive industry experience, professional expertise, and exceptional insight. Among the 4 Independent Directors: SHEN, CHIH-CHENG is an Attorney at SHEN, CHIH-CHENG Law Firm (formerly served as an Independent Director of a petroleum manufacturer in China) and Chairman of the Car Accident Care Association; TSAI, CHIH-WEI is a partner at Cheng Yi CPAs and head of Cheng Yi Management Consulting Company, and concurrently serves as an Independent Director for three listed companies in the fields of high-tech plant construction, low-orbit satellites, and battery manufacturing; HUANG, WEN-CHI is a practicing accountant at Yong Yi CPAs, a corporate Director of a listed company in the power management IC design industry, and a Lecturer for the Ministry of Labor's Industrial Talent Investment Program; SHEN, HSUEH-JEN previously served as a Consultant at Xin Yan Management Consulting Company and as Investment Associate Manager at Zhirong Brand Management Consulting Company, and concurrently serves as an Independent Director for three listed companies in the component distribution, equipment manufacturing, and power cord manufacturing industries. These Independent Directors possess expertise in finance and accounting, legal practice, risk management, corporate governance, and operational management and judgment, providing complementary skills that help prevent blind spots in oversight. Among the non-Independent Directors: the Chairman of the Board, CHIANG, has over 40 years of experience in passive components; CHIANG, CHING-SHIN has over 20 years of experience in passive components, specializing in the business, production, technology, and financial management of aluminum capacitors, and maintains deep connections throughout the industry supply chain. CHIANG, CHING-SHIN also possesses professional knowledge in sustainable development and ESG, and currently serves as the convener of the Company's Sustainability Committee. CHEN, SHIH-YANG is currently the managing accountant at Zhongshan United CPAs Taipei office and Chairman of the Taxation Committee of the National Federation of Certified Public Accountants Associations of the Republic of China, and concurrently serves as an Independent Director or Director for three listed companies in the construction, steel, and AI server high-speed cable manufacturing industries. HSU, CHUNG-YUAN previously served as Chair of the Department of Accounting at National Chengchi University, and is currently an adjunct Professor at the Department of Accounting at National Chengchi University, a Consultant to the Taxation Committee of the National Federation of Certified Public Accountants Associations of the Republic of China, a Consultant to the Accounting and Auditing Committee, a Consultant to the Taiwan Financial Reporting Standards Committee, a Consultant to the Enterprise Accounting Standards Committee, and a member of the Examination, Question Setting, and Review Committees of the Ministry of Examination. He also concurrently serves as an Independent Director for one listed company in the copper-clad laminate manufacturing industry. DAVID CHAN previously served as Manager of the Taoyuan Branch of Bank SinoPac, Financial Supervisor of DuPont Taiwan Group, and Credit Manager for Greater China. Based on the above, it is evident that the Company's Directors and Independent Directors are drawn from a wide range of industries, providing the Board with diverse perspectives and professional judgment, as well as expertise in marketing, technology, business management, industry knowledge, and operational decision-making.
2. Directors with Employee status comprise 22.22% of the Board, not exceeding one-third of the total number of Director seats.
3. Independent Directors comprise 44.44% of the Directors of the Company. Among the Independent Directors, one has served for three consecutive terms, two have each served for two consecutive terms, and one is newly appointed in the current term.
4. The Company places great importance on gender equality in the composition of the Board of Directors. The current board members were elected in 2023, and at that time, there were no female

candidates on the nomination list, which was in compliance with the regulations then in effect. Although a by-election was held in 2025 and one female independent director was appointed, the proportion of female directors still does not reach one-third. In the next board election, the Company will encourage the nomination of female candidates to enhance gender diversity on the Board.

5. Age distribution of Directors: 3 Directors aged 41 to 50, representing 33.33%; 5 Directors aged 51 to 70, representing 55.56%; and 1 Director aged 71 or above, representing 11.11%.
6. Professional background, expertise, or industry experience of Directors
   (1) Five individuals with backgrounds in finance and accounting (including two with finance backgrounds and three certified public accountants). (2) One individual with a legal background (Attorney). (3) One individual with expertise in management. (4) Two individuals with industry backgrounds.
7. An analysis of the basic composition of the Board of Directors is as follows:

Director's Name	Gender	Nationality	Employment status	Age			Term of Office of Independent Director		
				41-50	51-70	Over 71	Less than 3 Years	3 to 9 years	Over 9 years
Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	Male		✓			✓			
TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG	Male				✓				
CHIANG, CHING-SHIN	Male	Republic of China	✓	✓					
HSU, CHUNG-YUAN	Male				✓				
DAVID CHAN	Male				✓				
TSAI, CHIH-WEI	Male			✓					✓
SHEN, HSUEH-JEN	Male				✓			✓	
SHEN, CHIH-CHENG	Male				✓			✓	
HUANG, WEN-CHI	Female			✓			✓		

8. The following is an analysis of the capabilities of the Board of Directors in promoting diversity:

Director's Name	Employment status	Qualifications of Directors								
		Legal Affairs	Management Judgment	Accounting Financial Affairs	Business Operations Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership Capability	Decision-making Capability
Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	✔		✔		✔	✔	✔	✔	✔	✔
TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG			✔	✔	✔	✔			✔	✔
HSU, CHUNG-YUAN			✔	✔	✔	✔		✔	✔	✔
DAVID CHAN			✔	✔	✔	✔		✔	✔	✔
CHIANG, CHING-SHIN	✔		✔	✔	✔	✔	✔	✔	✔	✔
TSAI, CHIH-WEI			✔	✔	✔	✔	✔	✔	✔	✔
SHEN, HSUEH-JEN			✔		✔	✔	✔	✔	✔	✔
SHEN, CHIH-CHENG		✔	✔		✔	✔			✔	✔
HUANG, WEN-CHI			✔	✔	✔	✔		✔	✔	✔

(2) Information regarding the General Manager, Vice President, Assistant Vice President, and the Heads of Departments and Branch Offices

2026/04/10

Job Title (Note 1)	Nationality	Name	Gender	Date of Appointment or Election	Equity Holdings		Shares held by spouse and minor children		Holding shares in the name of another person		Major Education and Professional Experience (Note 2)	Currently holding concurrent positions at other companies	Managers with a spouse or relatives within the second degree of kinship			Notes (Note 3)
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Job Title	Name	Relationship	
General Manager	Republic of China	CHIANG, CHING-SHIN	Male	2013.06.01	1,175,712	0.91%	0	0	0	0	University of New South Wales - B.A. of Commerce The Institute of Chartered Accountants Australia (CA)	Chinsan Electronic Industrial (Thailand) Co., Ltd.	Chairman of the Board	CHIANG, SHIH-HSIN	Parent and subsidiary	Increase the number of seats for independent directors
Research and Development Division Director	Republic of China	Hsu Wan-Hsing	Male	2022.08.09	46,593	0.04%	0	0	0	0	Oriental Institute of Technology	None	None	None	None	None
Sales Department Assistant Vice President	Republic of China	Kang Cheng-Chung	Male	2008.09.01	10,913	0.01%	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology Business Manager, Jie Shang Enterprise Co., Ltd.	None	None	None	None	None
Head of the Finance Department	Republic of China	Tsai Mao-Sung	Male	2018.12.14	0	0%	0	0	0	0	Department of Accounting, Soochow University Chief Financial Officer, Songmu Polymer Technology Co., Ltd. Financial Manager, Taiwan Aust Corporation Vice President of ViewSonic International Corporation	None	None	None	None	None
Director of the Accounting Department	Republic of China	Wang Hsuan-Hung	Male	2025.03.25	0	0%	0	0	0	0	Fu Jen Catholic University, Department of Accounting Deputy Audit Manager, PricewaterhouseCoopers Taiwan Accounting Manager, Guangzhou Kingtachi Electronic Co., Ltd. Accounting Manager, Taiwan Chinsan Electronic Industrial Co., Ltd.	None	None	None	None	None

Note 1: This shall include information on the General Manager, Vice President, Assistant Vice President, heads of all departments and branch offices, as well as any individuals whose positions are equivalent to General Manager, Vice President, or Assistant Vice President, regardless of their official titles, all of whom must be disclosed.

Note 2: Experience relevant to the current position, including any employment at an audit and attestation CPA firm or an affiliated enterprise during the aforementioned period, must specify the title held and the duties and responsibilities performed.

Note 3: If the Chairman of the Board and the General Manager or an equivalent position (the highest-ranking manager) are the same person, spouses, or first-degree relatives, an explanation of the reasons, rationality, necessity, and corresponding measures shall be provided. The number of Independent Director seats has been increased in accordance with legal requirements, and the majority of Directors do not concurrently serve as Employees or managers.

2. Remuneration Paid to Directors, President, and Vice Presidents for the Most Recent Year

(1) Remuneration of Directors and Independent Directors

Unit: Thousands of New Taiwan Dollars (NT$)

Job Title	Name	Directors' remuneration								Total amounts of items A, B, C, and D and their respective proportions of profit after tax (Note 10)		Remuneration received by part-time employees								Total amounts of items A, B, C, D, E, F, and G, and their respective proportions of profit after tax (Note 10)		Remuneration received from investee entities other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement Benefits (B)		Directors' Remuneration (C) (Note 3)		Operating Execution Costs (D) (Note 4)				Salaries, bonuses, special allowances, and other related expenses (E) (Note 5)		Retirement and Pension Funds (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements (Note 7)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Director	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN CHIANG, CHING-SHIN TRICKLE CO., LTD. REPRESENTATIVE: CHEN, SHIH-YANG SHI HEN ENTERPRISE LTD. MYW INVESTMENT LIMITED HSU, CHUNG-YUAN DAVID CHAN	0	0	0	0	2,317	0	812	0	3,129 2.71%	3,129 2.71%	2,984	7,208	73	0	0	0	0	0	6,186 5.36%	10,410 9.02%	None
Independent Director	TSAI, CHIH-WEI SHEN, HSUEH-JEN SHEN, CHIH-CHENG CHIU, TA-SHENG HUANG, WEN-CHI	0	0	0	0	1,901	0	658	0	2,559 2.22%	2,559 2.22%	0	0	0	0	0	0	0	0	2,559 2.22%	2,559 2.22%	None

1. Please specify the remuneration payment policy, system, standards, and structure for Independent Directors, and explain the correlation between the amount of remuneration paid and factors such as responsibilities undertaken, risks assumed, and time invested. The remuneration of the Company's Directors is determined in accordance with the provisions of the Articles of Incorporation.
2. In addition to the disclosures presented in the above table, during the most recent year, remuneration received by Directors for providing services (such as serving as Consultants not classified as Employees) to all companies included in the financial statements: None.
3. Provide one vehicle for official use by CHIANG, SHIH-HSIN.
4. Representative of Shi Heng Enterprise Ltd., RU, SHAO-PIN; Representative of MYW Investment Limited, LIU, WEN-LIANG; and CHIU, TA-SHENG resigned on January 13, 2025.
5. HSU, CHUNG-YUAN, DAVID CHAN, and HUANG, WEN-CHI assumed office on March 13, 2025.

Remuneration Schedule

<table>
<tr><td rowspan="3">Remuneration ranges for each Director of the Company</td><td colspan="4">Director's Name</td></tr>
<tr><td colspan="2">Total remuneration for items A, B, C, and D</td><td colspan="2">Total remuneration for items A through G (A+B+C+D+E+F+G)</td></tr>
<tr><td>The Company (Note 8)</td><td>All companies included in the financial statements (Note 9) H</td><td>The Company (Note 8)</td><td>All companies included in the financial statements (Note 9) I</td></tr>
<tr><td>Less than NT$ 1,000,000</td><td>Hong-Pu Investment Co., Ltd.
Representative: CHIANG, SHIH-HSIN
TRICKLE CO., LTD.
REPRESENTATIVE: CHEN, SHIH-YANG
SHI HEN ENTERPRISE LTD.
MYW INVESTMENT LIMITED
CHIANG, CHING-SHIN、TSAI, CHIH-WEI、SHEN, HSUEH-JEN、SHEN, CHIH-CHENG、CHIU, TA-SHENG、HSU, CHUNG-YUAN、DAVID CHAN、HUANG, WEN-CHI</td><td>Hong-Pu Investment Co., Ltd.
Representative: CHIANG, SHIH-HSIN
TRICKLE CO., LTD.
REPRESENTATIVE: CHEN, SHIH-YANG
SHI HEN ENTERPRISE LTD.
MYW INVESTMENT LIMITED
CHIANG, CHING-SHIN、TSAI, CHIH-WEI、SHEN, HSUEH-JEN、SHEN, CHIH-CHENG、CHIU, TA-SHENG、HSU, CHUNG-YUAN、DAVID CHAN、HUANG, WEN-CHI</td><td>TRICKLE CO., LTD.
REPRESENTATIVE: CHEN, SHIH-YANG
SHI HEN ENTERPRISE LTD.
MYW INVESTMENT LIMITED
TSAI, CHIH-WEI、SHEN, HSUEH-JEN、SHEN, CHIH-CHENG、CHIU, TA-SHENG、HSU, CHUNG-YUAN、DAVID CHAN、HUANG, WEN-CHI</td><td>TRICKLE CO., LTD.
REPRESENTATIVE: CHEN, SHIH-YANG
SHI HEN ENTERPRISE LTD.
MYW INVESTMENT LIMITED
TSAI, CHIH-WEI、SHEN, HSUEH-JEN、SHEN, CHIH-CHENG、CHIU, TA-SHENG、HSU, CHUNG-YUAN、DAVID CHAN、HUANG, WEN-CHI</td></tr>
<tr><td>NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)</td><td></td><td></td><td>CHIANG, CHING-SHIN</td><td></td></tr>
<tr><td>NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)</td><td></td><td></td><td>Hong-Pu Investment Co., Ltd.
Representative: CHIANG, SHIH-HSIN</td><td></td></tr>
<tr><td>NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)</td><td></td><td></td><td></td><td>Hong-Pu Investment Co., Ltd.
Representative: CHIANG, SHIH-HSIN
CHIANG, CHING-SHIN</td></tr>
<tr><td>NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Exceeding NT$100,000,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>12</td><td>12</td><td>12</td><td>12</td></tr>
</table>

Note 1: The names of Directors shall be listed individually (for corporate Shareholders, both the name of the corporate Shareholder and the Representative shall be listed separately). General Directors and Independent Directors shall also be listed separately, with the aggregate amounts of each payment disclosed. If a Director concurrently serves as General Manager or Vice President, such information shall be included in both this table and the following table.

Note 2: Refers to the remuneration of Directors for the most recent year, including Director salaries, position allowances, severance payments, various bonuses, incentive payments, and other related compensation.

Note 3: This represents the amount of Director remuneration approved for allocation by the Board of Directors for the most recent year.
Note 4: Refers to the relevant business execution expenses of Directors for the most recent year (including transportation allowances, special allowances, various subsidies, dormitory, assigned vehicles, and other in-kind provisions). Where housing, vehicles, or other means of transportation, or expenditures exclusively for personal use are provided, the nature and cost of the provided Assets, as well as the actual or fair market value of rent, fuel expenses, and other related payments, shall be disclosed. Furthermore, if a driver is assigned, an explanatory note regarding the remuneration paid by the company to the driver shall be provided; however, such remuneration shall not be included in the Directors' compensation.
Note 5: This refers to the total remuneration received in the most recent year by Directors concurrently serving as Employees (including those concurrently serving as General Manager, Vice President, other managers, and Employees), which comprises salary, position allowances, severance pay, various bonuses, incentive payments, transportation allowances, special allowances, various subsidies, dormitory accommodation, company car, and other in-kind benefits. Where housing, vehicles, or other means of transportation, or expenditures exclusively for personal use are provided, the nature and cost of the provided Assets, as well as the actual or fair market value of rent, fuel expenses, and other related payments, must be disclosed. Additionally, if a driver is provided, an Explanation regarding the remuneration paid by the company to the driver should be included; however, such remuneration is not to be included in the total remuneration. Furthermore, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," including the acquisition of employee stock options, restricted Employee shares, and participation in cash capital increases for share subscriptions, must also be included in the remuneration.
Note 6: This refers to Directors concurrently serving as Employees (including those concurrently serving as General Manager, Vice President, other managerial personnel, and Employees) who received employee compensation (including stock and cash) in the most recent year. The amount of employee compensation approved for distribution by the Board of Directors for the most recent year shall be disclosed. If the amount cannot be reasonably estimated, the proposed distribution amount for the current year shall be calculated based on the proportion of the actual distribution amount from the previous year. In addition, Schedule 1-3 must also be completed.
Note 7: The total amount of all types of remuneration paid to the Directors of the Company by all entities included in the consolidated financial statements (including the Company) shall be disclosed.
Note 8: The total remuneration paid by the Company to each Director is disclosed within the applicable remuneration range, along with the name of the Director.
Note 9: The total remuneration paid to each Director of the Company by all entities included in the consolidated financial statements (including the Company) shall be disclosed, and the names of the Directors shall be presented within the respective remuneration bands to which they pertain.
Note 10: Profit after tax refers to the profit after tax for the most recent year. For entities that have adopted International Financial Reporting Standards, profit after tax refers to the profit after tax for the most recent year as presented in the individual or separate financial statements.
Note 11: a. This column shall clearly state the amount of remuneration received by Directors from investee enterprises other than subsidiaries.
b. If any Director receives remuneration from investee enterprises other than subsidiaries, such remuneration shall be included in column I of the remuneration tier table, and the column heading shall be revised to "All Investee Enterprises."
c. Remuneration refers to compensation, emoluments (including Employee, Director, and Supervisor remuneration), business execution expenses, and other related remuneration received by Directors of the Company in their capacity as Directors, Supervisors, or managerial personnel of investee enterprises other than subsidiaries.
*The remuneration disclosed in this table differs from the definition of income under the Income Tax Act. Therefore, this table is intended solely for information disclosure purposes and shall not be used for taxation purposes.

(2) Remuneration of the General Manager and Vice President

Unit: Thousands of New Taiwan Dollars (NT$)

Job Title	Name	Salaries (A) (Note 2)		Retirement and pension plans (Note B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Total amounts of items A, B, C, and D and their respective percentages of Profit after tax (%) (Note 8)		Remuneration received from investee entities other than subsidiaries or from the parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements (Note 5)	
								Cash Amount	Shares Amount	Cash Amount	Shares Amount			
General Manager	CHIANG, CHING-SHIN	924	3,828	73	0	0	0	0	0	0	0	997 0.86%	3,901 3.38%	None

Note 1: The names of the General Manager and Vice President shall be listed separately, and the amounts of each payment shall be disclosed in aggregate. If a Director concurrently serves as General Manager or Vice President, such information shall be disclosed in both this table and the preceding table.

Remuneration Schedule

Remuneration brackets for each General Manager and Vice President of the Company	Names of the General Manager and the Vice President	
	The Company (Note 6)	All companies included in the financial statements (Note 7) E
Less than NT$ 1,000,000		
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	CHIANG, CHING-SHIN	
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)		
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)		CHIANG, CHING-SHIN
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)		
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)		
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)		
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)		
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)		
Exceeding NT$100,000,000		
Total	1 person	1 person

Note 1: The names of the General Manager and Vice President shall be listed separately, and the amounts of each payment shall be disclosed in aggregate. If a Director concurrently serves as General Manager or Vice President, such information shall be disclosed in both this table and the preceding table.

Note 2: Discloses the salaries, position allowances, and severance payments of the General Manager and Vice President for the most recent year.

Note 3: Disclose the total amounts of all bonuses, incentive payments, transportation allowances, special allowances, various subsidies, dormitory accommodations, company vehicles, other in-kind benefits, and other forms of remuneration provided to the President and Vice Presidents for the most recent year. If housing, vehicles, or other means of transportation, or expenditures exclusively for personal use are provided, the nature and cost of the provided Assets, as well as the actual or fair market value of rent, fuel expenses, and other related payments, must be disclosed. Additionally, if a driver is assigned, provide an Explanation regarding the remuneration paid by the company to the driver; however, such remuneration should not be included in the total remuneration. Furthermore, salary expenses recognized in accordance with IFRS 2 “Share-based Payment,” including the acquisition of Employee stock warrants, restricted Employee shares, and participation in cash capital increases for share subscriptions, must also be included in the remuneration.

Note 4: This item discloses the amount of employee remuneration (including shares and cash) allocated to the General Manager and Vice President as approved by the Board of Directors for the most recent year. If the amount cannot be reasonably estimated, the proposed distribution for the current year shall be calculated based on the actual distribution ratio of the previous year. Schedule 1-3 must also be completed. Profit after tax refers to the profit after tax for the most recent year; for entities that have adopted International Financial Reporting Standards, profit after tax refers to the profit after tax as presented in the individual or separate financial statements for the most recent year.

Note 5: The total amount of all types of remuneration paid to the General Manager and Vice President by all companies included in the consolidated financial statements (including the Company) shall be disclosed.

Note 6: The total remuneration paid by the Company to each President and Vice President is disclosed within the applicable range, along with the names of the President and Vice President.

Note 7: The total remuneration paid by all entities included in the consolidated financial statements (including the Company) to each General Manager and Vice President of the Company shall be disclosed. The names of the General Manager and Vice President shall be presented within the respective remuneration bands to which they belong.

Note 8: Profit after tax refers to the profit after tax for the most recent year. For entities that have adopted International Financial Reporting Standards (IFRS), profit after tax refers to the profit after tax for the most recent year as presented in the individual or separate financial statements.

Note 9: a. This column shall clearly state the amount of remuneration received by the company's President and Vice President from investee enterprises other than subsidiaries.

b. If the General Manager or Vice President receives remuneration from investee enterprises other than subsidiaries, such remuneration shall be included in column E of the remuneration tier table, and the column heading shall be changed to "All Investee Enterprises."

c. Remuneration refers to the compensation, emoluments (including Employee, Director, and Supervisor remuneration), business execution expenses, and other related remuneration received by the Company’s General Manager and Vice President in their capacity as Director, Supervisor, or managerial personnel of investee enterprises other than subsidiaries.

*The remuneration disclosed in this table differs from the definition of income under the Income Tax Act. Therefore, this table is intended solely for information disclosure purposes and shall not be used for taxation purposes.

(3) Names of managers and distribution status of Employee bonuses: None.

(4) Separately compare and explain the analysis of the ratio of the total remuneration paid by the Company and all companies included in the consolidated financial statements to Directors, Supervisors, the General Manager, and Vice Presidents in the most recent two years to profit after tax in the individual or separate financial statements, and explain the policies, standards, and composition for remuneration payment, the procedures for determining remuneration, and the relationship with operating performance and future risks:

<table>
<tr><th rowspan="3">Job Title</th><th colspan="4">Proportion of total remuneration to net profit after tax</th><th colspan="2" rowspan="2">Increase (decrease) percentage</th></tr>
<tr><th colspan="2">Year 2025</th><th colspan="2">Year 2024</th></tr>
<tr><th>The Company</th><th>All companies included in the consolidated financial statements</th><th>The Company</th><th>All companies included in the consolidated financial statements</th><th>The Company</th><th>All companies included in the consolidated financial statements</th></tr>
<tr><td>Director</td><td>7.58%</td><td>11.24%</td><td>10.47%</td><td>15.92%</td><td>-2.89%</td><td>-4.68%</td></tr>
<tr><td>Supervisor</td><td>Not applicable</td><td>Not applicable</td><td>Not applicable</td><td>Not applicable</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>President and Vice President</td><td>0.86%</td><td>3.38%</td><td>1.29%</td><td>5.04%</td><td>-0.43%</td><td>-1.66%</td></tr>
</table>

The remuneration of Directors in the distribution of the Company's earnings is administered in accordance with the provisions set forth in the Company's Articles of Incorporation. The procedures for determining such remuneration require approval by the Remuneration Committee, the Board of Directors, and the Shareholders' Meeting. The remuneration for the General Manager and Deputy General Managers is determined based on the positions held and the responsibilities undertaken, with reference to prevailing standards for comparable positions within the industry, and is subject to approval by both the Remuneration Committee and the Board of Directors. The remuneration for managers is established by considering the Company's overall operating performance, prospective industry operational risks, and development trends, as well as individual performance metrics and contributions to the Company, in order to ensure reasonable compensation. This approach is intended to minimize potential future operational risks and to achieve a balance between the Company's sustainable operations and effective risk management.

3. Corporate Governance Practices

(1) Operations of the Board of Directors

In 2025, the Board of Directors convened 10 meetings (A), and the attendance of the Directors was as follows:

Job Title	Name (Note 1)	Actual number of attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note 2)	Notes
Chairman of the Board	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN	10	0	100.00%	None
Director	CHIANG, CHING-SHIN	10	0	100.00%	None
Director	TRICKLE CO., LTD. Representative: CHEN, SHIH-YANG	9	1	90.00%	None
Director	HSU, CHUNG-YUAN	6	0	100.00%	Assumed office on 2025/03/13.
Director	DAVID CHAN	6	0	100.00%	Assumed office on 2025/03/13.
Independent Director	TSAI, CHIH-WEI	9	1	90.00%	None
Independent Director	SHEN, HSUEH-JEN	9	1	90.00%	None
Independent Director	SHEN, CHIH-CHENG	9	1	90.00%	None
Independent Director	HUANG, WEN-CHI	5	1	83.33%	Assumed office on 2025/03/13.
Average actual attendance rate of all Directors				93.70%	

Other Matters to Be Disclosed:

1. If any of the following circumstances occur in the operation of the Board of Directors, the date and session of the Board meeting, proposal details, all Independent Directors' opinions, and the Company's handling of such opinions shall be disclosed:
   (1) Matters specified in Article 14-3 of the Securities and Exchange Act.
   (2) Except for the matters above, other Board resolutions to which Independent Directors expressed dissenting or reserved opinions, where records or written statements exist:
   The Company did not have any of the aforementioned circumstances in 2025. For major resolutions of the Shareholders' Meeting and the Board of Directors in the most recent year and as of the publication date of this annual report, please refer to pages 84-86 of this annual report.

2. For the implementation of Directors' recusal from agenda items involving conflicts of interest, the Director's name, proposal details, reason for recusal due to interest, and voting participation shall be specified:

Board of Directors Meeting Date	Director's Name	Proposal Details	Reason for Recusal Due to Conflict of Interest	Voting Participation
2025.01.21	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN CHIANG, CHING-SHIN	Proposal for the Distribution of Year-End Bonuses to Managers and Directors with Employee Status for the Year 2024	CHIANG, SHIH-HSIN and CHIANG, CHING-SHIN concurrently serve as Chief Executive Officer and General Manager of the Company, respectively.	Recused from discussion and voting in accordance with the law to avoid a conflict of interest.
2025.03.25	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN TRICKLE CO., LTD. Representative: CHEN, SHIH-YANG CHIANG, CHING-SHIN; TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG	Proposal for the Allocation of Individual Director Remuneration for Year 2024	Directors of the Company	Recused from discussion and voting in accordance with the law to avoid a conflict of interest.
2025.03.25	Hong-Pu Investment Co., Ltd. Representative: CHIANG, SHIH-HSIN TRICKLE CO., LTD. Representative: CHEN, SHIH-YANG CHIANG, CHING-SHIN; TSAI, CHIH-WEI; SHEN, HSUEH-JEN; SHEN, CHIH-CHENG	Proposal for the Payment of Directors' Attendance Allowances for Year 2024	Directors of the Company	Recused from discussion and voting in accordance with the law to avoid a conflict of interest.

3. Objectives for strengthening the functions of the Board of Directors in the current and most recent year (such as establishing an Audit Committee and enhancing information transparency) and evaluation of implementation: The Company has formulated the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance, and enters Directors' attendance at Board meetings on the Market Observation Post System. The Company's Remuneration Committee is responsible for making recommendations, evaluating, and supervising the Company's overall remuneration policy, the remuneration levels of the General Manager and managers, employee stock option plans, employee bonus plans, and other employee incentive plans. To encourage Directors to pursue continuing education, the Company arranges training courses for Directors each year to achieve better interaction.

4. Attendance of Independent Directors at Board meetings in the current and most recent year:

◎: Present in person ☆: Represented by proxy *: Absent

Year 2025	1st Time	2nd Time	3rd Time	4th Time	5th Time	6th Time	7th Time	8th Time	9th Time	10th Time
TSAI, CHIH-WEI	☆	◎	◎	◎	◎	◎	◎	◎	◎	◎
SHEN, HSUEH-JEN	◎	◎	◎	◎	◎	◎	☆	◎	◎	◎
SHEN, CHIH-CHENG	◎	◎	☆	◎	◎	◎	◎	◎	◎	◎
HUANG, WEN-CHI	Note	Note	Note	Note	◎	◎	☆	◎	◎	◎

Note: Assumed office on 2025/03/13.

5. Implementation of Directors' Performance Evaluation

Assessment Cycle (Note 3)	Assessment Period (Note 4)	Scope of Assessment (Note 5)	Evaluation Method (Note 6)	Assessment Content (Note 7)
Conducted annually	2025/01-2025/12	Board of Directors	Member Self-Evaluation	A. Understanding of the Company's objectives and mission B. Awareness of Director responsibilities C. Level of participation in Company operations D. Management and communication of internal relationships E. Directors' professional expertise and continuing education F. Internal control
Conducted annually	2025/01-2025/12	Board of Directors	Assessment by the responsible unit	A. Level of participation in Company operations B. Enhancement of the quality of Board decision-making C. Composition and structure of the Board of Directors D. Selection and continuing education of Directors E. Internal control
Conducted annually	2025/01-2025/12	Functional Committees (Remuneration Committee, Audit Committee, and Sustainable Development Committee)	Assessment by the responsible unit	A. Level of participation in Company operations B. Awareness of the responsibilities of functional committees C. Enhancement of the decision-making quality of functional committees D. Composition of functional committees and selection of members E. Internal control

(1) The Company's Board of Directors exercises its powers in accordance with laws and regulations, the Articles of Incorporation, and Shareholders' Meeting resolutions. In addition to possessing the professional knowledge, skills, and qualities necessary to perform their duties, all Directors uphold the principles of loyalty, integrity, and due care to create maximum benefits for all shareholders.

(2) The Company has established an Audit Committee and a Remuneration Committee to assist the Board of Directors in performing its duties and supervisory responsibilities. To strengthen supervisory functions and management mechanisms, the Company has also established the "Rules of Procedure for Board of Directors Meetings," covering major meeting agenda items, operating procedures, matters to be recorded in meeting minutes, announcements, and other matters to be complied with, thereby establishing a sound Board governance system.

(3) In 2025, the self-assessment questionnaire method was adopted. The evaluation results were calculated using a

simple average and presented in four scoring levels, as follows:

Average Score	Level
A score of 95 or higher	Excellent
A score of 90 or higher	Satisfactory
A score of 85 or higher	Fair
A score of 80 or higher	Needs Improvement

A. Board of Directors Performance Self-Evaluation   Evaluator: Assessment by the responsible unit

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Level of Participation in Company Operations	6	30	28	30%	28
B. Enhancement of the quality of Board of Directors' decision-making	5	25	24	25%	24
C. Composition and Structure of the Board of Directors	5	25	24	25%	24
D. Selection and Continuing Education of Directors	2	10	10	10%	10
E. Internal Control	2	10	10	10%	10
Total	20	100	96	100%	96
Overall Evaluation Results				Excellent	

Result: The overall score of the Board of Directors' performance self-evaluation was 96, meeting the Company's expectations.

B. Self-Evaluation of the Performance of Board of Directors Members   Evaluators: CHIANG, SHIH-HSIN, Chairman of the Board; CHIANG, CHING-SHIN, Director; CHEN, SHIH-YANG, Director; HSU, CHUNG-YUAN, Director; DAVID CHAN, Director; TSAI, CHIH-WEI, Independent Director; SHEN, HSUEH-JEN, Independent Director; SHEN, CHIH-CHENG, Independent Director; and HUANG, WEN-CHI, Independent Director (total of 9 individuals)

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Understanding of the Company's Objectives and Mission	3	135	130	15%	14.44
B. Awareness of Directors' Responsibilities	2	90	89	10%	9.88
C. Level of Participation in Company Operations	7	315	299	35%	33.22
D. Management and Communication of Internal Relationships	3	135	135	15%	15.00
E. Directors' Professional Expertise and Continuing Education	2	90	86	10%	9.55
F. Internal Control	3	135	134	15%	14.88
Total	20	900	873	100%	96.97
Overall Evaluation Results				Excellent	

Result: The overall score of the Directors' performance self-evaluation was 96.97, meeting the Company's expectations.

C. Functional Committee (Audit Committee) Self-Assessment   Evaluator: Assessment by the responsible unit

Assessment Items	Number of Questions	Total Score	Self-Evaluation Score	Proportion	Score
A. Level of Participation in Company Operations	3	15	15	15%	15
B. Awareness of the Responsibilities of Functional Committees	5	25	25	25%	25
C. Enhancement of the Decision-Making Quality of Functional Committees	7	35	33	35%	33
D. Composition of Functional Committees and Selection of Members	3	15	14	15%	14
E. Internal Control	2	10	9	10%	9
Total	20	100	96	100%	96
Overall Evaluation Results				Excellent	

Result: The overall score of the functional committee (Audit Committee) performance self-assessment was 96, meeting the Company's expectations.

Functional Committee (Remuneration Committee) Self-Assessment   Evaluator: Assessment by the responsible unit

Assessment Items	Number of Questions	Total Score	Self-Evaluation	Proportion	Score

			Score		
A. Level of Participation in Company Operations	3	15	15	15%	15
B. Awareness of the Responsibilities of Functional Committees	5	25	25	25%	25
C. Enhancement of the Decision-Making Quality of Functional Committees	7	35	33	35%	33
D. Composition of Functional Committees and Selection of Members	3	15	14	15%	14
E. Internal Control	2	10	9	10%	9
Total	20	100	96	100%	96
Overall Evaluation Results				Excellent	

Result: The overall score of the functional committee (Remuneration Committee) performance self-assessment was 96, meeting the Company's expectations.

Overall Comment: The performance evaluation results for the Board of Directors, individual Directors, and functional committees for 2025 indicate that overall operations were satisfactory.

Note 1: If a Director or Supervisor is a corporate shareholder, the name of the corporate shareholder and the name of its representative shall be disclosed.

Note 2: (1) If any Director or Supervisor resigns before the end of the year, the resignation date shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Board meetings held during his/her term and the number of meetings actually attended.

(2) If any Director or Supervisor is reelected before the end of the year, both newly appointed and outgoing Directors/Supervisors shall be listed, and the remarks column shall indicate whether the Director/Supervisor is outgoing, newly appointed, or reelected, as well as the reelection date. The actual attendance rate (%) shall be calculated based on the number of Board meetings held during his/her term and the number of meetings actually attended.

Note 3: This indicates the execution cycle of the Board performance evaluation, for example, conducted once per year.

Note 4: This indicates the coverage period of the Board performance evaluation. For example, the evaluation may assess the performance of the Board of Directors for the period from January 1, 2025 to December 31, 2025.

Note 5: The scope of assessment includes performance evaluations of the Board of Directors, individual Directors, and functional committees.

Note 6: Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by Director members, peer evaluation, engagement of external professional institutions or experts, or other appropriate methods for performance evaluation.

Note 7: The assessment contents, based on the scope of assessment, shall include at least the following items:

(1) Board performance evaluation: at a minimum, this includes the level of participation in Company operations, quality of Board decision-making, Board composition and structure, selection and continuing education of Directors, and internal control.

(2) Individual Director performance evaluation: at a minimum, this includes understanding of the Company's goals and missions, awareness of Director responsibilities, level of participation in Company operations, management and communication of internal relationships, Directors' professional expertise and continuing education, and internal control.

(3) Functional committee performance evaluation: level of participation in Company operations, awareness of functional committee responsibilities, decision-making quality of functional committees, composition of functional committees and selection of members, internal control, and related matters.

(2) Operations of the Audit Committee

1. Composition of the Audit Committee

Job Title	Nationality	Name	Gender	Date of Appointment or Election	Independent Director
Chairperson	Republic of China	TSAI, CHIH-WEI	Male	2023.05.31	V
Member	Republic of China	SHEN, CHIH-CHENG	Male	2023.05.31	V
Member	Republic of China	SHEN, HSUEH-JEN	Male	2023.05.31	V
Member	Republic of China	HUANG, WEN-CHI	Female	2025.03.13	V

2. Information on Members of the Audit Committee

Classification of Identity (Conditions)	Name	Professional Qualifications and Experience	Independence Status	Number of other public companies in which the individual also serves as a member of the Audit Committee
Independent Director	TSAI, CHIH-WEI	Experience in business, finance, corporate management, crisis management, and other competencies essential for company operations. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	1
Independent Director	SHEN, HSUEH-JEN	Work experience relevant to company operations, encompassing business acumen, industry knowledge, an international market perspective, and management capabilities. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	3
Independent Director	SHEN, CHIH-CHENG	Work experience in business, legal affairs, management, crisis management, and other competencies required for corporate operations. Passed the national Attorney examination and holds a certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have	0

Classification of Identity \ Conditions \ Name		Professional Qualifications and Experience	Independence Status	Number of other public companies in which the individual also serves as a member of the Audit Committee
			provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	
Independent Director	HUANG, WEN-CHI	Work experience relevant to company operations, encompassing business acumen, industry expertise, international market insight, financial proficiency, and management capabilities. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	1

***The current Audit Committee comprises four members. One member has a legal background and is a practicing Attorney; two members possess backgrounds in finance and accounting and are currently practicing accountants; the remaining member is an industry expert with experience in business management. Two members are aged between 40 and 50, one is between 50 and 60, and one is between 60 and 70. All four Independent Directors have specialized expertise and are able to raise questions and engage in discussions from diverse perspectives during the review of proposals, in compliance with the Board of Directors' policy on member diversity.

2. Summary of the Audit Committee's Annual Key Focus Areas:

- Financial Statements
- Audit and accounting policies and procedures.
- Internal control systems and related policies and procedures.
- Significant transactions involving assets or derivative instruments;
- Significant loans, endorsements, or guarantees provided.
- Raising or issuing marketable securities;
- Derivative financial instruments and cash investments.
- Regulatory compliance
- Whether managers and Directors have engaged in any related party transactions or have any potential conflicts of interest.
- Appeals Report
- Fraud Prevention Plan and Fraud Investigation Report
- Corporate Information Security
- Enterprise Risk Management
- Qualifications, independence, and performance assessment of the certifying accountant;
- Appointment, dismissal, or remuneration of the certifying accountant;
- Appointment or removal of heads of finance, accounting, or internal audit;
- Execution of the Audit Committee's responsibilities; and
- Audit Committee performance evaluation self-assessment questionnaire, and related materials.

Pursuant to the laws of the Republic of China, the Audit Committee shall be composed entirely of Independent Directors. The Company's Audit Committee is in full compliance with these legal requirements. In addition, the Audit Committee conducts an annual self-assessment of its performance

and discusses matters that warrant particular attention in the future.
To fulfill its responsibilities, the Audit Committee is authorized under its charter to conduct any appropriate audits and investigations, and maintains direct communication channels with the company's internal auditors, certifying accountants, and all Employees.

3. Operations of the Audit Committee during the year:

eting Date	Proposal Details	Resolution Results
2025.01.21	1. Assessment of the Independence of the Certifying Accountant, Appointment, and Remuneration Proposal	The proposal was approved without objection after the chairperson consulted all attending committee members.
2025.02.14	1. Proposal to Release Director from Non-Competition Restrictions 2. Appointment of Chief Internal Auditor	The proposal was approved without objection after the chairperson consulted all attending committee members.
2025.03.25	1. Assessment of the Effectiveness of the Internal Control System and Statement on Internal Control System for the Year 2024 2. Business Report and Financial Statements for Year 2024 3. Proposal for the Appropriation of Earnings for the Year 2024 4. Amendment to the Articles of Incorporation 5. Scope of the Company's Basic-Level Employees 6. Appointment of the Company’s Accounting Supervisor	The proposal was approved without objection after the chairperson consulted all attending committee members.
2025.05.05	1. Proposal to approve the temporary suspension of the Company's "Procedures for the Acquisition or Disposal of Securities	The proposal was approved without objection after the chairperson consulted all attending committee members.
2025.05.13	1. Consolidated Financial Statements for the First Quarter of 2025 2. The Company has provided an endorsement guarantee with a limit of CNY 50 million for its subsidiary, Guangzhou Kingtachi Electronic Co., Ltd. (the guarantee limit will be renewed upon expiration).	The proposal was approved without objection after the chairperson consulted all attending committee members.
2025.08.11	1. Consolidated Financial Statements for the Second Quarter of 2025 2. Proposal for the Company to issue its sixth domestic unsecured convertible corporate bonds 3. Proposal to amend the salary operation process in the internal control system	The proposal was approved without objection after the chairperson consulted all attending committee members.
2025.11.12	1. The Company’s Audit Plan for the Year 2026 2. Consolidated Financial Statements for the Third Quarter of 2025 3. Proposal to apply for an endorsement/guarantee limit and working capital loan limit of CNY 36 million for the Company's subsidiary, Guangzhou Kingtachi Electronic Co., Ltd.	The proposal was approved without objection after the chairperson consulted all attending committee members.
2026.02.09	1. Assessment of the Independence of the Certifying Accountant, Appointment, and Remuneration Proposal 2. Proposal to invest NT$1 million in Lian Yuan Supply Chain Co., Ltd. 3. Proposal to purchase one corporate golf club membership for Company executives to use in customer relations	The proposal was approved without objection after the chairperson consulted all attending committee members.
2026.03.27	1. Assessment of the Effectiveness of the Internal Control System and Statement on the Internal Control System for the year 2025 2. Business Report and Financial Statements for the Year 2025 3. Proposal for distribution of earnings for Year 2025 4. Proposal to amend the "Remuneration Committee Charter" and rename it the "Remuneration and Nomination Committee Charter	The proposal was approved without objection after the chairperson consulted all attending committee members.
2026.04.22	1. Proposal to amend the "Procedures for Lending Funds to Others	The proposal was approved without objection after the chairperson consulted all attending committee members.

4. In 2025, the Audit Committee convened 7 times (A), and the attendance of the Independent Directors was as follows:

Job Title	Name	Actual number of attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note)	Notes
Independent Director	TSAI, CHIH-WEI	7	0	100.00%	None
Independent Director	SHEN, HSUEH-JEN	7	0	100.00%	None
Independent Director	SHEN, CHIH-CHENG	7	0	100.00%	None
Independent Director	HUANG, WEN-CHI	5	0	100.00%	Assumed office on 2025/03/13.

Other Matters to Be Disclosed:

1. If any of the following circumstances occur in the operation of the Audit Committee, the date and session of the Board meeting, proposal details, Audit Committee resolution results, and the Company's handling of the Audit Committee's opinions shall be disclosed.
   (1) Matters specified in Article 14-5 of the Securities and Exchange Act.
   (2) Except for the matters above, other resolutions not approved by the Audit Committee but approved by at least two-thirds of all Directors.
2. For implementation of Independent Directors' recusal from agenda items involving conflicts of interest, the Independent Directors' names, proposal details, reasons for recusal due to interest, and voting participation shall be specified.
3. Communication between Independent Directors, the chief internal auditor, and certified public accountants (including significant matters, methods, and results of communication regarding the Company's financial and business conditions).
   (1) Communication policy between Independent Directors, the chief internal auditor, and certified public accountants
      1. At least once each year, a separate meeting is held between the certified public accountants and the chief internal auditor to discuss completed internal audit findings and the external audit opinions of the certified public accountants, and to communicate regarding audit deficiencies identified during the year. The communication opinions are documented and submitted to the Board of Directors for reporting.
      2. The chief internal auditor reports regularly to the Audit Committee:
         (1) Annual internal audit plan.
         (2) Annual professional training plan for audit personnel.
         (3) Regular reports to the Audit Committee on the execution of internal audit operations.
      3. The certified public accountants attend the Audit Committee at least once each year to report the annual audit results.
      4. In the event of major irregularities, or when Independent Directors, the chief auditor, or certified public accountants deem independent communication necessary, meetings may be convened at any time as needed for communication.
   (2) Communication between Independent Directors, the chief internal auditor, and certified public accountants
      1. The chief internal auditor and certified public accountants may directly contact and communicate with Independent Directors as needed, and communication has been satisfactory.
      2. In addition to receiving monthly audit reports, the Independent Directors are also provided with audit reports on the Company and its subsidiaries by the chief auditor, who reports directly to the Independent Directors in separate quarterly meetings. The execution and effectiveness of audit operations have been fully communicated.
      3. At each quarterly meeting, the certified public accountants report to the Independent Directors on the results and findings of financial statement audits.

The status of quarterly communication meetings between Independent Directors, the chief internal auditor, and certified public accountants for 2025 is as follows:

Date	Key Communication Matters	Communication Status and Results
2025/01/21	1. Report on the remediation of internal control deficiencies and irregularities for Q4 2024. 2. Explanation of relevant contents of the CPA firm audit quality indicators (AQIs). 3. Evaluation of the independence and suitability of the appointed certified public accountants.	Communication was satisfactory, and the Independent Directors had no comments.
2025/03/25	1. Audit matters and key audit matters for the 2024 consolidated and individual financial reports. 2. Proposal regarding the 2024 "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control System Statement". 3. Proposal regarding the scope of the Company's grassroots employees. 4. Proposal to amend the "Articles of Incorporation".	Communication was satisfactory, and the Independent Directors had no comments.
2025/05/13	1. Review matters for the Q1 2025 consolidated financial report. 2. Report on the remediation of internal control deficiencies and irregularities for Q1 2025.	Communication was satisfactory, and the Independent Directors had no comments.
2025/08/11	1. Review matters for the Q2 2025 consolidated financial report. 2. Report on the remediation of internal control deficiencies and irregularities for Q2 2025. 3. Proposal to amend the "Managerial Officers Remuneration Payment Rules". 4. Proposal to amend the salary operation process under the "Internal Control System". 5. Proposal to amend the "Managerial Officers Remuneration Payment Rules".	Communication was satisfactory, and the Independent Directors had no comments.
2025/11/12	1. Review matters for the Q3 2025 consolidated financial report. 2. Report on the remediation of internal control deficiencies and irregularities for Q3 2025. 3. Proposal for the 2026 audit plan.	Communication was satisfactory, and the Independent Directors had no comments.

* If any Independent Director resigns before the end of the year, the resignation date shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during his/her term and the number of meetings actually attended.

* If Independent Directors are reelected before the end of the year, both the newly appointed and outgoing Independent Directors shall be listed, and the remarks column shall indicate whether each Independent Director is outgoing, newly appointed, or reelected, as well as the reelection date. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during his/her term and the number of meetings actually attended.

(3) Status of corporate governance operations, differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such differences

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
1. Has the company established and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for Listed Companies?	V		The Company's "Corporate Governance Best Practice Principles" were approved by the Board of Directors on November 14, 2014, with the most recent amendment approved on January 9, 2023. These principles have been published on the Company's website and the Market Observation Post System. In its operations, the Company has referred to these principles and, taking into account the Company's actual circumstances, has established a comprehensive internal control system and various management measures, all of which have been effectively implemented. The control functions remain robust, and there are no material discrepancies in actual operations. **Company Website:** Investor Relations \ Corporate Governance \ Key Laws and Regulations \ Corporate Governance Best Practice Principles **Market Observation Post System:** Corporate Governance \ Corporate Governance Structure \ Establishment of Relevant Regulations and Rules for Corporate Governance \ OTC \ 8042	No difference
2. Company Shareholding Structure and Shareholders' Equity (1) Has the company established internal procedures for handling Shareholder suggestions, inquiries, disputes, and litigation matters, and implemented such procedures accordingly?	V		(1) The Company has established a range of internal operating procedures. Shareholders may contact the Company at any time via telephone, e-mail, or letter should they have any suggestions or inquiries. In the event of any disputes or litigation, notification may be made to the Company in accordance with legal procedures, and the Company's appointed legal Consultant will provide assistance in handling such matters.	No difference
(2) Does the company maintain a list of the principal Shareholders who exercise actual control over the company, as well as the ultimate controllers of such principal Shareholders?	V		(2) The Company designates a dedicated unit and stock affairs personnel to monitor changes in shareholdings held by insiders, and, through successive Shareholder registers, seeks to identify major Shareholders and their ultimate controllers, and regularly discloses relevant information.	No difference
(3) Has the company established and implemented risk management and firewall mechanisms for related parties?	V		(3) Supervision procedures for subsidiaries have been established and implemented, and relevant operations have been appropriately set up in accordance with the requirements of the internal control system, including the establishment of suitable risk management and firewall mechanisms for related parties.	No difference
(4) Has the company established internal policies prohibiting insiders from trading securities using material non-public information?	V		(4) 1. On November 13, 2020, the Board of Directors of the Company approved the consolidation of the "Procedures for Preventing Insider Trading" and the "Procedures for Handling Material Internal Information" into the "Regulations for the Prevention of Insider Trading and Internal Material Information Handling and Operating Procedures." Article 8 of these regulations and procedures expressly prohibits insiders of the Company from utilizing non-public information available in the market to trade securities for their own benefit or in the name of others. 2. On January 9, 2023, the Board of Directors approved amendments to the Company's Corporate Governance Best Practice Principles. Article 10 of these Principles stipulates stock trading control measures for insiders upon becoming aware of the Company's financial reports or related performance information, including, but not limited to, prohibiting Directors from trading	No difference

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
			their shares during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report. 3. On March 13, 2025, an educational session was conducted for current Directors (including Independent Directors), managers, and employees. The course, titled "Insider Trading Prevention Education and Advocacy," had a duration of one hour and was attended by 13 participants. The curriculum included confidentiality procedures for material information, the causes and identification process of insider trading, explanations of trading cases, the scope of internal material information, confidentiality procedures, disclosure procedures, and the handling of violations. Upon conclusion of the session, the presentation materials were distributed via email to all Directors and employees for their reference.	
3. Composition and Duties of the Board of Directors (1) Has the Board of Directors established and implemented a diversity policy regarding its composition?	V		(1) 1. In accordance with the "Corporate Governance Best Practice Principles" adopted by resolution of the Company's Board of Directors on 2014/11/14 and amended on 2022/11/09, a diversification policy is stipulated in Chapter 3, "Enhancing the Functions of the Board of Directors." The nomination and selection of the Company's Directors are carried out in accordance with the Articles of Incorporation, utilizing a candidate nomination system. In addition to assessing the academic and professional qualifications of each candidate, the opinions of stakeholders are also considered, and the "Regulations for the Election of Directors and Supervisors" are duly observed. 2. Diversification Policy and Specific Management Objectives Please refer to the Directors' Diversity Policy and Specific Management Objectives (pages 11–14 of this annual report).	No difference
(2) In addition to the statutory establishment of the Remuneration Committee and the Audit Committee, does the company voluntarily establish any other functional committees?	V		(2) The Compensation Committee and the Audit Committee of the Company are each composed of four Independent Directors. The Sustainability Development Committee is comprised of four Independent Directors and one Director. The establishment of other functional committees will be considered and evaluated as necessary in the future.	No difference
(3) Has the company established a Board of Directors performance evaluation policy and corresponding assessment methods, conducted regular annual performance evaluations, reported the results to the Board of Directors, and utilized the evaluation results as a reference for determining the remuneration and nomination for reappointment of individual Directors?	V		(3) 1. On February 3, 2021, at the 5th meeting of the 18th Board of Directors, the Company approved the "Board of Directors Performance Evaluation Measures" in accordance with Article 18 of the "Guidelines for the Establishment and Exercise of Powers of the Board of Directors of OTC Companies." 2. Article 3 of the Company's Rules for Performance Evaluation of the Board of Directors stipulates that the Board of Directors shall conduct an internal performance evaluation annually in accordance with the evaluation procedures and indicators specified in Articles 6 and 7. The evaluation results shall be finalized before the end of the first quarter of the subsequent year. 3. On March 13, 2025, at the 13th meeting of the 19th Board of Directors, the Company submitted the report on the Board of Directors' performance evaluation results for the year 2024 to the Board of Directors.	No difference
(4) Does the company conduct regular assessments of the	V		(4) 1. The certified public accountants engaged by the Company are not Directors, Supervisors, managers,	No difference

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
independence of the certifying accountants?			employees, or Shareholders of the Company or its affiliates. It is confirmed that they are not related parties and comply with the independence requirements as stipulated by the competent authority. For further details, please refer to the Certified Public Accountant Independence Assessment Table in Note 7. 2. The Company conducts annual assessments of the professionalism and independence of the certifying accountant for the following year. 3. The Company has evaluated the professionalism and independence of the certifying accountants, incorporating Audit Quality Indicators (AQIs) into its assessment. The certifying accountants have also provided an independent declaration regarding their engagement, affirming compliance with independence requirements. This matter was approved at the 2nd term, 9th meeting of the Audit Committee and the 19th term, 11th meeting of the Board of Directors on 2025/01/21. In addition, the appointment and remuneration of the financial and tax certifying accountants for the year 2025 were approved at this Board of Directors meeting.	
4. Has the listed or OTC company appointed an adequate and appropriate number of corporate governance personnel and designated a corporate governance officer responsible for corporate governance matters (including, but not limited to, providing Directors and Supervisors with the information necessary for the performance of their duties, assisting Directors and Supervisors in complying with laws and regulations, handling matters related to Board of Directors and Shareholders’ meetings in accordance with legal requirements, and preparing minutes of Board of Directors and Shareholders’ meetings)?	V		On April 18, 2023, the Board of Directors appointed Mr. Tsai Mao-Sung, Director of the Finance Department, as the Corporate Governance Officer of the Company and established a corporate governance promotion unit to safeguard Shareholder Equity and strengthen the functions of the Board of Directors. Scope of Authority of the Corporate Governance Officer: (1) Assist Independent Directors and Directors in the performance of their duties, provide necessary information, and arrange continuing education for Directors. (2) Assist the Board of Directors and Shareholders' meetings with meeting procedures and compliance with matters related to Resolutions. (3) The agenda for the Board of Directors meeting, together with the relevant meeting materials, shall be provided to the Directors at least seven days in advance. If any agenda item requires recusal due to a conflict of interest, prior notice shall be given. The minutes of the Board of Directors meeting shall be completed within twenty days following the meeting. (4) Conduct advance registration of the Shareholders’ Meeting date in accordance with legal requirements, prepare the meeting notice, Meeting Handbook, and minutes within the statutory period, and carry out amendment registration procedures in the event of amendments to the Articles of Incorporation or re-election of Directors. Details regarding the continuing education of the Corporate Governance Officer for the year 2025 are provided in Note 3.	No difference
5. Has the company established communication channels with stakeholders (including, but not limited to, Shareholders, Employees, customers, and suppliers), created a dedicated stakeholder section on the company website, and appropriately responded to significant corporate social responsibility issues raised by stakeholders?	V		The Company has consistently placed great importance on maintaining a balance between the rights and obligations of stakeholders, including Shareholders, Employees, customers, upstream and downstream suppliers, and banks. A dedicated stakeholder section and contact information are provided on the Company’s website. Stakeholders may contact the Company’s designated representative at any time via telephone, email, or letter. The Company will respond appropriately to significant corporate social responsibility issues raised by stakeholders.	No difference
6. Has the Company engaged a	V		In addition to establishing a stock affairs unit, concurrently	No difference

Assessment Items	Operational Overview			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Explanation	
professional shareholder services agent to administer matters related to the Shareholders' Meeting?			managed by personnel from the Finance Department, the Company has also engaged the Stock Affairs Agency Department of Fubon Securities Co., Ltd. as a professional stock affairs agent to assist with stock affairs and matters related to Shareholders' Meetings.	
7. Information Disclosure (1) Does the company maintain a website to disclose financial, business, and corporate governance information?	V		(1) The Company has established a website through which all information is disclosed in a transparent manner, and financial, business, and corporate governance information is accessible via the Company's website. Financial Information: Investor Section\Financial Information Business Information: Product Segment Corporate Governance: Investor Section\Corporate Governance ESG Sustainable Development: Stakeholders	No difference
(2) Has the company adopted any other methods of information disclosure (such as establishing an English-language website, appointing a designated person responsible for the collection and disclosure of company information, implementing a spokesperson system, or publishing the proceedings of institutional investor conferences on the company website, etc.)?	V		(2) The Company has established both Chinese and English websites and has a dedicated department responsible for the collection and disclosure of various corporate information. Contact information is provided to facilitate Shareholders in making inquiries to the Company. All information is communicated to external parties exclusively by the spokesperson.	No difference
(3) Has the company publicly disclosed and filed the annual financial report within two months after the end of the fiscal year, and has it disclosed and filed the financial reports for the first, second, and third quarters, as well as the monthly operating results, within the prescribed deadlines?	V		(3) In compliance with applicable laws and overall group planning, the Company announces and files its annual and quarterly financial reports, as well as monthly operating results, within the prescribed deadlines.	No difference
8. Are there any other significant matters that may facilitate an understanding of the company's corporate governance practices (including, but not limited to, Employee Equity, Employee care, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and Supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for Directors and Supervisors, etc.)?	V		Notes 1 to 6.	No difference
9. Explanation of improvements implemented in response to the most recent annual corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, as well as the priority areas and measures identified for further enhancement where improvements have not yet been achieved.				

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Operational Overview</th><th rowspan="2">Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td colspan="5">(1) The specific management objectives of the Board of Directors’ diversity policy have been disclosed on the company’s website and in the annual report.
(2) The company's website and annual report have each disclosed the Board of Directors' supervision of sustainable development.</td></tr>
</table>

Note: An explanation must be provided in the summary Explanation column regardless of whether "Yes" or "No" is selected for the operating status.

Note 1: Protection of Employee Equity and Employee Care: Please refer to 4(5) Explanation of Labor-Management Relations in this annual report.

Note 2: Investor Relations, Supplier Relations, and Stakeholder Rights: The Company has designated spokespersons and deputy spokespersons who are specifically responsible for handling matters concerning Shareholders and stakeholders. Communication and exchange of opinions may be conducted via telephone or through the Company’s website. The Company maintains mutually supportive and cooperative relationships with its suppliers and customers.

Note 3: Continuing education of Directors, managers, and corporate governance officers: The continuing education status of the Directors and managerial officers of the Company for the year 2025 is as follows:

Job Title	Name	Training Course	Organizer	Hours
Chairman of the Board	CHIANG, SHIH-HSIN	Comprehensive Analysis of Internal Control Practices for Sustainability Information Management	Accounting Research and Development Foundation, Republic of China	6
Director	CHIANG, CHING-SHIN	Accounting Research and Development Foundation, Republic of China		6
Director	CHEN, SHIH-YANG	From Operational Compliance to Reputation Maintenance: Corporate Preparation and Challenges in the Sustainability Wave	Chinese Corporate Governance Association	3
		Analysis of Strategies and Thinking for Corporate Trade Secret Protection through Major Domestic and International Cases	Chinese National Association of Industry and Commerce, Taiwan	3
Director	DAVID CHAN	Directors, Supervisors, and Corporate Governance Officers Series: Analysis and Case Sharing of Breach of Trust and Special Breach of Trust	The Securities and Futures Market Development Foundation	3
		Directors, Supervisors, and Corporate Governance Officers Series: Operating Strategies and Outlook for Taiwan PMI Manufacturers in the Second Half under the Trump Reciprocal Tariff Storm	The Securities and Futures Market Development Foundation	3
Director	HSU, CHUNG-YUAN	2025 Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange	3
		2025 Taishin Shin Kong Net Zero Summit	Chinese National Association of Industry and Commerce, Taiwan	3
		2025 ESG Summit	Accounting Research and Development Foundation, Republic of China	6
Independent Director	TSAI, CHIH-WEI	Leading Corporate Growth through Corporate Performance Management	Chinese Corporate Governance Association	3
		Analysis of the Latest Regulations and Practical Cases under the Money Laundering Control Act	National Federation of Certified Public Accountants Associations of the Republic of China	3
Independent Director	SHEN, HSUEH-JEN	Taiwan's Future amid Changes in U.S.-China-Taiwan Relations (Part 1 and Part 2)	Taiwan Investor Relations Institute	3
		Trump's New Tariff Policy and Changes in the Global Economy	Chinese Financial and Economic Development Association	3
Independent Director	SHEN, CHIH-CHENG	Comprehensive Analysis of Internal Control Practices for Sustainability Information Management for Internal	Accounting Research and Development Foundation, Republic of China	6

Job Title	Name	Training Course	Organizer	Hours
		Auditors		
Independent Director	HUANG, WEN-CHI	Materiality Considerations in Sustainability Information Disclosure	National Federation of Certified Public Accountants Associations of the Republic of China	3
		Discussion on Employee Reward Strategies and Application of Tools	Accounting Research and Development Foundation, Republic of China	3
Chief Accounting Officer	Wang Hsuan-Hung	Initial Training Program for Chief Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	Accounting Research and Development Foundation, Republic of China	30
Chief Audit Executive	Chen Li-Chia	Pre-service Training Program for Newly Appointed Internal Auditors	Institute of Internal Auditors	18

Status of Continuing Education for the Corporate Governance Officer:

Date	Name	Training Course	Organizer	Hours
2025.08.13	Tsai Mao-Sung	Comprehensive Analysis of Internal Control Practices for Sustainability Information Management	Accounting Research and Development Foundation, Republic of China	6
2025.09.16	Tsai Mao-Sung	IFRS 18 Presentation and Disclosure in Financial Statements: Standards and Practice Analysis (Accounting)	Accounting Research and Development Foundation, Republic of China	6

Note 4: Implementation of risk management policies and risk measurement criteria.

The daily operational risk management of the Company and its subsidiaries is assigned to each respective unit according to the nature of the risk. Internal control and internal audit systems have been established, and the Audit Office develops and implements an annual risk-based audit plan based on the existing or potential risks identified in each operation. This ensures that the Company and its subsidiaries can effectively implement various risk prevention measures at key control points for significant risks. The execution and management units responsible for each type of risk are detailed as follows:

Risk Management and Execution Unit	Implementation Status
General Manager	Responsible for overseeing the company’s operational objectives, formulating overall corporate business strategies, planning and evaluating business development initiatives, and managing the planning, decision-making, and execution of external cooperation projects, in order to mitigate the company’s overall strategic risks.
Administration Department	Responsible for human resources planning, establishment of personnel systems, general administrative affairs, fire safety and occupational health management, and the maintenance and management of Assets and equipment, in order to mitigate operational risks.
Information Department	Information systems management and the implementation of information security controls and protective measures to reduce information security risks.
Finance Department	Responsible for financial planning and utilization, as well as the establishment of hedging mechanisms to reduce financial risks; responsible for drafting financial policies and management reports, enhancing internal control functions to ensure their continued effectiveness, and ensuring the reliability of financial oversight.
Business Department and Overseas Department	Responsible for formulating marketing strategies, promoting products, monitoring market trends, and maintaining customer relationships to reduce business operational risks.
Research and Development Division	Establish product technologies, conduct research on new technologies, develop and commercialize new products, assist customers in resolving technical issues related to product applications, and carry out product development, testing, and cost optimization, in order to increase market share and reduce the risk of obsolescence in the marketplace.
Investment Department	Responsible for formulating investment strategies, identifying investment targets, and conducting short-term investments, including the purchase and sale of stocks and funds.

Note 5: Implementation of Customer Policies: The Company maintains sound relationships with its customers to achieve mutual profitability.

Note 6: Purchase of Liability Insurance for Directors and Supervisors: The Company purchases directors and officers liability insurance, including manager coverage, for Directors and Independent

Directors on an annual basis.

Note 7: Criteria for Assessing Auditor Independence

Item No.	Standards for Evaluating the Independence of Certified Public Accountants	Assessment	
		Yes	No
1	The auditor has no shareholding or investment relationship with the Company.		V
2	The auditor has no direct or material indirect financial interest in the Company.		V
3	The accountant has not engaged in any financing or guarantee transactions with the Company or its Directors.		V
4	The auditors have not engaged in any conduct that would compromise the audit work due to concerns regarding the potential loss of engagement with the Company.		V
5	The auditor has not entered into any contingent fee agreements with the Company in relation to audit engagements.		V
6	The auditor has no close business relationship or potential employment relationship with the Company.		V
7	The certified public accountant and members of the audit team are not currently, nor have they been within the past two years, serving as Directors, managers, or holding any positions in the Company that could have a material impact on the audit work.		V
8	The auditor did not provide the Company with any non-assurance service contents that could have a direct impact on the audit work.		V
9	The auditor has not served as an intermediary for any shares or other securities issued by the Company.		V
10	The auditor has not acted as the Company's legal counsel or represented the Company in negotiations or in the resolution of disputes with third parties.		V
11	The certified public accountant does not have any familial relationship with the Director, managerial personnel, or any personnel of the Company who hold positions that have a material influence on the audit engagement.		V
12	No certified public accountant who has resigned within one year has served as a director, supervisor, manager, or held any position with significant influence over the audit engagement of the Company.		V
13	The members of the audit service team have not received any gifts or benefits of significant value from the Company or its directors, supervisors, or managers.		V
14	The members of the audit service team have neither been subjected to nor perceived any undue influence or improper requests from the Company's management concerning the selection of accounting policies or the disclosures in the financial statements.		V
15	The members of the audit service team have neither been subjected to nor perceived any requests from the Company's management to reduce the audit procedures to be performed on the grounds of lowering fees.		V
16	The auditor has no litigation relationship with the Company.		V

Assessment of Audit Quality Indicators (AQI) for Certified Public Accountants

The Company submitted the matter to the 9th meeting of the 2nd Audit Committee and the 11th meeting of the 19th Board of Directors on 2025/01/21 for review of the Audit Quality Indicators (AQI) commencing from year 2025. In accordance with the AQI disclosure framework promulgated by the Financial Supervisory Commission, the quantitative indicators for comparability encompass five principal dimensions—professionalism, independence, quality control, supervision, and innovation capability—comprising a total of 13 assessment indicators. The evaluation results meet the standards for suitability, thereby confirming the reliability of the financial reports issued by the certifying accountants.

(4) Composition, Responsibilities, and Operations of the Remuneration Committee

A. Composition of the Remuneration Committee

Job Title	Nationality	Name	Gender	Date of Appointment or Election	Independent Director
Chairperson	Republic of China	TSAI, CHIH-WEI	Male	2023.05.31	v
Member	Republic of China	SHEN, CHIH-CHENG	Male	2023.05.31	v
Member	Republic of China	SHEN, HSUEH-JEN	Male	2023.05.31	v
Member	Republic of China	HUANG, WEN-CHI	Female	2025.03.13	v

B Information on Members of the Remuneration Committee

Conditions / Classification of Identity (Note 1)	Name	Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of other public companies in which the individual also serves as a member of the relevant committee
Independent Director (Convener)	TSAI, CHIH-WEI	Work experience in business operations, crisis management, finance, and corporate management as required for company activities. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.	3
Independent Director	SHEN, HSUEH-JEN	Work experience relevant to company operations, encompassing business acumen, industry expertise, international market insight, financial proficiency, and management capabilities. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.		3
Independent Director	SHEN, CHIH-CHENG	Work experience in business operations, legal affairs, crisis management, corporate management, and other areas essential for company operations. Passed the national Attorney examination and holds a certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.		0
Independent Director	HUANG, WEN-CHI	Work experience relevant to company operations, encompassing business acumen, industry expertise, international market insight, financial proficiency, and management capabilities. Passed the national certified public accountant examination and holds the relevant certificate. For the experience of Independent Directors, please refer to pages 8–10 of this annual report, section (1) Director Information. None of the circumstances set forth in Article 30 of the Company Act apply.		0

Note 1: Please specify in the table the relevant years of service, professional qualifications and experience, and independence status of each member of the Remuneration Committee. For Independent Directors, you may indicate in the remarks to refer to page OO, Schedule 1, Directors and Supervisors Information (1) for related details. Please indicate whether the member is an Independent Director or other; if the member serves as the convener, please note this accordingly.

Note 2: Professional qualifications and experience: Disclose the professional qualifications and experience of each member of the Remuneration Committee.

Note 3: Compliance with Independence Requirements: Specify the circumstances under which members of the Remuneration Committee satisfy the independence requirements, including but not limited to: whether the individual, their spouse, or relatives within the second degree of kinship serve as a Director, Supervisor, or employee of the Company or its affiliated enterprises; the number and percentage of shares in the Company held by the individual, their spouse, or relatives within the second degree of kinship (or held in the name of others); whether the individual serves as a Director, Supervisor, or employee of a company having a specific relationship with The Company (refer to Article 6(1)(5) to (8) of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Listed on the Stock Exchange or Traded Over the Counter by Securities Firms); and the amount of remuneration received in the past two years for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises.

3. Responsibilities of the Remuneration Committee

(1) The Remuneration Committee is established to assist the Board of Directors in implementing and evaluating the company’s overall compensation and benefits policies, as well as the remuneration of Directors and managerial personnel.

(2) In accordance with the laws of the Republic of China, members of the Remuneration Committee are appointed by the Board of Directors. Pursuant to the Company’s Remuneration Committee Charter, the committee shall consist of at least three Independent Directors. The Remuneration Committee of the Company is composed entirely of Independent Directors.

(3) The Remuneration Committee shall convene meetings at least twice per year. For information regarding the convening of committee meetings and the attendance rate of each member, please refer to the Company’s annual reports for each respective year.

4. Information on the Operations of the Remuneration Committee

(1) The Company’s Remuneration Committee comprises four members.

(2) Term of office for the current committee members: from 2023/05/31 to 2026/05/30. In the most recent year, the Remuneration Committee convened 3 meetings (A). The qualifications and attendance of the committee members are as follows:

Job Title	Name	Actual number of attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note)	Notes
Chairperson	TSAI, CHIH-WEI	3	0	100%	
Member	SHEN, HSUEH-JEN	2	1	66.67%	
Member	SHEN, CHIH-CHENG	3	0	100%	
Member	HUANG, WEN-CHI	2	0	100%	Assumed office on 2025/03/13.
Other Matters to Be Disclosed: 1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date of the Board meeting, the term, the content of the proposal, the result of the Board Resolution, and the company's handling of the opinions of the Remuneration Committee shall be specified. If the remuneration approved by the Board of Directors is more favorable than that recommended by the Remuneration Committee, the differences and reasons shall be stated: None. 2. Resolutions of the Remuneration Committee: If any member has objections or reservations that are recorded or stated in writing, the date of the Remuneration Committee meeting, session, agenda items, all members’ opinions, and the handling of such opinions shall be specified: None.					

Note 1: For any member of the Compensation Committee who resigned prior to the end of the year, the resignation date shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Compensation Committee meetings convened and the number of meetings attended by the member during their term of service.

Note 2: If a re-election of the Remuneration Committee takes place before the end of the year, both the former and newly appointed members of the Remuneration Committee shall be listed. The remarks column shall indicate whether each member is a former, new, or reappointed member, as well as the date of re-election. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings convened and the number of meetings actually attended by each member during their respective terms of service.

(3) Actual performance of the Remuneration Committee:

Meeting Date	Proposal Details	Resolution Results	Company’s Response to the Remuneration Committee’s Recommendations
2025.01.21	1. Proposal for the Distribution of Year-End Bonuses to Managers and Directors with Employee Status for the Year 2024	The proposal was approved without objection after the chairperson consulted all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.
2025.03.25	1. Proposal for the Allocation of Employee Remuneration and Director Remuneration for the Year 2024 2. Remuneration Allocation Plan for Individual Directors for the Year 2024 3. Proposal for Directors’ Remuneration for Transportation Allowance for the Year 2024	The proposal was approved without objection after the chairperson consulted all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.
2025.08.11	1. Proposal to amend the "Regulations Governing Salary and Remuneration Payments to Managers 2. Proposal for the remuneration payment to the Company's Chief Accounting Officer	The proposal was approved without objection after the chairperson consulted all attending committee members.	Submitted to the Board of Directors and unanimously approved by all Directors present.

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

1. Composition of the Sustainable Development Committee

This committee is under the Board of Directors and functions as a functional committee. It is composed of four Independent Directors and one Director appointed by the Board of Directors, and the members elect one member to serve as convener and meeting chairperson.

The term of office of the committee members is the same as the term of the Board of Directors that appointed them. If a member is removed for any reason and the number of members falls below the statutory or charter requirement, the Board of Directors may appoint a replacement.

Two functional task forces, the Risk Management Task Force and the Sustainable Development Task Force, are established under this committee as execution units to ensure the promotion and implementation of corporate sustainability-related work.

2. Members of the Sustainable Development Committee

Job Title	Nationality	Name	Gender	Date of Appointment or Election	Sustainability Expertise and Capabilities Possessed
Chairperson Chairperson (Director and General Manager)	Republic of China	CHIANG, CHING-SHIN	Male	2023.05.31	Corporate governance, sustainable products, and risk management
Member (Independent Director)	Republic of China	TSAI, CHIH-WEI	Male	2023.05.31	Corporate governance, environmental protection, and risk management
Member (Independent Director)	Republic of China	SHEN, CHIH-CHENG	Male	2023.05.31	Human rights protection, employee rights and interests, and legal compliance
Member (Independent Director)	Republic of China	SHEN, HSUEH-JEN	Male	2023.05.31	Environmental protection, energy conservation, and carbon reduction
Member (Independent Director)	Republic of China	HUANG, WEN-CHI	Female	2025.03.13	Social care, social responsibility, and risk management

3. Information on Members of the Sustainable Development Committee

Classification of Identity (Note 1) \ Conditions	Name	Professional Qualifications and Experience	Independence Status
Independent Director	TSAI, CHIH-WEI	Possesses work experience essential for company operations, including expertise in business, finance, management, and crisis management. Passed the national certified public accountant examination and holds the relevant certificate. Cheng Yi Certified Public Accountants Independent Director, Sheng Da Technology Co., Ltd. Independent Director, Yankee Engineering Co., Ltd. Independent Director, Chia Pei Yu Co., Ltd. None of the circumstances set forth in Article 30 of the Company Act apply.	As an Independent Director, the requirements for independence are met, including but not limited to the following: neither I, my spouse, nor relatives within the second degree of kinship have served as a Director, Supervisor, or employee of the Company or any of its affiliated enterprises; I do not hold any shares of the Company; I have not served as a Director, Supervisor, or employee of any entity having a specific relationship with the Company; and neither I, my spouse, nor relatives within the second degree of kinship have provided business, legal, financial, or accounting services to the Company or its affiliated enterprises within the past two years.
Independent Director	SHEN, HSUEH-JEN	Work experience relevant to company operations, encompassing business acumen, industry knowledge, an international market perspective, and management capabilities. General Manager, Dengfeng Management Consulting Co., Ltd. Adjunct Assistant Professor, Fu Jen Catholic University Independent Director of Liang De Electric Co., Ltd. Director of Thermaltake Technology Co., Ltd. Lida-KY Independent Director None of the circumstances set forth in Article 30 of the Company Act apply.	
Independent Director	SHEN, CHIH-CHENG	Work experience in business operations, legal affairs, crisis management, management, and other functions essential to the conduct of company business. Passed the national Attorney examination and holds a certificate. Managing Partner, SHEN, CHIH-CHENG Law Firm President of the Taiwan Association for Traffic Accident Care Independent Director, CPC Corporation, Taiwan None of the circumstances set forth in Article 30 of the Company Act apply.	
Independent Director	HUANG, WEN-CHI	Possesses work experience essential for company operations, including expertise in business, finance, management, and crisis management. Passed the national certified public accountant examination and holds the relevant certificate. Certified Public Accountants in Practice, Yong Yi United CPAs Firm Representative Director of Leadtrend Technology Corporation Lecturer, Workforce Development Agency, Ministry of Labor None of the circumstances set forth in Article 30 of the Company Act apply.	
Director	CHIANG, CHING-SHIN	Work experience relevant to company operations, encompassing business, financial, and management expertise, crisis management skills, an international market perspective, and industry knowledge. CPA Australia General Manager of Chinsan Group Director of Chinsan Electronic Industry (Thailand) Co., Ltd. None of the circumstances set forth in Article 30 of the Company Act apply.	Not applicable

***The current Sustainable Development Committee consists of five members: one member has a legal background and is a practicing attorney; two members have financial and accounting backgrounds and are currently practicing CPAs; one member has an economic and management background and previously served as a consultant at a management consulting firm and as an investment associate manager at a brand management consulting firm; and one member has a CPA background and more than 20 years of experience in passive components, specializing in the business, production, technology, and financial management of aluminum capacitors and having in-depth research on ESG issues. Three members are aged 41-50 and two are aged 51-70. All five members possess specialized expertise and have served as Independent Directors or Directors in various industries. They can raise questions and engage in discussions from diverse perspectives during proposal review, in line with the Board of Directors' diversity policy.

4. Powers and Duties of the Sustainable Development Committee
(1) Review and approval of the Company's sustainable development policies.
(2) Review of the Company's sustainable development matters, including objectives, strategies, and implementation plans for sustainable governance, ethical management, and environmental and social aspects.
(3) Review, tracking, and revision of the implementation status and effectiveness of the Company's sustainable development, and regular reporting to the Board of Directors.
(4) Attend to issues of concern to stakeholders, including Shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and media, and supervise communication plans.
(5) Review risk management policies, procedures, and frameworks.
(6) Review risk tolerance levels.
(7) Review the priority and levels of risk control.
(8) Review the implementation of risk management and provide necessary recommendations for improvement.
(9) Implement the risk management decisions of the Board of Directors.

5. In 2025, the Sustainable Development Committee held 2 meetings (A). The attendance of committee members was as follows:

Job Title	Name	Actual number of attendances (B)	Number of Proxy Attendances	Actual Attendance Rate (%) (B/A) (Note)	Notes
Chairperson	CHIANG, CHING-SHIN	2	0	100.00%	None
Member	TSAI, CHIH-WEI	2	0	100.00%	None
Member	SHEN, HSUEH-JEN	2	0	100.00%	None
Member	SHEN, CHIH-CHENG	2	0	100.00%	None
Member	HUANG, WEN-CHI	2	0	100.00%	Assumed office on 2025/03/13.

6. Operations of the Sustainable Development Committee during the year:

Meeting Date	Proposal Details	Resolution Results
2025.08.11	1. Proposal to approve the Company's 2024 Sustainability Report	The proposal was approved without objection after the chairperson consulted all attending committee members and was submitted to the Board of Directors for resolution.
2025.11.12	1. Proposal for the Company's 2026 sustainable development business plan 2. Proposal for the Company's 2026 risk management policies or strategies and 2025 implementation results	The proposal was approved without objection after the chairperson consulted all attending committee members and was submitted to the Board of Directors for resolution.

(5) Implementation of sustainable development initiatives and any differences from the Sustainable Development Best Practice Principles for TWSE/TPEx listed companies, together with the reasons for such differences

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
1. Has the company established a governance structure to promote sustainable development, set up a dedicated or concurrent unit responsible for advancing sustainable development, authorized senior management by the Board of Directors to manage related matters, and what is the status of oversight by the Board of Directors?	V		The Company is committed to environmental protection activities, fully implementing energy conservation, industrial waste reduction, resource recycling and reuse, environmentally friendly measures, and reduction actions. In response to the promotion of ESG sustainable development, the Chairman instructed that a Sustainable Development Task Force (ESG Task Force) be established and reported to the Board of Directors in 2022. On January 24, 2024, the functional committee named the Sustainable Development Committee was established under the Board of Directors. The purpose of the Committee is to serve as the decision-making and supervisory unit for the Company's sustainable development and risk management-related work, covering the three aspects of implementing corporate governance (G), safeguarding social welfare (S), and developing a sustainable environment (E), so as to strengthen the Company's operating system, commit to environmental conservation, fulfill social responsibility, and enable the Board of Directors to perform its duties of protecting the rights and interests of the Company, employees, Shareholders, and stakeholders. The Sustainable Development Committee is the highest-level sustainable development decision-making center within the Company. It is chaired by the General Manager, who is a CPA and industry expert, and its other members include four Independent Directors of the Company, whose expertise covers accounting, law, and finance. The ESG Sustainability Task Force and Risk Management Task Force operate under the Committee. The ESG Sustainability Task Force is composed of senior executives from relevant departments. It jointly reviews the Company's core operating capabilities, formulates medium- and long-term sustainable development plans, sets annual targets and action plans, and submits them to the Sustainable Development Committee for review. It is also responsible for planning, executing, and tracking the progress and effectiveness of action projects. Each year, the Company prepares a sustainability report, submits it to the Sustainable Development Committee for review, and then submits it to the Board of Directors for approval. The ESG Sustainability Task Force serves as a cross-departmental communication platform integrating vertically and connecting horizontally. It convenes quarterly meetings and, through topic-based corporate governance, sustainable environment, and social welfare teams, identifies sustainability issues relevant to the Company's operations and of concern to stakeholders; formulates corresponding strategies and work guidelines; plans and implements annual programs; and tracks implementation effectiveness to ensure that sustainable development strategies are fully implemented in the Company's daily operations.	No difference

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
			The Sustainable Development Committee is responsible for formulating sustainability policies and conducting risk assessments. It hears work reports from the ESG Task Force every six months, supervises whether annual targets are being implemented, reviews effectiveness, and, when necessary, urges the ESG Task Force to revise and adjust its targets. The Chairperson of the Sustainable Development Committee reports to the Board of Directors at least twice a year on the results of sustainable development implementation and future work plans. In 2025, a total of two meetings were convened. The agenda items included: (1) identifying sustainability issues requiring attention and formulating responsive action plans; (2) setting goals, policies, and action plans for sustainability-related issues; and (3) supervising the implementation of sustainable operations matters and evaluating implementation status. The Board of Directors is the highest decision-making body for the Company's sustainable development issues. It must evaluate the likelihood of success of risk policies or strategies proposed by the Sustainable Development Committee, regularly review strategic progress, urge the Sustainable Development Committee and its task forces to make adjustments when necessary, and annually approve the sustainability policies, strategies, and sustainability report submitted by the Sustainable Development Committee.	
2. Has the company conducted risk assessments of environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality, and established corresponding risk management policies or strategies? (Note 2)	V		1. This disclosure presents the Company’s sustainability performance at its principal locations from January 2025 to December 2025. The risk assessment boundary is primarily defined by the Company and encompasses existing sites in Taiwan, Mainland China, and Thailand. In consideration of their relevance to core business operations and the extent of their impact on material topics, the subsidiaries Chinsan Electronic Industrial (Thailand) Co., Ltd., King Nichi Technology Guangzhou Co., Ltd., and Guangzhou Kingtachi Electronic Co., Ltd. are also included within the scope. 2. The Sustainable Development Committee directs the ESG team to conduct analyses in accordance with the materiality principle outlined in the Sustainability Report, engage in communication with internal and external stakeholders, and assess material ESG issues by reviewing domestic and international research reports and literature, as well as by integrating evaluation data from various departments and subsidiaries. Based on these assessments, effective risk management policies are established for the identification, measurement, evaluation, supervision, and control of risks, and concrete action plans are implemented to mitigate the impact of related risks. 3. The Company conducts risk assessments of material issues in accordance with the materiality principle of corporate social responsibility and, based on the results of such assessments, establishes relevant risk management policies or strategies. For further details, please refer to Note 3.	No difference
3. Environmental Issues (1) Has the company established an appropriate environmental management system in	V		(1) 1. The Company is committed to the management of environmental, health, and safety systems. It obtained OHSAS 18001 occupational health and safety management system certification in	No difference

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
accordance with the characteristics of its industry?			2010, which was changed to ISO 45001 in 2018. The continuing certificates for ISO 45001:2018 occupational health and safety management system certification are as follows: Guangzhou Jinri 2024.01-2027.01 (B), Guangzhou Kingtachi 2025.01-2028.01 (B), and Chinsan Thailand 2023.12-2027.02 (C). 2. The Company has established and implemented an environmental management system based on ISO 14001 to support environmental management, implement pollution prevention, comply with environmental laws and regulations, pursue corporate sustainable development, and continuously improve environmental performance. 3. Scope of continuing certificates for ISO 14001 environmental system certification: production of aluminum electrolytic capacitors, certificate No. 2020/89544.2. Validity periods: Taiwan 2023.12-2026.12 (A), Guangzhou Jinri 2024.01-2027.01 (B), Guangzhou Kingtachi 2025.01-2028.01 (B), and Chinsan Thailand 2025.03-2028.01 (C).	
(2) Has the company undertaken initiatives to enhance the efficiency of resource utilization and to employ recycled materials with minimal environmental impact?	V		(2) 1. Chinsan's circular economy policy: (1) Establish a resource recycling and reuse system to reduce raw material waste. (2) Reduce carbon emissions and move toward net-zero transition. (3) Increase the reuse rate and economic value of waste. (4) Build a sustainable supply chain and a green corporate image. 2. Implementation results for Year 2025: (2) 1. The Company utilizes raw materials that are in compliance with EU RoHS, REACH, and halogen-free regulations. (2) The Company is committed to material recycling and reuse, manufacturing products with renewable energy, and reducing pollution during manufacturing processes to reduce environmental impact. (3) In green manufacturing, reduce unnecessary resource waste and pursue the development of waste reduction and reuse technologies. (4) Work with upstream and downstream partners in the value chain to recycle and share packaging materials. (5) For products, work on testing the use of recycled materials with low environmental impact to maximize the benefits of the circular economy. (6) Create circular value and promote economies of scale through recycling of process raw materials, research and development of waste reduction technologies, and design and sale of circular products. (7) Policies on greenhouse gas reduction, water use reduction, and other waste management are detailed in III. Environmental Issues (4).	No difference
(3) Has the company assessed the potential risks and	V		(3) The Company has designated the Board of Directors as the highest decision-making authority for	No difference

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operational Status (Note 1)</th><th rowspan="2">Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td>opportunities that climate change may pose to its business, both currently and in the future, and implemented relevant response measures?</td><td></td><td></td><td>climate-related matters and has established a Sustainability Development Committee consisting of five members. The General Manager serves as the Chairman, while the remaining four members are Independent Directors. The committee conducts an annual review of the Company's climate change strategies and objectives, oversees the management of climate change risks and opportunities, assesses the status of implementation, discusses future plans, and reports its findings to the Board of Directors.
The Company's assessment of climate change-related risks and opportunities, as well as the corresponding response measures, is disclosed in Appendix 2-2-3 of this annual report.</td><td></td></tr>
<tr><td>(4) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste generated over the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management?</td><td>V</td><td></td><td>(4) In terms of greenhouse gas emissions management:
The Company completed the 2023 ISO 14064-1 greenhouse gas inventory for all Group entities in March 2024 (Scopes 1 through 3, externally verified by Afnor), with 2023 set as the base year for greenhouse gas emissions.
Group-wide greenhouse gas inventory for all consolidated entities for 2023 in accordance with ISO 14064-1:
<table>
<tr><th>Company</th><th>Category 1 (t CO2e)</th><th>Scope 2 (t CO2e)</th><th>Category 1 + Category 2 (t CO2e)</th><th>Unit product emission (t CO2e/kpcs)</th><th>Category 3 (t CO2e)</th></tr>
<tr><td>Chinsan, Taiwan</td><td>42.69</td><td>222.97</td><td>265.66</td><td>-</td><td>239.42</td></tr>
<tr><td>Chinsan, Thailand</td><td>123.09</td><td>4,800.26</td><td>4,923.35</td><td>0.0095</td><td>2,074.58</td></tr>
<tr><td>Guangzhou Kingtachi</td><td>268.44</td><td>6,460.03</td><td>6,728.47</td><td>0.0079</td><td>14,363.17</td></tr>
<tr><td>Guangzhou King Nichi</td><td>83.62</td><td>1,763.06</td><td>1,846.68</td><td>0.0852</td><td>27.66</td></tr>
<tr><td>Total</td><td>517.84</td><td>13,246.32</td><td>13,764.16</td><td>0.0099</td><td>16,704.83</td></tr>
</table>Group emissions per unit product calculated based on revenue (per revenue million): 4.31007 t CO2e (Scope 1 + Scope 2)
Group emissions per unit product calculated based on revenue (per revenue million): 9.54098 t CO2e (Scope 1 to Scope 3)
Total consolidated revenue for 2023: 3,193.489 (NT$ million)
The Company completed the 2024 ISO 14064-1 greenhouse gas inventory for all Group entities in March 2025 (Scopes 1 through 3).

Group-wide greenhouse gas inventory for all consolidated entities for 2024 in accordance with ISO 14064-1:
<table>
<tr><th>Company</th><th>Category 1 (t CO2e)</th><th>Scope 2 (t CO2e)</th><th>Category 1 + Category 2</th><th>Unit product emission</th><th>Category 3 (t CO2e)</th></tr>
</table></td><td>No difference</td></tr>
</table>

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

			(t CO2e)	**(t CO2e/kpcs)**	
Chinsan, Taiwan	34.84	226.00	260.84	-	162.87
Chinsan, Thailand	143.59	5,146.70	5,290.29	0.0086	839.86
Guangzhou Kingtachi	273.07	9,174.56	9,447.63	0.0094	25,549.48
Guangzhou King Nichi	87.65	2,463.93	2,551.58	0.1171	24.96
Total	539.15	17,011.19	17,550.34	0.0107	26,577.17

Group emissions per unit product calculated based on revenue (per revenue million): 5.11645 t CO2e (Scope 1 + Scope 2)
Group emissions per unit product calculated based on revenue (per revenue million): 12.86449 t CO2e (Scope 1 to Scope 3)
Total consolidated revenue for 2024: 3,430.181 (NT$ million)
The Company completed the 2025 ISO 14064-1 greenhouse gas inventory for all Group entities in February 2026 (Scopes 1 through 3).

Group-wide greenhouse gas inventory for all consolidated entities for 2025 in accordance with ISO 14064-1:

Company	**Category 1 (t CO2e)**	**Scope 2 (t CO2e)**	**Category 1 + Category 2 (t CO2e)**	**Unit product emission (t CO2e/kpcs)**	**Category 3 (t CO2e)**
Chinsan, Taiwan	30.76	229.23	259.99	0.0000	121.89
Chinsan, Thailand	125.43	5,060.95	5,186.38	0.0078	5,059.61
Guangzhou Kingtachi	174.87	8,638.93	8,813.80	0.0086	21,670.03
Guangzhou King Nichi	85.89	2,277.79	2,363.68	0.1831	34.83
Total	416.95	16,206.90	16,623.85	0.0097	26,886.36

Group emissions per unit product calculated based on revenue (per revenue million): 4.41433 t CO2e (Scope 1 + Scope 2)
Group emissions per unit product calculated based on revenue (per revenue million): 11.55379 t CO2e (Scope 1 to Scope 3)
Total consolidated revenue for 2025: 3,765.883 (NT$ million)

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operational Status (Note 1)</th><th rowspan="2">Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Management policies and effectiveness:
1. To continue meeting international reduction trends and requirements, the Company has established a greenhouse gas inventory and reduction management team, which compiles greenhouse gas emissions data monthly and sets a 1% annual greenhouse gas reduction target as the Company's carbon reduction goal. In 2025, Scope 1 + Scope 2 emissions per unit output were 0.0097 t CO2e/kpcs, compared with 0.0107 t CO2e/kpcs in 2024, representing a decrease of 9.35%. The main reasons were: (1) increased production capacity (Thailand increased by 8.85%, Guangzhou Kingtachi increased by 1.91%, and Guangzhou Jinri decreased by 40.8%); and (2) changes in electricity coefficients. The unified electricity coefficient for China in 2025 was 0.5777068, compared with 0.6205 in 2024, so Guangzhou Kingtachi's electricity coefficient decreased by 6.9% in 2025 compared with 2024. Chinsan Thailand's electricity coefficient was 0.4183153 in 2025, compared with 0.438 in 2024, representing a decrease of 4.49%. After restoring electricity coefficients and calculating based on output, the Group's carbon emissions per unit output in 2025 decreased by 10.63% compared with 2024. Therefore, the target was achieved this year.
2. The 2026 target remains set at 1%.
3. Major carbon reduction plans include converting fixed-frequency air compressors to variable-frequency systems; recovering waste heat from air compressors to save diesel consumption; strengthening process energy conservation and carbon reduction performance; adjusting oversized motor loads; replacing air compressors with high-efficiency models; and cooperating with local governments to promote the installation of solar panels and the use of green electricity.

In terms of water resource management:
This statistical water usage table is prepared based on the plant sites of the Group entities. The Company has set 2023 as the base year for the Group's water use statistics.
<table>
<tr><th>Year</th><th>Group entity manufacturing facilities</th><th>Total Water Consumption</th><th>Water consumption per unit</th></tr>
<tr><td>2023</td><td>Chinsan, Taiwan</td><td>1,307</td><td>-</td></tr>
<tr><td>2023</td><td>Chinsan, Thailand</td><td>120,870</td><td>0.2322</td></tr>
<tr><td>2023</td><td>Guangzhou Kingtachi</td><td>46,494</td><td>0.0549</td></tr>
<tr><td>2023</td><td>Guangzhou King Nichi</td><td>1,750</td><td>0.0808</td></tr>
<tr><td>2023</td><td>Total</td><td>170,421</td><td>0.1227</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>2024</td><td>Chinsan, Taiwan</td><td>1,428</td><td>-</td></tr>
</table>
</td><td></td></tr>
</table>

Evaluation Item	Operational Status (Note 1) Yes	No	Summary Explanation	Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
			(see below)	

2024	Chinsan, Thailand	136,590	0.2231
2024	Guangzhou Kingtachi	59,289	0.0588
2024	Guangzhou King Nichi	1,450	0.0665
2024	Total	198,757	0.1211
2025	Chinsan, Taiwan	1,515	-
2025	Chinsan, Thailand	155,137	0.2328
2025	Guangzhou Kingtachi	62,928	0.0613
2025	Guangzhou King Nichi	1,670	0.1293
2025	Total	221,250	0.1297

Management policies and effectiveness:

1. In 2025, the Group’s total water consumption was 221,250 metric tons and unit water consumption was 0.1297, compared with total water consumption of 198,757 metric tons and unit water consumption of 0.1211 in 2024. The Group’s total water consumption increased by 22,493 metric tons and unit water consumption increased by 0.0086 metric tons, mainly because the Group’s production volume increased by 3.93%. Unit water consumption increased by 7.10%.
2. The 2026 target is for unit water consumption to decrease by 1% compared with 2025.
3. Major water-saving measures include: (1) improving processes to increase the number of recycling cycles for process water and reduce water use; (2) improving temperature control of air-conditioning cooling towers to reduce the energy consumption of exhaust heat-dissipation fans and water resources; and (3) installing water meters on each floor to review water consumption.

With respect to waste management:
This statistical table is compiled based on the Group’s physical manufacturing sites. The Company has set 2023 as the base year for Group statistics.

Year	**Group entity manufacturing facilities**	**Hazardous industrial waste (t)**	**Non-hazardous industrial waste (t)**	**Total waste**	**Recyclable**	**Unit product output (t/kpcs)**
2023	Chinsan, Taiwan	0.00	1.27	1.27	1.27	-
2023	Chinsan, Thailand	58.45	41.38	99.83	41.38	0.000190

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td></td><td></td><td></td><td>

2023	Guangzhou Kingtachi	28.16	403.83	431.99	403.83	0.000510
2023	Guangzhou King Nichi	3.05	146.15	149.20	146.15	0.006887
2023	Total	89.66	592.63	682.29	592.63	0.000494
2024	Chinsan, Taiwan	0.00	0.74	0.74	0.74	-
2024	Chinsan, Thailand	44.40	62.82	107.22	62.82	0.000175
2024	Guangzhou Kingtachi	70.76	321.91	392.67	321.91	0.000389
2024	Guangzhou King Nichi	3.32	105.79	109.11	105.79	0.005006
2024	Total	118.47	491.26	609.74	491.26	0.000371
2025	Chinsan, Taiwan	0.00	0.69	0.69	0.69	-
2025	Chinsan, Thailand	66.35	112.82	179.17	112.82	0.000270
2025	Guangzhou Kingtachi	76.11	289.98	366.09	289.98	0.000360
2025	Guangzhou King Nichi	0.00	148.50	148.50	148.50	0.011500
2025	Total	142.46	551.99	694.45	551.99	0.000410

Management policies and effectiveness:

1. In 2025, total waste amounted to 694.45 metric tons, compared with 609.74 metric tons in 2024. Waste generated per unit product was 0.000410 t/kpcs in 2025 and 0.000371 t/kpcs in 2024. The Group’s waste generated per unit product increased by 9.6% in 2025 compared with 2024. The increase in hazardous waste in 2025 was mainly due to increased hazardous chemical waste liquid at Chinsan Thailand resulting from higher production volume. The increase in non-hazardous waste was due to the scrapping of 55.56 metric tons of reusable bar strips at Chinsan Thailand, which can be recycled and reused and represented the best-performing individual item for resource recycling and reuse.
2. The Group’s target for waste generated per unit product in 2026 is expected to decrease by 1% year by year.
3. Waste reduction: at the factory end, packaging materials are reused, such as the circular use of logistics pallets and cushioning materials, thereby reducing indirect energy consumption in production. Waste materials are sorted to improve the recycling rates of metals, plastics, and other materials, and bar strips are reused and recycled.

The Company promotes the procurement of green and energy-saving products, promotes e-work processes in the office and turns off lights during the noon break, and prepares slogans to

</td><td></td></tr>
</table>

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
			encourage employees to reduce energy consumption. Other content is described in the sections on greenhouse gas carbon reduction, water conservation, and waste reduction.	
4. Social Issues (1) Has the company established relevant management policies and procedures in compliance with applicable laws and international human rights conventions?	V		(1) Purpose and Scope Taiwan Chinsan Electronic Industrial Co., Ltd. (hereinafter referred to as "Chinsan Electronic") supports and complies with international human rights and labor standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Conventions, and follows the RBA Code of Conduct and relevant laws and regulations at each operating location. The Company has formulated this human rights policy to implement respect and protection for human rights. This policy applies to Chinsan Electronic and all of its operating locations and affiliated enterprises. Human Rights Commitments The Company refers to business and human rights risks proposed by the United Nations Development Programme and manages human rights issues involving the Company, its affiliated enterprises, associates, suppliers, and partners (customers and communities) across six dimensions: labor rights, environmental rights, expression and participation, gender equality, service and product responsibility, and governance and security. 1. Provide diverse, inclusive, and equal opportunities 2. Provide fair and reasonable compensation and benefits 3. Oppose discrimination, bullying, and harassment 4. Prohibit forced labor and do not employ child labor 5. Promote harmonious labor-management relations 6. Provide a safe and healthy working environment 7. Implement information security and personal data protection 8. Regularly review and evaluate human rights-related systems and practices Human Rights Governance Structure The Company has established a human rights governance structure with the Board of Directors as the highest level. The ESG Task Force has established a cross-departmental human rights working group covering departments across the Group to systematically and effectively promote human rights management practices. In addition to regular reporting by the ESG Task Force to the ESG Sustainable Development Committee on implementation progress, the Chairperson of the Sustainable Development Committee reports annually to the Board of Directors on human rights management practices and implementation results.	No difference

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operational Status (Note 1)</th><th rowspan="2">Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Mitigation Measures for Human Rights Issues
<table>
<tr><th>Subject</th><th>Affected Subject</th><th>Human Rights Issue</th><th>Assessment/Communication Channel</th><th>Mitigation Measures</th></tr>
<tr><td>Employees</td><td>Indigenous peoples and persons with disabilities</td><td>Workplace safety
Anti-discrimination
Child labor issues
Working hours and wages
Freedom of speech, religion, and association</td><td>Employee grievance hotline
Labor-management meetings
Employee satisfaction survey
Supervisor symposiums</td><td>Education and training: New employee training courses provide awareness on sexual harassment, personal data protection, and other matters to enhance employees' human rights awareness
Employee feedback platform</td></tr>
<tr><td>Employees</td><td>All employees</td><td>Health</td><td>Unsatisfactory health examination results</td><td>Health examination reminders and awareness</td></tr>
<tr><td>Suppliers/Contractors</td><td>Employees and migrant workers of suppliers/contractors</td><td>Privacy rights (supply chain management)</td><td>Supplier/contractor meetings
Supplier self-assessment
On-site supplier audits</td><td>Supplier/contractor review management regulations</td></tr>
<tr><td>Customers</td><td>Customer employees</td><td>Privacy rights</td><td>Customer meetings</td><td>Confidentiality undertaking</td></tr>
<tr><td>Community</td><td>Local residents</td><td>Noise/light pollution prevention</td><td>Opening of public spaces
Water resource protection
Resident complaints</td><td>Resident visits and symposiums</td></tr>
</table>
For Employee who have been employed for more than one year, when new human rights policies, human rights assessments, or other legal protections, as well as company prohibitions and reward and punishment regulations related to Equity are introduced, announcements and notifications regarding these rights will be communicated during gatherings. The relevant regulations will also be published on the company's internal website.</td><td></td></tr>
<tr><td>(2) Has the company established and implemented reasonable Employee welfare measures</td><td>V</td><td></td><td>(2) The compensation structure is primarily designed to support the company's objectives and to effectively recruit, motivate, and retain talent. Externally, the company continuously collects and</td><td>No difference</td></tr>
</table>

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
(including compensation, leave, and other benefits), and appropriately reflected operating performance or results in Employee compensation?			analyzes market salary data and adjusts compensation in response to changes in the cost of living to maintain overall salary levels and competitiveness. Internally, the company aims to incentivize outstanding employees. For new hires, salaries are determined based on the responsibilities and grade of the position, as well as the individual's educational background and work experience, without any discrimination based on gender, race, religion, political affiliation, marital status, or group membership. The allocation of bonuses appropriately reflects the company's operating performance or results for the year and is incorporated into the year-end bonus. The company has also established a reward and penalty management policy, with relevant rewards and penalties simultaneously reflected in the annual performance appraisal scores, which serve as the basis for year-end bonus distribution. Business bonuses are assessed quarterly based on business contribution and the achievement rate of quarterly targets, and are granted whenever the relevant criteria are met.	
(3) Does the company provide Employee with a safe and healthy working environment and regularly conduct safety and health education for Employee?	V		(3) 1. Standardize the employment system to protect the legitimate rights and Equity of Employees The company, in accordance with the requirements of the Labor Law, the Labor Contract Law, and other relevant laws and regulations, safeguards the legitimate rights and Equity of Employees, and has established and continuously improved a compensation and benefits system that includes social insurance and medical insurance. The company has also implemented the ISO 45001 Occupational Health and Safety Management System, proactively conducts regular testing of occupational disease hazard factors in the workplace, and strengthens risk management to prevent potential occupational health and safety risks. In addition, the company conducts annual occupational safety education and training, as well as regular health check-ups for Employees. 2. During 2024-2025, the Company obtained ISO 45001 occupational health and safety management system certification: Guangzhou Jinri 2024.01-2027.01 (B) BSI, Guangzhou Kingtachi 2025.01-2028.01 (B) BSI, and Chinsan Thailand 2023.12-2027.02 (C) CISQ. 3. The Group did not experience any occupational accidents or fires in 2025. 4. The Company respects human rights, values harmonious labor relations, and is committed to the continuous improvement of occupational safety and health practices, striving to create a work environment that meets human needs and promotes both physical and mental well-being. To safeguard Employee safety and health, the Company has implemented protective measures concerning the work environment and Employee personal safety. Furthermore, specific work safety regulations have been established for the Company's facilities in Thailand and Mainland China. 5. For detailed information regarding protective measures for the work environment and Employee personal safety, please refer to Chapter 4, Section 5, Labor Relations.	No difference

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td>(4) Has the company established an effective career competency development training program for Employee?</td><td>V</td><td></td><td>(4) Chinsan Electronic places great importance on talent cultivation. In response to organizational sustainable development and to strengthen employees' professional competencies, it has established the "Employee Training Operating Procedures" to clearly regulate training planning and execution processes and ensure institutionalized and systematic education and training. Based on employee job types and development stages, the Company plans diverse training content, applicable to supervisors and employees at all levels, including new employee training, professional competency training, management competency development, on-the-job training courses, themed project courses, and lectures, comprehensively enhancing employee capabilities and organizational competitiveness. At the same time, with reference to market compensation trends, the Company's operating results, and employee performance appraisal results, the Company handles salary adjustments, job rotations, promotions, and retention operations to create a developmental and motivating career environment. Through a comprehensive talent cultivation system and fair career development channels, Chinsan Electronic is committed to enhancing employee cohesion and retention, cultivating organizational growth momentum, and achieving the sustainable goal of shared prosperity between the Company and employees.

The Company's training policies include:
1. Develop the Company's core competitiveness in line with its vision and business philosophy.
2. Encourage employees to engage in diverse learning and enhance individual workplace competitiveness.
3. Integrate the Company's culture and values into employees' work attitudes.
4. Create an environment where employees enjoy learning and learn happily.

In 2025, the Company held a rich variety of training courses to actively respond to operational transformation and human resources development needs. Education and training statistics are as follows:
<table>
<tr><th colspan="7">2025 Education and Training Statistics</th></tr>
<tr><th>Region</th><th>Course Category</th><th>Total number of attendees</th><th>Total hours</th><th>Total expenses (NTD)</th><th>Average Training Hours</th><th>Average Training Expense (NT$)</th></tr>
<tr><td rowspan="2">Head Office</td><td>Internal Training</td><td>356</td><td>1,084</td><td>125,400</td><td>3.04</td><td>352</td></tr>
<tr><td>External Training</td><td>20</td><td>179</td><td>96,620</td><td>8.95</td><td>4,831</td></tr>
</table></td><td>No difference</td></tr>
</table>

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

	Subtotal	376	1,263	222,020	3.36	590
Guangzhou Plant	Internal Training	14,891	30,426	0	2.04	0
	External Training	75	1499	282,452	19.99	3,766
	Subtotal	14,966	31,925	282,452	2.13	19
Thailand Plant	Internal Training	305	1,830	0	6.00	0
	External Training	187	1,314	174,503	7.03	933
	Subtotal	492	3,144	174,503	6.39	355
Total	Internal Training	15,552	33,340	125,400	2.14	8
	External Training	282	2,992	553,575	10.61	1,963
	Total	15,834	36,332	678,975	2.29	43

The 2025 ESG education and training courses are summarized in the following table:

Item No.	Course Date	Course Name
1	2025/3/21	Chinsan Happiness Lecture: Turn It Around! Climate Change
2	2025/6/27	Family Education Lecture: How to Use Long-term Care Resources
3	2025/7/4	Thriving at Work
4	2025/8/15	Chinsan Happiness Lecture: Becoming an Energy-saving Hero with Ease
5	2025/8/19	Advanced Course on Workplace Applications of Generative AI
6	2025/8/26	Introduction to Social Return on Investment (SROI)
7	2025/8/28	Systematic Innovation Course
8	2025/9/12	Family Education Lecture: Understanding Teenagers' Emotional Language

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>9</td><td>2025/11/13</td><td>Chinsan Happiness Lecture: Parenting Survival Skills in the Digital Age</td></tr><tr><td>10</td><td>2025/2~2025/7</td><td>2024 ESG Report Guidance and Training Course</td></tr></table></td><td></td></tr>
<tr><td>(5) Does the company comply with relevant laws and international standards concerning customer health and safety in relation to its products and services, customer privacy, marketing, and labeling, and has it established appropriate policies and complaint procedures to protect consumer or customer Equity?</td><td>V</td><td></td><td>(5) All products manufactured by the Company are classified as green and environmentally friendly products. These products have passed SGS inspection and are certified to comply with the EU RoHS 2.0 non-toxic environmental protection standards, as well as being registered under REACH for chemical composition, thereby qualifying as EU-approved import products. The Company further guarantees that all metals contained in products sold to customers comply with conflict-free regulations, contain no hazardous substances, and are PFOS FREE. Each export carton of the Company’s products is labeled with the RoHS environmental mark. As the Company’s products are sold to manufacturers, there is no consumer protection policy; however, a customer Equity policy has been established. Since most customers are major manufacturers, suppliers enter into procurement quality agreements with the Company. All products of the Company are managed under a rigorous quality system, with each product assigned an international BAR CODE. Upon provision of the BAR CODE by the customer, the Company can trace the batch number of the product, thereby facilitating the tracking of production quality and environmental conditions at the time of manufacture for that batch.
The Company has established a complaint mailbox on its website to provide transparent and effective handling of complaints regarding its products and services.</td><td>No difference</td></tr>
<tr><td>(6) Has the company established a supplier management policy requiring suppliers to comply with relevant regulations concerning environmental protection, occupational safety and health, or labor rights, and what is the status of its implementation?</td><td>V</td><td></td><td>(6) The Company and its subsidiaries are required to conduct supplier assessments prior to engaging in any transactions, evaluating whether the suppliers’ operations and management policies comply with relevant regulations concerning environmental protection, occupational safety and health, and labor rights. Suppliers are also required to provide relevant information regarding newly enacted regulations for the Company’s assessment purposes. Contracts with major suppliers explicitly stipulate the obligation to “comply with international environmental protection regulations.” Furthermore, should a supplier breach the contract or fail to remedy a breach, the Company may terminate or rescind the contract. The Company conducts regular annual evaluations of suppliers, with the evaluation contents including whether suppliers comply with applicable regulations on environmental protection, occupational safety and health, and labor rights. If a supplier does not meet the Company’s required standards, guidance for improvement will be provided; if there is still no improvement, the business relationship will be terminated.</td><td>No difference</td></tr>
<tr><td>5. Has the company prepared sustainability reports or other reports disclosing non-financial information with reference to internationally recognized</td><td>V</td><td></td><td>The Company has prepared its sustainability report in accordance with the international standards of GRI and SASB; however, it has not yet obtained assurance from a third-party verification body. As</td><td>No difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operational Status (Note 1)</th><th rowspan="2">Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td>reporting standards or guidelines? Have such reports obtained assurance or attestation opinions from independent third-party verification bodies?</td><td></td><td></td><td>the Company’s capital is less than 2 billion, current regulations do not require assurance from a third-party verification body.</td><td></td></tr>
<tr><td colspan="5">6. If the Company has established its own Sustainable Development Best Practice Principles in accordance with the “Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please specify the implementation status and any differences between the Company’s principles and the prescribed guidelines.
The Company has established the Sustainable Development Best Practice Principles, which have been approved by the Board of Directors and disclosed on the Company’s website under Investor Relations \ Corporate Governance \ Important Regulations. There are no material differences between actual operations and the provisions of these Principles.</td></tr>
<tr><td colspan="5">7. Other important information helpful for understanding the implementation status of sustainable development:
(1) Chinsan Electronic is a member of the Electronic Industry Citizenship Coalition (EICC), currently known as the Responsible Business Alliance (RBA), and is committed to complying with the EICC Code of Conduct, currently known as the RBA Code of Conduct.
(2) Chinsan Electronic’s environmental policy: compliance with laws and regulations, innovation to reduce consumption, full participation, and pollution prevention.
(3) Chinsan Electronic participates in the conflict-free minerals procurement program:
In addition to insisting on product quality and customer satisfaction, the Company is aware of the impact that relevant business activities, products, and services may have on the environment, occupational safety, and health. The Company is committed to promoting environmental protection, pollution prevention, and care for employee occupational safety and health, and makes the following commitments:
1> Comply with national environmental, occupational safety, and health laws and regulations; establish a sound environmental, occupational safety, and health management system; comply with environmental, occupational safety, and health commitments agreed with customers and related parties, including substances prohibited under SONY SS-00259 and RoHS; ensure that environmentally polluting substances do not enter, are not produced, and do not leave the process, thereby ensuring zero pollution for environmental products.
2> Thoroughly implement energy conservation, resource conservation, recycling and reuse to reduce resource waste.
3> Implement environmental, occupational safety, and health management requirements; regularly audit and review their implementation results; continue improvement and work toward sustainable operations.
4> Promote correct concepts of environmental protection, occupational safety, and health; develop good habits for pollution prevention, waste reduction, and safety and health awareness; and encourage all employees to participate in green environmental protection and social responsibility activities.
5> Place industrial safety and employee health before profits, with all activities based on safety and health.
6> Provide information and experience-sharing on environmental, occupational safety, and health matters so that customers, suppliers, and related parties can understand the Company’s environmental, occupational safety, and health policies.
7> Publicly disclose the Company’s environmental, occupational safety, and health policies and implementation status, contributing to protection of the Earth and harmonious coexistence with nature.
(4) Description of Green Engineering:
To comply with international environmental standards and national environmental laws and regulations, Chinsan announced the establishment of an ISO 14001 environmental management system in 2003 to ensure environmental quality. To meet environmental protection requirements, the Company is committed to environmental protection, energy conservation and carbon reduction, resource recycling and reuse, reducing resource waste, and full participation in green environmental activities. The Company strives to protect the natural environment and ecology of the Earth and to provide customers with green products and technologies at all facilities throughout the organization in every aspect of its business activities. The Company obtained ISO 14001 certification in January 2004.
1> RADIAL LEAD TYPE & SNAP-IN TYPE</td></tr>
</table>

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

The casings of these aluminum electrolytic capacitors are made of PET materials. All materials comply with RoHS, PFOS, HF, and REACH environmental substance control requirements, enabling cadmium-free and lead-free production.

2> SPECIAL TYPE

These are large-capacity aluminum electrolytic capacitors. Their casings do not use PET but use PVC materials; however, the products fully comply with lead-free requirements.

3> CS-CAP Solid Electrolytic Capacitor

The casings of solid capacitors do not use PET but use PVC materials; however, the products fully comply with lead-free requirements.

(5) Social Responsibility (S):

1> Labor Policy

<1> The Company does not employ persons under the age of 16 and does not force employees to work.

<2> The Company does not discriminate against anyone on the basis of race, color, age, gender, sexual orientation, disability, pregnancy, religion, political status, membership in associations or labor unions, marital status, or other factors.

<3> The Company respects and protects employee human rights, including freedom of association and assembly and open, direct communication with management.

<4> The Company complies with relevant labor laws and customer-related requirements and provides reasonable wages and benefits.

2> Business Ethics Policy

<1> Operate with integrity and refrain from illegal conduct.

<2> Strictly prohibit improper transactions and refrain from activities that conflict with the Company's interests.

<3> Records must be truthful and complete, and information must be disclosed openly.

<4> Gifts or hospitality must be appropriate.

<5> Respect intellectual property rights and maintain confidentiality over customer information, Company information, whistleblowers, and related matters.

(6) Social Welfare Promotion (S):

1> Community Engagement and Care:

In 2025, Chinsan Electronic responded to multiple social issues, including environmental protection, health, social equality, and assistance for disadvantaged groups, through a series of community engagement activities such as "one vegetarian lunch each quarter for the Earth," blood donation, public-welfare massage by visually impaired massage therapists, volunteer service at the Tzu Chi Sanchong Environmental Protection Education Station, beach cleanup for plastic reduction and ocean care, donations to the material bank, and donations to social welfare organizations. The Company encourages employees to participate voluntarily and put corporate social impact into action. These activities not only promote connections between employees and the community, but also demonstrate the Company's belief in growing together with local communities. Most activities were implemented in New Taipei City, consistent with the ESG principle of caring for local communities and reflecting the Company's goal of becoming a positive community partner. The Company believes that true sustainability comes from continuous participation and mutual benefit. In the future, the Company will continue to be guided by ESG, deepen the creation of social value, and become an important force in promoting a positive social cycle. The Company's operating headquarters are located in New Taipei City. To give back to the local community, the Company's employment policy also gives priority to local residents where possible; residents of New Taipei City account for more than 77% of the Company's employees.

The implementation status of public welfare activities in 2025 is shown below:

Activity Item	Community / Unit	Number of Participants	Activity Expenses (NT$)

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

One Vegetarian Lunch per Quarter for the Earth	National Vegetarian Sanchong Branch	260	25,365
Tzu Chi Sanchong Environmental Protection Education Station volunteer activity	Tzu Chi Sanchong Environmental Protection Education Station	11	2,493
Blood donation public-welfare activity	Taipei Blood Center Xinzhuang Blood Donation Vehicle	12	5,200
Visually impaired massage and healthy stress-relief public-welfare activity	New Taipei City Visually Impaired Care Association	24	10,900
Plastic reduction and ocean care beach cleanup	Beach No. 9, Guosheng, Wanli District, New Taipei City	51	64,144
Material bank public-welfare donation activity	New Taipei City Social Welfare Department Sanchong Social Welfare Center Material Bank Branch	6	49,438
Total		364	157,540

<1> On 2025/10/18, the “Chinsan Electric Plastic Reduction and Ocean Care Beach Cleanup” was held at Beach No. 9, Guosheng, Wanli District, New Taipei City, along the Shanhai Fangyuan section. In less than one hour, participants collected 200 kilograms of garbage. Although the beach cleanup involved much sweating and collecting of waste, participants were happy to contribute to the ocean. The activity helped participants realize that loving the ocean is not only about beach cleanups; more importantly, it starts at the source by reducing the use of plastic products by themselves and their families. A total of 51 employees and family members participated.

<2> On 2025/08/22, in order to demonstrate its emphasis on environmental protection issues and continued participation in social welfare activities, the Company planned the “Tzu Chi Sanchong Environmental Protection Education Station visit and volunteer service activity.” Employees and family members were invited to serve as environmental volunteers at the education station, sorting and classifying recyclable resources. Through sharing by Tzu Chi volunteers on environmental topics, participants learned how to reduce waste and consumption from the source, cherish resources, and avoid unnecessary waste. The activity helped volunteers understand that a better life begins with environmental protection and encouraged them to contribute to protecting the Earth. Eleven employees participated.

<3> On 2025/07/18, to promote massage services by visually impaired persons and increase employment opportunities for them, so that visually impaired massage therapists may have more stable income and feel corporate support and care, the Company again held the “Visually Impaired Massage and Healthy Stress Relief” public-welfare activity. Through the hands of visually impaired massage therapists, the concepts of massage-based stress relief and health were conveyed to employees. The activity also appropriately relieved possible soreness and fatigue in employees’ head, shoulders, neck, and back, helped employees relieve stress, and enhanced work efficiency and corporate image. Twenty-four employees participated.

<4> On 2025/06/26, the Company was invited to attend the media briefing for the Genesis Social Welfare Foundation’s Apophis charity children’s theater event and received a certificate of appreciation, demonstrating the Company’s commitment to and practice of social equity, assistance for disadvantaged groups, and public welfare values.

<5> On 2025/06/20, Chinsan Electronic, which has long supported social welfare and responded to sustainable development, held a “Blood Donation” public-welfare activity to help alleviate blood shortages and assist more people in need. Responding to the spirit of “donate one bag of blood, save one life,” the Company encouraged colleagues to roll up their sleeves and give blood, hoping to deliver love and care through warm blood and take practical action to contribute to society. Twelve employees participated.

<6> On 2025/03/20, the Company successfully joined the 2025 Family-friendly Workplace Enterprise Alliance. Led by the AAEON Foundation, the alliance will subsequently arrange three practical and engaging family education lectures for the Company, covering long-term care resources, parent-child communication, and parenting trends in the digital age, to help employees enhance family care and parenting capabilities.

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2> Social donations: total NTD 497,627.

World Vision Taiwan	Scholarship assistance, health, safety, and Hope Red Envelopes: 10 recipients
Syin-Lu Social Welfare Foundation	
Maria Social Welfare Foundation	
Chinese Christian Relief Association	
Sunshine Social Welfare Foundation	
Huashan Social Welfare Foundation (Hualien Guangfu Station)	20 Lunar New Year meal sets
Genesis Social Welfare Foundation (Banqiao Branch)	10 home-delivered gift packages
Genesis Social Welfare Foundation (Banqiao Branch)	Electric hospital beds x2
Genesis Social Welfare Foundation (Banqiao Branch)	50 charity tickets for the “Apophis Charity Children’s Theater” event
New Taipei City Visually Impaired Care Association	
Society of Wilderness, Republic of China	
Chinese Christian Relief Association	1919 Food Bank
Eden Social Welfare Foundation	Services for families with disabled members
Sunshine Social Welfare Foundation	Support for physical and psychological reconstruction services for oral cancer patients
Maria Social Welfare Foundation	Construction plan for an elderly home for people with intellectual disabilities
Children Are Us Foundation	A batch of Mid-Autumn Festival gift boxes
Hualien County Major Disaster Private Relief Donation Account	Matai’an Creek barrier lake breach disaster
Social Care Association, Republic of China	
Syin-Lu Social Welfare Foundation	
Taipei Autism Social Welfare Foundation	
New Taipei City Blind Welfare Association	
Hualien County Jiaoer Charity Association	
New Taipei City Government Social Welfare Department	Material Bank (diapers, Ensure, cereal, oil, canned food, cookies, etc.)

3> Employee Relations:

<1> In September 2025, the Company held the “2025 Walk 8,888 Steps a Day” event. A total of 41 people participated, 34 completed the target of 8,888 steps per day, the achievement rate reached 82.93%, and 19 colleagues averaged more than 10,000 steps.

<2> In November 2025, the Taipei Xiangshan Hiking Trail activity was held on the morning of November 22, 2025, with enthusiastic participation by 66 employees and family members.

<3> In May 2025, the Caoling Historic Trail Loop Bikeway and Hiking Trail cycling activity was held on the morning of May 16, 2025, with enthusiastic participation by 16 employees and family members.

4> Employee Development:

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

<1> On 2025/03/21, the “2025 Chinsan Happiness Lecture: Turn It Around! Climate Change” was held, with 21 participants.
<2> On 2025/06/27, the “2025 Chinsan Happiness Lecture: How to Use Long-term Care Resources” was held, with 27 participants.
<3> On 2025/08/15, the “2025 Chinsan Happiness Lecture: Become an Energy-saving Hero with Ease” was held, with 17 participants.
<4> On 2025/09/12, the “2025 Chinsan Happiness Lecture: Understanding Teenagers’ Emotional Language” was held, with 22 participants.
<5> On 2025/11/13, the “Survival Guide for Parenting in the Digital Age” lecture was held, with 19 participants.
<6> Planned and promoted probation-period training courses for new employees in the Sales Department and R&D Department.
<7> Conducted 634 hours of ESG training, covering sustainable development, information security, AI workplace applications, innovation, and related courses.

5> Employee Benefits:
<1> The Company (Taiwan) serves as the operational headquarters. Due to the limited number of employees, no labor union has been established and no collective bargaining agreement has been signed; however, labor-management consultations are held every quarter.
<2> For other employee benefits, please refer to “IV. Operational Highlights / 5. Labor Relations / Employee Benefits” (pages 107-108 of this annual report).

(7) Certifications for environmental protection and information security obtained by the Company over the years are as follows:

Company	Item	Certification Company	Period
Chinsan, Taiwan	ISO 9001	Afnor	2023.12~2026.12
Chinsan, Taiwan	ISO 14001	Afnor	2023.12~2026.12
Guangzhou Kingtachi	ISO 9001	BSI	2023.07~2026.07
Guangzhou Kingtachi	ISO 14001	BSI	2025.01~2028.01
Guangzhou Kingtachi	ISO 45001	BSI	2025.01~2028.01
Guangzhou Kingtachi	IATF16949	BSI	2025-08~2026.08
Guangzhou King Nichi	ISO 45001	BSI	2024-01~2027.01
Guangzhou King Nichi	ISO 9001	BSI	2024-02~2027.02
Guangzhou King Nichi	ISO 14001	BSI	2024-01~2027.01
Group	ISO 27001	Afnor	2024.11-2027.11
Chinsan, Thailand	ISO 45001	CISQ	2023-12~2027.02
Chinsan, Thailand	ISO 9001	CISQ	2025.03~2028.02
Chinsan, Thailand	ISO 14001	CISQ	2025.03~2028.01

(8) Environmental Protection Initiatives (E):
1> Completed the 2025 Group greenhouse gas inventory under ISO 14064-1 (Scopes 1 to 3).
2> Completed inventories of Group electricity usage, water usage, and total waste weight.
3> Introduced product carbon footprint management (ISO 14067).
4> Promoted circular economy, renewable energy, energy conservation, and carbon reduction.
(1) The solar power systems at the Guangzhou and Thailand plants generated electricity steadily. Guangzhou Kingtachi generated 738.327 kWh (2,657.98 GU), and Chinsan Thailand generated 587.898 kWh (2,116.43 GU).
(2) Promoted a circular economy model for packaging materials and continued to increase the percentage of recycled pulp used in packaging boxes.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td colspan="5">(3) Improved processes to increase the number of cycles for recycling process water and reduce water consumption.
(4) Guangzhou newly purchased first-grade energy-efficiency air compressors to replace old second- and third-grade energy-efficiency air compressors.
(5) Guangzhou replaced lighting with high-luminous-efficiency, low-energy-consumption LPB energy-saving lamps.
(6) Guangzhou completed energy storage equipment for off-peak storage and peak-period power supply.
5> Obtained continuing certificates for ISO 45001:2018 occupational health and safety management system certification: Guangzhou King Nichi 2024.01-2027.01 (B), Guangzhou Kingtachi 2025.01-2028.01 (B), and Chinsan Thailand 2023.12-2027.02 (C).
6> Obtained continuing certificates for ISO 14001 environmental management system certification: Taiwan 2023.12-2026.12 (A), Guangzhou King Nichi 2024.01-2026.12 (A), Guangzhou Kingtachi 2025.01-2026.12 (A), and Chinsan Thailand 2025.03-2026.12 (A).
7> Initial launch of TCFD climate risk governance.
Completed climate-related information filing for listed and OTC companies.
Completed the inventory of climate-related risks and opportunities and preliminarily summarized response strategies and scenario simulation analysis.
8> Sustainable green products: the Company complies with the EU Restriction of Hazardous Substances Directive and manufactures products that meet EU RoHS, REACH, and SVHC substance of very high concern requirements.
9> Conduct due diligence through the supplier evaluation process to ensure that mineral and metal supplies come from lawful sources and comply with responsible procurement requirements.
(9) Corporate Governance Initiatives (G):
1> New and amended items approved by the Board of Directors
<1> The Board of Directors evaluated the Company’s attesting CPAs with reference to AQIs and confirmed compliance with the “Independence and Competence of Attesting CPAs” (2025.01.21).
<2> Added the proposal to appoint one of the Big Four accounting firms as the attesting CPA for 2025 (2025.01.21).
<3> Evaluation of the independence and appointment of the attesting CPA for 2025 (2025.01.21).
<4> Added the proposal on the “Scope of Rank-and-file Employees” (2025.03.25), which was approved by the Shareholders’ Meeting.
<5> Proposal for the Company to issue its sixth domestic unsecured convertible corporate bonds (2025.08.11).
<6> Proposal for the 2025 Sustainability Report (2025.08.11).
<7> Amendment to the internal control system: incorporation of the Shareholders’ Meeting resolution on the “Scope of Rank-and-file Employees” into the internal control system (2025.08.11).
<8> Proposal for the 2025 sustainable development plan and risk management policies or strategies (2025.11.12).
2> Board reports
<1> Report on the Company’s implementation of sustainable development for 2025 (2025.11.12).
<2> Report on the implementation status of ethical corporate management for 2025 (2025.11.12).
<3> Report on the implementation status of insider trading prevention for 2025 (2025.11.12).
<4> Report on supplier management for 2025 (2025.11.12).
<5> Report on succession planning and implementation for Board members and key management personnel for 2025 (2025.11.12).
<6> Report on information security and communications management policies and implementation for 2025 (2025.11.12).
<7> Report on communication with each category of stakeholders for 2025 (2025.11.12).</td></tr>
</table>

<table>
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<tr><td>Yes</td><td>No</td><td>Summary Explanation</td></tr>
</table>

<8> Report on workplace diversity and gender equality policies and implementation for 2025 (2025.11.12).
<9> Report on Board diversity and independence and implementation for 2025 (2025.11.12).
<10> Report on measures for the protection of employee personal safety and working environment and their implementation for 2025 (2025.11.12).
<11> Report on risk management responsibilities and implementation for 2025 (2025.11.12).

3> Other
<1> Obtained the Group's 2025 ISO 27001 information security and communications management continuing certificate certified by AFNOR International for 2024.11-2027.11.
<2> In 2025, the Board of Directors by-elected one female Director; female Directors currently hold one seat in total.
<3> In Q4 2025, completed the first internal audit in accordance with the "Internal Control System for the Management of Sustainability Information."
<4> Enhanced sustainability competencies through education and training.
A. Management course: Innovative Thinking was completed on 2025/08/28.
B. General course: Applications of AI was completed on 2025/08/19.
C. Sustainability course: Understanding TCNFD from the Perspective of IFRS was completed on 2025/08/28.

(10) Investment in Green Electricity:
1> In 2024, the Company invested in solar PV Tier 1 module installations with a contracted capacity of 446.40 kWp, investing a total of NT$11,496 thousand. In 2025, the continuing energy-saving effect was 587.898 kWh, equivalent to an estimated reduction of approximately 245.92 tonnes of carbon emissions.
2> In response to the government's resource sustainability policy of "setting goals for resource sustainability and creating innovation through circular utilization," and to continue implementing domestic resource recycling, improving national resource use efficiency, increasing effective and sustainable circular utilization of resources, reducing industrial greenhouse gas emissions and environmental impacts, and enhancing overall national green competitiveness to build a resource-sustainable circular society, the Company has invested in Yongsheng Sustainable Development Co., Ltd. since 2016, with cumulative investment reaching NT$245 million. The company mainly invests in Yongcheng Environmental Technology Co. (waste incineration treatment), Yongmao Environmental Technology Co. (solid recovered fuel/SRF manufacturing), and Guangqing Environmental Protection Co. (waste removal and transportation). Currently, Yongcheng Environmental Technology Co. can process up to approximately 314.4 million tonnes of liquid waste per year (and is currently applying for solid waste treatment), Yongmao Environmental Technology Co. can produce up to 18,000 tonnes of SRF per year, and Guangqing Environmental Protection Co. can remove and transport 35,700 tonnes of environmental waste per year.

(11) Energy usage over the past three years:
The statistics on renewable and non-renewable energy use cover the head office, Guangzhou King Nichi plant, Guangzhou Kingtachi plant, and Chinsan Thailand plant. Related energy disclosure data are presented in the table below:

Energy Type	Unit	2023	2024	2025
Purchased electricity (general)	kWh	28,802,667	32,132,432	32,586,469
	GJ	103,690	115,677	117,311
Solar energy (renewable)	kWh	777,605	1,349,125	1,326,225
	GJ	2,799	4,857	4,774
Subtotal of indirect energy	GJ	106,489	120,534	122,086
Diesel	Liter	15,990	18,902	24,530
	GJ	578	684	886
Gasoline	Liter	21,542	19,826	24,682

Evaluation Item	Operational Status (Note 1)			Differences from and reasons for deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

	GJ	700	644	802
Liquefied petroleum gas (LPG)	Liter	5,945	2,196	1,909
	GJ	158	58	51
Direct energy	GJ	1,436	1,386	1,739
Total energy consumption	GJ	107,925	121,920	123,824
Revenue	NT$ thousand	3,193,488	3,430,181	3,765,883
Energy intensity	GJ/NT$ thousand	0.03380	0.03554	0.03288
Tap water	Cubic meters/tonnes	170,558	198,757	221,250

Note 1: If "Yes" is selected for the implementation status, please provide specific explanations of the key policies, strategies, and measures adopted, as well as the implementation status. If "No" is selected, please explain the differences and reasons in the "Differences and Reasons Compared to the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies" column, and describe future plans for adopting relevant policies, strategies, and measures. For Contents 1 and 2, TWSE/TPEx listed companies shall specify the governance and supervisory structure for sustainable development, including but not limited to management policies, strategy and goal setting, and review measures. In addition, please specify the company's risk management policies or strategies for environmental, social, and corporate governance issues related to operations, as well as the status of their assessment.

Note 2: The principle of materiality refers to environmental, social, and corporate governance matters that have a significant impact on the company’s investors and other stakeholders.

Note 3: The Company conducts risk assessments of material issues in accordance with the materiality principle for sustainable development and, based on the risks identified through these assessments, formulates corresponding risk management policies or strategies as follows:

Issue	Risk Category	Risk Items	Risk Management Strategy	Risk Management Department
Economic Aspects (Including Corporate Governance)	Strategic Risk	Corporate Governance	1. Establish a sound governance structure and implement the Board diversity policy, including gender and professional backgrounds. 2. Follow international standards such as GRI, SASB, and IFRS to strengthen transparency of information disclosure.	Administration Department
	Strategic Risk	Operating Performance	1. Hold monthly internal production and sales meetings and adjust production line equipment investments based on emerging demand such as AI. 2. Strengthen the financial structure and cost control to improve operating results and returns to stakeholders. 3. Actively develop AI Server (550V/600V) products, automotive application specifications, and solid-liquid high-temperature (135℃) capacitors to reduce the proportion of low-margin products.	Administration Department Research and Development Division Manufacturing Department
	Strategic Risk	Risk management	1. Establish a Sustainable Development Committee directly under the Board of Directors, with a Risk Management Team under the committee. 2. Establish an audit unit under the Board of Directors and formulate internal audit procedures. From an objective standpoint, the unit investigates and evaluates deficiencies in the internal control system, measures operational efficiency, and provides timely recommendations for future operational improvements to ensure the continuous and effective implementation of the internal control system and the fulfillment of its responsibilities.	Administration Department
	Preventable Risks	Integrity Risk (Professional Conduct)	Establish comprehensive codes of ethical conduct and implement sound corporate governance and risk management mechanisms, including the assessment of risks associated with unethical behavior and the formulation of relevant preventive measures, to ensure the effective implementation of the ethical business operation policy.	Management Department
	Preventable Risks	Legal Compliance	Closely monitor changes in policies and regulations to enable prompt responses. Enter into long-term Consultant agreements with Attorneys to assist in the drafting and pre-execution review of contracts, with the objective of mitigating legal risks.	Management Department
	Strategic Risk	Information Security	The "Information Security Management Operation Guidelines" are established to implement layered control and protection mechanisms for application programs, operating systems, and network systems. The specific Explanation is as follows: 1. Implement systems for proactive threat defense (IPS), malicious URL filtering, and advanced persistent threat (APT) protection. 2. Establish access control, implement identity authentication for login systems, manage passwords, authorize access, and conduct regular vulnerability scans and other audit procedures. 3. Conduct annual information security education, training, and assessments for Employees to strengthen their awareness of information security risks. 4. Annually review information security protection measures and regulations, monitor information security issues, and formulate response plans to ensure their appropriateness and effectiveness. 5. Implementation of ISO 27001 Information Security Management System.	Information Department
Environment	Strategic Risk	Greenhouse Gas Emissions and	1. Collect climate change information each year and introduce the TCFD/TNFD framework to identify risks. 2. Conduct ISO 14064-1 inventories, compile monthly greenhouse gas emission data, and reduce carbon	General Affairs Department /

Issue	Risk Category	Risk Items	Risk Management Strategy	Risk Management Department
		Energy Management	emissions per unit of product by at least 1% each year to effectively control greenhouse gas emissions. 3. Install solar photovoltaic equipment (green electricity) for self-generation and self-use to reduce purchased electricity. 4. Promote the integration of corporate energy and resources, review implementation progress, and enhance various technologies for energy conservation and carbon reduction. 5. The primary reduction and mitigation measures include converting fixed-frequency air compressors to variable-frequency models, implementing waste heat recovery from air compressors, reducing diesel consumption, and strengthening energy-saving and carbon reduction performance in production processes.	Plant Affairs Department / Research and Development Department / Manufacturing Department
	External Risks	Product Hazardous Substance Management	1. Products pass SGS testing to ensure compliance with EU non-toxic environmental standards. 2. Require suppliers to sign the RBA agreement and comply with HSF requirements.	General Affairs / Plant Operations
	External Risks	Water Resources Management	1. Implement energy and water conservation improvement measures to reduce energy consumption and water costs. 2. Establish a water shortage emergency response team to monitor the current status of water sources within the facility, strengthen emergency response capabilities, and mitigate the risk of water shortages in the plant. 3. Promote projects and technological research and development to improve the use of ultrapure water in manufacturing processes, reduce ultrapure water consumption, and implement rainwater recycling, thereby enhancing the efficiency of water resource recycling and utilization.	General Affairs / Plant Operations
	Strategic Risk	Waste and Air Pollution Control	1. In line with the principles of the circular economy, efforts are focused on source reduction of waste, minimization of waste during production processes, and the recycling and reuse of materials, in order to minimize waste generation and maximize resource utilization. 2. Optimization of wastewater treatment results in a reduction in the waste sludge generation ratio by %. 3. Waste management practices include the implementation of waste segregation, as well as the recycling and reuse of cardboard boxes and used pallets during the production process, in order to achieve waste reduction targets. 4. In accordance with legal requirements, implement and enforce the qualification review and management of waste removal and disposal contractors to ensure that all waste is properly processed, thereby achieving the objective of minimizing environmental impact.	General Affairs / Plant Operations
	External Risks	Climate change	Annually collect and analyze information pertaining to climate change issues, and identify and assess related risks in order to mitigate the potential adverse impacts of climate change on the company.	General Affairs / Plant Operations
Society	Strategic Risk	Employee Benefits	1. Establish personnel welfare systems in accordance with laws and regulations and provide diverse welfare measures that exceed statutory requirements. 2. Endeavor to create an equal, diverse, inclusive, and friendly workplace environment. 3. Hold education and training and happiness lectures from time to time, such as climate change, long-term care resources, and career development, to enhance employee competencies.	Human Resources
	Strategic Risk	Labor Relations	1. Regularly convene labor-management meetings to ensure mutual understanding and maintain harmonious relations. Establish interactive communication and grievance channels and fully comply with labor laws and regulations.	Human Resources

Issue	Risk Category	Risk Items	Risk Management Strategy	Risk Management Department
			2. Establish an equal, diverse, and inclusive workplace, strictly prohibit all forms of discrimination and harassment, and respect employee diversity. 3. Establish diversified communication channels, such as forums, suggestion boxes, and union communication, to ensure that employee voices are promptly communicated to management. 4. Strictly comply with labor laws and regulations in each place of operation, protect employees' freedom of association and collective bargaining rights, and safeguard basic human rights and dignity.	
	Preventable Risks	Talent Recruitment and Retention	1. By employing a variety of open recruitment channels, talent is widely sourced to enhance recruitment efficiency. 2. Provide stable and competitive compensation and benefits, establish comprehensive career development plans, and encourage Employees to obtain licenses or professional certifications.	Human Resources
	Preventable Risks	Human Rights	In accordance with international human rights standards and the labor laws applicable in the jurisdictions of our global operations, we are committed to creating a workplace that ensures equal employment opportunities and is free from discrimination and harassment. We respect individual privacy rights and have established multiple channels for labor-management communication and grievance mechanisms to safeguard Employee Equity.	Human Resources
	Preventable Risks	Occupational Safety and Health	1. The Company renewed its ISO 45001 certification for the period from January 2022 to January 2025, having initially obtained the Occupational Health and Safety Management System certification in 2010. In accordance with the "Group Safety and Health Partner Regional Joint Defense" system, the Company and its affiliates conduct mutual supervision and share experiences to further strengthen the implementation of the occupational safety and health management system. 2. Establish a fire disaster prevention and response system by forming an Emergency Response Team and designating First Aid Personnel. Conduct fire drills and occupational safety education and training every six months to enhance Employee emergency response and self-safety management capabilities. In 2025, a total of 58 Employees participated, accumulating 58 training hours. Fire safety equipment is inspected quarterly to minimize losses in the event of a disaster and to safeguard the personal safety of Employees. 3. Conduct Employee health examinations and occupational safety seminars, and provide appropriate and adequate protective measures.	General Affairs / Plant Operations

Implementation of climate-related information in 2026:

Contents	Implementation Status
1. Disclosure of the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	1. The Board of Directors has established a Sustainability Committee. The Company is actively strengthening its corporate governance functions related to sustainable operations and environmental sustainability by establishing a Sustainability Development Committee directly under the Board of Directors. Under this committee, a Risk Management Task Force and a Sustainability Development Task Force have been formed. As the highest governing body for the Company's sustainability governance and risk management, the committee is chaired by the General Manager as appointed by the Board of Directors and comprises four Independent Directors. The committee is responsible for setting annual objectives for corporate social responsibility across economic, environmental, and social dimensions, as well as for risk management (including TCFD), and for regularly

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monitoring the implementation of these objectives. The committee leads the Company’s sustainable development efforts, continuously advancing and achieving various short-, medium-, and long-term goals.
2. Management:
To ensure effective risk management and the oversight of sustainability-related matters, first-level department heads convene meetings as necessary to identify and analyze climate-related risks and opportunities, develop response strategies to achieve the objectives established by the Sustainability Development Committee, and report to the Board of Directors.
The Company has assigned the responsible unit to oversee climate and greenhouse gas emissions governance, and has established the following policies, commitments, and management actions:
<table>
<tr><td>Key Matters</td><td>Climate Change and Greenhouse Gas Emissions</td></tr>
<tr><td>Responsible Department</td><td>Administration Department, Research and Development Department, Manufacturing Department, Plant Operations, Quality Control Department, Procurement Department</td></tr>
<tr><td>Policy</td><td>1. Collect and analyze information on climate change issues annually, and identify and assess related risks in order to mitigate the potential negative impacts of climate change on the Company.
2. Implement energy and water conservation improvement measures to enhance utilization efficiency and reduce energy consumption and costs.
3. Enhance or optimize various technologies for energy conservation and carbon reduction.
4. In accordance with the principles of the circular economy, efforts are focused on source reduction of waste, process waste minimization, and the recycling and reuse of materials, in order to minimize waste generation and maximize resource utilization.
5. Optimization of wastewater treatment to reduce the proportion of waste sludge generated.
6. Conduct qualification reviews and manage waste removal and treatment contractors in accordance with legal requirements to ensure that all waste is properly disposed of, thereby achieving the objective of minimizing environmental impact.
7. Improve product energy efficiency and reduce carbon emissions in downstream processes.</td></tr>
<tr><td>Commitment</td><td>1. Comply with laws, customer requirements, and other relevant regulations, and fulfill responsibilities for environmental protection.
2. Implement environmental, energy, water resource, and resource management; conserve energy and natural resources; establish an environmentally friendly and energy-efficient working environment; and improve environmental management performance.</td></tr>
<tr><td>Management actions and Performance Monitoring</td><td>1. The Company has established a greenhouse gas inventory team to annually compile greenhouse gas emission data for the preceding year, identify carbon emission hotspots, and enable effective management of greenhouse gas emissions.
2. Installation of solar photovoltaic power generation facilities (green energy) to partially replace conventional power generation, thereby achieving carbon reduction targets and stabilizing the power supply during periods of electricity shortages.
3. Replacement of high energy-consuming facilities and implementation of energy-efficient equipment (primary reduction and emission mitigation measures include converting fixed-frequency air compressors to variable-frequency models, recovering waste heat from air compressors, reducing diesel consumption, and enhancing energy-saving and carbon reduction performance in production processes).
4. Establish a water shortage emergency response team to monitor the current status of water sources within the facility, enhance emergency response capabilities, and reduce the risk of water shortages in the plant.
5. Implementation of waste segregation, as well as the recycling and reuse of cartons and used pallets during the production process, to achieve waste reduction targets.</td></tr>
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Contents	Implementation Status
2. Description of how the identified climate risks and opportunities affect the company's business, strategy, and financial performance over the short, medium, and long term.	Senior management at Chinsan Electronic conducts analysis and discussion of each Contents related to the risks and opportunities that climate change presents to operations. The probability of occurrence and the degree of impact over the short, medium, and long term are each assessed on a scale of 1 to 5, from low to high, in order to identify the significant risks and opportunities that climate change may pose to the company. With respect to business development, the climate risks that have a greater impact on the company are as follows: 1. Transition Risks:

Category	Risk Type	Period	Site	Impact on the Company	Response Strategies
Policy/Regulation	Carbon Pricing Mechanism	Medium/ Long-term	Headquarters	Increased operating costs	1. Regularly evaluate and analyze carbon pricing, integrate it into plant operations to facilitate the early adoption of carbon reduction initiatives, and mitigate the impact of carbon pricing. 2. Continue to monitor regulations and legislative developments related to carbon pricing in various countries. 3. Incorporate education and training related to carbon pricing mechanisms to strengthen internal understanding of carbon pricing within the Company.
	Strengthened Greenhouse Gas Emissions Reporting Obligations	Short/Medium/Long-term	All Plant Sites	Reduced revenue	1. The Company has established dedicated departments and personnel to carry out greenhouse gas inventory and energy management. 2. Internal audit training is conducted annually to enhance the competencies of relevant personnel. 3. Annual objectives are established in accordance with the ISO management system to promote energy conservation in production processes and utility equipment.
Technology	Substituting Existing Products and Services with Low-Carbon Alternatives	Long-term	Headquarters and All Plant Sites	Increased operating costs	1. Assess the feasibility of various enhancements to high-performance products, including product structure, materials, and other relevant aspects. 2. Collaborate with academic institutions to research and develop feasible low-carbon technologies and create various viable low-carbon products or services. 3. Actively pursue initiatives in renewable energy, power generation, electricity creation, and energy storage. 4. Expand product applications within the electric propulsion and smart grid industry chain.
	Costs of Transition to Low-Carbon Technologies	Long-term	Headquarters and All Plant Sites	Increased operating costs	1. The R&D unit continues to invest R&D manpower to enhance R&D technology and capabilities. 2. Provide employee training and education to enhance knowledge and capabilities in low-carbon technologies and practices. 3. Continue to collaborate with academic institutions on research, combine leading academic technologies, and introduce R&D and output capabilities for low-carbon products.
Market	Changes in Customer Behavior	Long-term	Headquarters and All Plant Sites	Increased operating costs / increased capital expenditures / reduced revenue	1. Install solar energy equipment and establish carbon reduction targets. 2. Reuse pallets to reduce single-use consumption. 3. Continue to invest in and develop high-performance products. 4. Monitor market trends and customer needs to engage in forward-looking technology development. 5. Enter into RBA agreements with suppliers and establish a supplier selection mechanism to ensure that suppliers prioritize human rights and carbon reduction objectives.
	Increase in Raw Material Costs	Medium/ Long-term	Headquarters and All Plant Sites	Increased operating costs / reduced revenue	1. Compare the strengths and weaknesses of different suppliers to obtain recycled-material suppliers with the best value. 2. Update product quotations based on actual conditions, establish a price adjustment mechanism, and transparently pass through relevant costs.

Contents	Implementation Status
	2. Physical Risks:

Category	Risk Type	Period	Site	Impact on the Company	Response Strategies
Acute	Increased Severity of Extreme Weather Events Such as Typhoons and Floods	Short/Medium/Long-term	Headquarters and All Plant Sites	Increased operating costs / reduced revenue / property losses	1. Continue to invest in disaster prevention equipment and drainage system maintenance. 2. Establish standard operating procedures for various emergency responses. 3. Establish disaster prevention and reporting mechanisms, form a "Crisis Management Team," and strengthen personnel education and training for emergency response to disasters. 4. Continue to communicate with local governments to prioritize strengthening drainage and flood-control facilities at production sites.
Chronic	Changes in Rainfall (Water) Patterns and Extreme Variations in Climate Patterns	Short/Medium/Long-term	Headquarters and All Plant Sites	Increased operating costs / reduced revenue / property losses	1. Deploy backup power generation equipment and research and invest in related energy storage systems. 2. Optimize production planning and materials management in accordance with electricity rationing policies and energy supply conditions. 3. Maintain close communication and cooperation with local governments to understand power restriction policies and schedules, as well as relevant energy supply information, in order to make optimal production adjustments.

3. Opportunities:

Type		Period	Operating Site	Impact on the Company	Response Strategy
Resource Efficiency	Use more efficient production and distribution processes (improve resource utilization and save costs).	Long Term	Operating Head Office and All Plants	Decrease in operating costs / increase in revenue	1. Improve efficiency and reduce environmental impact in the manufacturing process. 2. Use data collection technology to effectively control energy consumption of automated equipment, improve production efficiency, and reduce energy consumption.
Energy Source	Use low-carbon energy	Long Term	Operating Head Office and All Plants	Decrease in operating costs / increase in revenue	1. Inventory the solar power areas of plants and evaluate solar power efficiency. 2. Consider the feasibility of promoting the installation of solar equipment at other plants.
Products and Services	Develop or expand low-carbon products and services	Medium to Long Term	Operating Head Office and All Plants	Reduce operating costs / increase revenue / enhance reputation and image	1. Continue to understand customers' transition trends toward low-carbon products. 2. Develop low-carbon products or reduce carbon emissions.
Resilience	Participate in renewable energy projects and adopt energy-saving measures	Long Term	Operating Head Office and All Plants	Decrease in operating costs / increase in revenue	1. The Guangzhou plant installed solar equipment to achieve its electricity-saving targets. 2. For water resources, domestic wastewater is partially used for watering plants to conserve water resources.

3. Disclosure of the impact of extreme climate events and transition actions on	Transition Risks and Measures: 1. Carbon Pricing Mechanism:

Contents	Implementation Status
financial position.	Impact: International or domestic regulations related to renewable energy may affect the sources, composition, and prices of current and future energy, potentially resulting in decreased revenue. Take measures: A. Regularly evaluate and analyze carbon pricing, integrate it into plant operations to facilitate the early adoption of carbon reduction initiatives, and mitigate the impact of carbon pricing. B. Continue to monitor regulations and legislative developments related to carbon pricing in various countries. C. Provide education and training related to carbon pricing mechanisms to strengthen internal understanding of carbon pricing within the Company. 2. Strengthened Greenhouse Gas Emissions Reporting Obligations: Impact: The “Sustainable Development Roadmap for Listed Companies” issued by the Taiwan Financial Supervisory Commission requires listed companies to complete greenhouse gas inventory, verification, and reporting for both the parent company and its subsidiaries, resulting in increased compliance and operating expenses. Chinsan Electronic conducts greenhouse gas inventories for each plant site and undergoes third-party verification, which will increase operating costs. Take measures: A. The Company has established dedicated departments and personnel to carry out greenhouse gas inventory and energy management. B. Internal audit training is conducted annually to enhance the competencies of relevant personnel. C. Annual objectives are established in accordance with the ISO management system to promote energy conservation in production processes and utility equipment. 3. Substituting Existing Products and Services with Low-Carbon Alternatives: Impact: In response to global carbon reduction initiatives, the Company’s intensified research and development of low-carbon products will result in increased expenditures for the development of new and alternative technologies, thereby raising operating costs. Take measures: A. Assess the feasibility of various enhancements to high-performance products, including product structure, materials, and other relevant aspects. B. Collaborate with academic institutions to research and develop feasible carbon reduction solutions and focus on low-carbon products or services. C. Actively pursue initiatives in renewable energy, power generation, electricity creation, and energy storage. D. Expand product applications within the electric propulsion and smart grid industry chain. 4. Costs of Transition to Low-Carbon Technologies: Impact: Capital expenditures invested in research and development, or the costs of adopting and establishing new practical operating processes, will increase operating costs. Take measures: A. The R&D unit continues to invest R&D manpower to enhance R&D technology and capabilities. B. Provide employee training and education to enhance knowledge and capabilities in low-carbon technologies and practices. C. Continue to collaborate with academic institutions on research to introduce R&D capabilities for low-carbon products. 5. Changes in Customer Behavior: Impact: Due to heightened awareness of climate change, customers are requiring the Company and its suppliers to adopt initiatives such as the Science Based Targets initiative (SBTi) for carbon reduction and to disclose information in accordance with the Sustainability Accounting Standards Board (SASB). In response to sustainability requirements, the Company must invest additional promotion and management costs to ensure that customer requirements are met. This may increase operating costs or capital expenditures and/or reduce revenue. Take measures: A. Install solar energy equipment and establish carbon reduction targets. B. Reuse pallets, BAR strips, and aluminum bags to reduce single-use consumption. C. Continue to invest in and develop high-performance products. D. Monitor market trends and customer needs to engage in forward-looking technology development. E. Enter into RBA agreements with suppliers and establish a supplier selection mechanism to ensure that suppliers prioritize human rights and carbon reduction objectives.

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	6. Increase in Raw Material Costs: Impact: The Company may be affected by carbon reduction and energy conservation policies of the European Union and various countries, as well as the supply chain decarbonization transition, leading to increased raw material production costs. Climate disasters may also affect transportation and result in higher raw material freight costs. Take measures: A. Compare the strengths and weaknesses of different suppliers and establish a supplier evaluation mechanism to obtain suppliers with the best value. B. Maintain three suppliers for each type of raw material to avoid the risk of rising raw material costs or supply chain disruption at the place of origin. Overall Impact: 1. Extreme climate events may lead to increased operating costs and decreased revenue: Extreme climate conditions have intensified the effects of high temperatures and droughts during the summer, potentially leading to water shortages that may disrupt operations. Typhoons or heavy rainfall may result in power shortages, power rationing, and property losses. Failure by the Company to respond appropriately may cause production stoppages, extended delivery periods, increased operating costs, and reduced revenue. 2. Impact on the Company's Rating by Financial Institutions: When financial institutions evaluate an enterprise's climate-related financial performance for investment and lending decisions, failure to meet the required standards may have a negative impact on the Company. 3. Transformation actions may involve risks as well as opportunities: Transformation actions, such as replacing carbon-reducing equipment, selecting carbon-reducing waste treatment methods, developing low-carbon products, or designing circular economy products, may increase costs in the short term. However, they also improve resource efficiency and, in the long term, enhance the Company's competitive advantage.
4. Explanation of how the processes for identifying, assessing, and managing climate risks are incorporated into the overall risk management framework.	Integration with internal risk management procedures for oversight and monitoring: Through learning initiatives and cross-departmental exchange mechanisms, the framework for climate change risk and internal risk management procedures is comprehensively understood, thereby enhancing each department's capacity to identify, assess, measure, and monitor climate change risks. This approach facilitates effective management of operational risks and the development of appropriate response measures. Internal control mechanisms are incorporated to conduct regular reviews, ensuring the effective implementation of operational risk management. Moving forward, documentation of risk management procedures and their execution outcomes will be continuously expanded and utilized as a basis for lessons learned. The risk status is reported to the Board of Directors at least annually to ensure the proper functioning of the management structure and risk control mechanisms. Practices regarding climate-related financial disclosures:

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<tr><th>Process</th><th>Practices</th></tr>
<tr><td>Risk Identification</td><td>With reference to the Recommendations on Climate/Nature-related Financial Disclosures (TCNFD), and based on industry characteristics as well as climate/nature change risks and opportunities identified by industry peers, identify the factors related to climate change risks and opportunities.</td></tr>
<tr><td>Risk Assessment</td><td>Invite senior executives to participate in climate/nature risks and opportunities workshops to assess the likelihood, impact level, and timing of climate/nature change effects on the Company's operations and development, introduce financial information, and prioritize material risk and opportunity items.</td></tr>
<tr><td>Risk Response Strategy Formulation</td><td>Formulate corresponding management response strategies according to the varying degrees of impact of risks and opportunities to reduce or transfer risks and mitigate the impact when risks occur.</td></tr>
<tr><td>Risk Monitoring</td><td>● Regularly monitor, track, and improve risk control measures to ensure implementation effectiveness.
Regularly report risk results and effectiveness to senior management and the Board of Directors for future operational decision-making and management.</td></tr>
<tr><td>Risk Response</td><td>● Monitor government regulations and duly comply with legal requirements to avoid fines resulting from negligence.
● Plan backup energy solutions, such as generator units or renewable energy facilities, to address potential power rationing situations.
● Communicate and coordinate with local governments regarding power restriction schedules to effectively regulate production schedules and avoid impacts on production capacity and shipment schedules due to power rationing.
● Designate dedicated personnel to conduct greenhouse gas inventories and continue to monitor regulations and legislative developments related to carbon pricing in various countries.
● Collaborate with academic institutions to research and develop feasible low-carbon technologies and develop various feasible low-carbon products or services.
● Actively pursue initiatives in renewable energy, power generation, electricity creation, and energy storage; install solar energy equipment; inventory the available solar installation area at plant sites; and assess solar energy efficiency.
● Continue to invest in disaster prevention equipment and drainage system maintenance.
Establish standard operating procedures for various emergency responses.</td></tr>
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<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, an explanation shall be provided regarding the scenarios, parameters, assumptions, analytical factors, and principal financial impacts considered.</td><td>To strengthen climate resilience and effectively identify potential financial impacts, Chinsan Electronic follows the TCFD recommended framework and incorporates scenario analysis as the basis for strategic planning and risk management. The Company simulates the impact of climate change on its overall operations and financial position under different temperature-rise pathways, thereby assessing uncertainty and formulating corresponding mitigation and adaptation strategies. With reference to the scenarios mentioned in the World Energy Outlook 2024 (WEO 2024) published by the International Energy Agency (IEA) in 2024, the Company adopts the “Net Zero Emissions by 2050 (NZE)” scenario and the “Stated Policies Scenario (STEPS)” as hypothetical scenarios.
For physical risks, the Company uses the Shared Socioeconomic Pathways (SSPs) mentioned in the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC) in 2021 to simulate greenhouse gas emission scenarios, selecting low-emission/sustainable scenarios (SSP1-1.9 and SSP1-2.6) and the extreme-emission scenario (SSP5-8.5) for scenario analysis.
<table>
<tr><th>Evaluation Method</th><th>Applicable Risk</th><th>Scenario Source</th><th>Selected Scenario</th><th>Scenario Description</th><th>Key Variables</th><th>Financial Impact on the Company</th></tr>
<tr><td>Chinsan Electronic</td><td>Transition Risk</td><td>IEA WEO 2024</td><td>2050 Net Zero Emissions (NZE)</td><td>This scenario assumes that global warming is controlled within 1.5℃ and that governments adopt aggressive carbon reduction regulations, carbon pricing mechanisms such as CBAM, and energy transition policies, in order to assess the financial pressure on the Company from investments in low-carbon technology R&D and carbon cost expenditures.</td><td>Demand for low-carbon products may grow steadily as requirements under various countries’ regulations gradually increase.</td><td rowspan="2">Risks:
1. Costs of transition to low-carbon technologies
2. Increase in raw material costs
3. Changes in customer behavior
4. Increased severity and frequency of extreme climate events; carbon pricing mechanisms

Risks:
1. Entering new markets
2. Using more efficient production and distribution processes
3. Developing and/or increasing low-carbon products and services</td></tr>
<tr><td>Chinsan Electronic</td><td>Transition Risk</td><td>IEA WEO 2024</td><td>Stated Policies Scenario (STEPS)</td><td>Based on existing climate commitments and regulatory developments in various countries, this simulates the impact of</td><td>Customers require achievement of 100% green electricity or significant carbon</td></tr>
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Contents	Implementation Status

				changes in market and customer behavior on demand for electronic components, serving as a baseline for the Company's medium- and long-term business planning.	reduction by 2030.	
Chinsan Electronic and key suppliers	Physical Risk	IPCC AR6	Extreme emissions scenario (SSP5-8.5)	Under a high-warming scenario, this simulates increased frequency of extreme heavy rainfall, typhoons, and high-temperature heat waves faced by the Taiwan headquarters and the plants in Mainland China and Thailand, and assesses the financial impact on plant facilities and production interruptions.	Due to changes in extreme weather and increased severity, adverse weather such as typhoons, floods, and droughts occurs more frequently, causing plant flooding, power outages, inability to work, longer manufacturing schedules for factories and the supply chain, and damage to plant equipment. These factors affect the Company's normal operations and delay product delivery schedules, resulting in decreased revenue and increased costs. Climate change makes the impact of extreme high temperatures and drought in summer more significant; heavy rainfall in various parts of China has caused severe flooding near plant areas, leading to power shortages and power restrictions. If the Company fails to respond effectively, production may be suspended, delivery lead times may be extended, operating costs may increase, and revenue may decrease.	
Chinsan Electronic and key suppliers	Physical Risk	IPCC AR6	Low-emission/sustainable scenario (SSP1-1.9 & SSP1-2.6)	Inventory supply chain stability under drought events through scenario simulation to ensure the continuous operation of the overall value chain.		

6. If there are transition plans in place to manage climate-related risks, provide an Explanation of the content of these plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.	1. Transition Plan and Content Chinsan Electronic's transition plan centers on "low-carbon production and resource efficiency," "energy source transition," and "supply chain management," aiming to reduce transition risks and strengthen physical resilience. A. Low-carbon production and resource efficiency • Promote energy-saving improvement projects, such as changing air compressors from fixed frequency to variable frequency and recovering waste heat, to improve energy efficiency and reduce costs. • Implement a circular economy and commit to waste reduction and recycling/reuse, with the goal of minimizing waste generation. • Optimize wastewater treatment to reduce the ratio of waste sludge generated. • Increase water recycling and reuse and reduce water consumption. B. Energy source transition:

Contents	Implementation Status

- Promote the use of renewable energy, such as installing solar photovoltaic power generation facilities (green electricity) at sites including the Guangzhou and Thailand plants, to replace conventional power generation and stabilize power supply during power shortages.

C. Supply chain management:

- Sign RBA agreements with suppliers and establish a supplier selection mechanism to ensure that the supply chain emphasizes carbon reduction targets, establishes dedicated departments, and implements greenhouse gas inventories and ISO management systems in response to domestic and foreign regulatory requirements.

2. Metrics and targets used to identify and manage physical risks and transition risks

Chinsan Electronic monitors risks through specific key indicators and sets phased carbon reduction targets to track implementation results.

A. Risk Identification and Management Metrics

Risk Category	Key Indicator	Description and Management Measures
Transition Risk	Greenhouse gas emissions (Scope 1, 2, and 3)	Greenhouse gas emission data are compiled each year and compared with the previous two years to identify carbon emission hotspots for control and to conduct third-party assurance.
	R&D investment in low-carbon products / proportion of revenue	Invest R&D manpower, cooperate with academia, monitor low-carbon products, and strive to improve product efficiency.
	Installed renewable energy capacity / usage	Inventory and evaluate plant solar power efficiency and increase the proportion of green electricity use to respond to the impact of carbon pricing.
	Supplier RBA signing rate	Monitor suppliers' participation in human rights and carbon reduction goals.
Physical Risk	Maintenance frequency of disaster prevention and drainage systems	For extreme weather events such as typhoons and floods, continue to invest in disaster prevention equipment maintenance to reduce the risk of property losses.
	Backup power generation and energy storage system capacity	Research and invest in energy storage systems and optimize production plans in response to risks of power rationing and power shortages.
	Process water recycling and wastewater reuse volume	For example, reuse domestic wastewater for watering plants and monitor water resource use efficiency to respond to drought risks.

B. Climate-related Targets

Chinsan Electronic has set a clear timeline and targets for greenhouse gas reduction:

Timeline	Description and Management Measures
Short-term Target (2027-2029)	• Gradually expand the scope of Scope 3 inventories to achieve Group-wide assurance. • Reduce unit carbon emissions for specific items by at least 1% each year. • Promote product carbon footprint inventories at the Thailand and Guangzhou plants.
Medium- and Long-term Target (2030-2050)	• Accurately calculate the Group's carbon emissions and continue to promote reduction actions. • Work toward the goal of net-zero emissions by 2050. • Continue to increase the proportion of solar power generation.

3. Governance and Integration Process

This plan is supervised by the Sustainable Development Committee directly under the Board of Directors, with the General Manager serving as chairperson. The Risk Management Team refers to the TCNFD (climate/nature-related financial disclosures) framework, regularly identifies risk factors each year, formulates countermeasures, and reports to the Board of Directors to ensure that climate risk management is

Contents	Implementation Status
	closely integrated with the Company’s overall internal control mechanism.
7. If internal carbon pricing is utilized as a planning tool, an explanation of the basis for price determination shall be provided.	1. The European Union is expected to implement the CBAM carbon border adjustment mechanism beginning February 2, 2027, with full implementation in 2026. Taiwan is anticipated to commence the collection of carbon fees from 2026 to 5. Although the Company is not included in the initial group of entities subject to these levies, it continues to closely monitor regulatory developments and updates. 2. The Company has implemented ISO 14064-1 inventory management, which has now been extended to Scope 3, and assurance for the entire group was completed in 2024. The Company is currently advancing carbon footprint initiatives (covering both the Thailand and Guangzhou plants) as the basis for establishing greenhouse gas reduction targets, and will actively formulate science-based carbon reduction targets in the future.
8. If climate-related targets have been established, an Explanation shall be provided detailing the activities covered, the scope of greenhouse gas emissions, the planned timeline, and the annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are utilized to achieve such targets, an Explanation shall be provided specifying the source and quantity of the carbon offsets or the number of Renewable Energy Certificates (RECs) used.	The Company has implemented ISO 14064-1 inventory management, which has been extended to Scope 3, and assurance for the entire group was completed in 2024. Short-term goals (2026-2029): Gradually expand the coverage of Scope 3 inventory, accurately calculate the Group’s carbon emissions, and achieve an annual reduction of at least 1% in unit carbon emissions for the following Contents. Accurately calculate the Group’s carbon emissions for the medium to long term (2030–2050) and strive to achieve the target of net zero emissions by 2050. Explanation of Chinsan Electronic’s Climate-related Target Setting 1. Covered activities and greenhouse gas emission scopes: A. Emission scopes: The Company has introduced ISO 14064-1 inventories, covering Scope 1, Scope 2, and Scope 3. B. Covered activities: • In 2024, Group-wide greenhouse gas assurance was completed. • Product carbon footprint inventories are currently being promoted, covering the Thailand and Guangzhou plants, as the basis for setting future reduction targets. • The Company plans to actively formulate science-based carbon reduction targets (SBTi) in the future. 2. Planned schedule and annual progress: A. Short-term targets (2026–2029): • Gradually expand the scope of Scope 3 inventories. • The target is to reduce unit carbon emissions for specific items by at least 1% each year. B. Medium- and long-term targets (2030–2050): • Accurately calculate the Group’s carbon emissions and continue to promote reduction actions. • Work toward the goal of net-zero emissions by 2050. • Continue to increase the proportion of solar power generation. 3. Use of carbon offsets and renewable energy certificates (RECs): • Chinsan Electronic mainly replaces part of conventional power generation by installing solar photovoltaic power generation facilities (green electricity) to achieve its carbon reduction targets. • The specific sources, quantities, or certificate quantities for carbon offsets or renewable energy certificates (RECs) will be further discussed based on medium- and long-term energy use. 4. Specific reduction action plan: A. Energy substitution: Inventory plant solar power areas and evaluate efficiency, and install solar equipment at sites such as the Guangzhou and Thailand plants. B. Equipment replacement: Replace high-energy-consuming facilities with energy-saving equipment, such as converting fixed-frequency air compressors to variable-frequency models and introducing air compressor waste heat recovery to reduce diesel consumption.

Contents	Implementation Status
	C. Resource circulation: Save water resources by using domestic wastewater for watering plants, and reduce waste at the source through the recycling and reuse of cartons and old pallets in the process.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans (as further detailed in 1-1 and 1-2).	For detailed information on the Company's greenhouse gas inventory and assurance status, as well as its reduction targets, please refer to the following sections: "1-1 Greenhouse Gas Inventory and Assurance Status of the Company for the Most Recent Two Years" and "1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans."

1-1 Greenhouse Gas Inventory and Assurance Status of the Company for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Disclose the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e per NT$ million), and data coverage for the most recent two years.

Greenhouse gas emissions for the most recent two years are as follows:

Greenhouse Gas Emissions	2025	2024	2023
Scope 1 (Note 1) (metric tons CO2e)	416.95	539.15	517.84
Scope 2 (Note 2) (metric tons CO2e)	16,206.90	17,011.20	13,246.32
Total emissions (metric tons CO2e) Scope 1 + Scope 2	16,623.85	17,550.35	13,764.16
Emission intensity (metric tons CO2e/NT$ million revenue)	4.4143	5.1165	4.3101
Emission intensity (metric tons CO2e/KPCS)	0.0097	0.0107	0.0099
Scope 3 (Note 2) (metric tons CO2e)	26,886.36	26,577.18	16,704.84

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from purchased electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions arising from the Company's activities that are not energy indirect emissions and are from sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and energy indirect emissions shall be handled according to the schedule specified in the order issued pursuant to Article 10, Paragraph 2 of these Regulations. Information on other indirect emissions may be disclosed voluntarily.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue; however, at a minimum, figures calculated based on revenue (NT$ million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Explain the assurance status for the most recent two years as of the date of publication of the annual report, including assurance scope, assurance institution, assurance standards and assurance opinion.

The Company's 2023 greenhouse gas inventory was verified and assured by AFNOR ASIA, which issued a verification statement.

Scope of assurance: Chinsan Group (Taiwan Chinsan + Thailand Chinsan + Guangzhou Jinli + Guangzhou King Nichi)
Assurance standard: ISO 14064-1:2018
Assurance period: January 1, 2023 to December 31, 2023
Verified data: Direct greenhouse gas emissions (Category 1); energy indirect greenhouse gas emissions (Category 2); indirect greenhouse gas emissions (Categories 3 to 6)
Materiality: 5% (Categories 1 and 2)
Type of opinion: Unmodified opinion

Verification conclusion: A reasonable assurance level was provided for Category 1 and Category 2 inventory data, and a limited assurance level was provided for Category 3 and Category 4 inventory data. Document issuance date: September 8, 2024 Greenhouse Gas Verification Statement: THGH00452 The self-inventory of greenhouse gases for March 2024 was completed, with the inventory scope consistent with the 2023 inventory. The self-inventory of greenhouse gases for February 2025 was completed, with the inventory scope consistent with the 2024 inventory. The inventory data of Chinsan Group (Taiwan Chinsan + Thailand Chinsan + Guangzhou Jinli + Guangzhou King Nichi) covers Categories 1, 2 and 3, as in 2023. The Company is a company with paid-in capital below NT$2 billion. The assurance of the ISO 14064-1 greenhouse gas inventory is an early voluntary assurance and disclosure, and the assurance scope includes all group entities, exceeding regulatory requirements. Verified data covering Categories 3 to 6 also exceeds the regulatory requirements. Note 1: The assurance shall be handled according to the schedule specified in the order issued pursuant to Article 10, Paragraph 2 of these Regulations. If the Company is unable to obtain the complete greenhouse gas assurance opinion by the date of annual report publication, it shall state that the complete assurance information will be disclosed in the sustainability report. If the Company does not prepare a sustainability report, it shall state that the complete assurance information will be disclosed on the Market Observation Post System, and the complete assurance information shall be disclosed in the annual report for the following year. Note 2: Assurance institutions shall comply with the relevant requirements for sustainability report assurance institutions prescribed by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

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

Disclose the base year and corresponding data for greenhouse gas reduction, reduction targets, strategies and specific action plans, and the status of achievement of reduction targets.
Greenhouse gas reduction targets: Short-term targets (2026-2029) • Gradually expand the scope of Scope 3 inventory to accurately calculate the Group's carbon emissions. • Reduce the Group's unit carbon emissions by at least 1% each year. • Introduce the ISO 50001 energy management system. • Construct solar photovoltaic facilities at the third Thailand plant. Medium-term targets (2030-2050) • Accurately calculate the Group's carbon emissions and work toward the target of halving emissions by 2035. • Reduce the Group's unit carbon emissions by at least 2% each year. • Replace existing products and services with low-carbon products. Greenhouse gas reduction strategies: • Based on the concept of circular economy, reduce waste at the source, reduce waste in production processes, and promote recycling and reuse to minimize waste generation and maximize resource reuse. • Optimize wastewater treatment to reduce waste generation and lower the ratio of waste sludge output. • Implement qualification reviews and management of waste collection, transportation and treatment vendors in accordance with laws to ensure proper waste treatment and minimize environmental impact. Specific action plans for greenhouse gas reduction: • Establish a greenhouse gas inventory team to compile greenhouse gas emissions data for the preceding year each year, identify carbon-emission hotspots, and facilitate effective control of greenhouse gas emissions. • Install solar photovoltaic power generation facilities (green electricity) to replace part of traditional electricity generation, reduce carbon emissions and stabilize power supply during power shortages. • Replace high-energy-consuming facilities and use energy-saving equipment. Major reduction measures include converting air compressors from fixed frequency to variable frequency, recovering waste heat from air compressors, saving diesel consumption, and strengthening energy-saving and carbon-reduction performance in production processes. • Establish an emergency response team for water shortages to monitor water-source conditions at the plant, improve response capabilities and reduce the risk of water shortages. • Implement garbage sorting, carton recycling during production processes, and reuse of old pallets to achieve waste reduction targets. Note 1: The implementation shall follow the schedule specified in the order issued pursuant to Article 10, Paragraph 2 of these Regulations. Note 2: The base year shall be the year in which the inventory is completed based on the boundary of the consolidated financial statements. For example, pursuant to the order issued under Article 10, Paragraph 2 of these Regulations, companies with paid-in capital below NT$2 billion shall complete the inventory of the 2025 consolidated financial statements in 2026; therefore, the base year is 2025. If the Company has completed the consolidated financial statement inventory in advance, the earlier year may be used as the base year, and the base-year data may be calculated based on a single year or the average of several years. The Company has set 2023 as the base year.

(6) Implementation of integrity management and any differences from the Integrity Management Best Practice Principles for Listed and OTC Companies, together with the reasons for such differences

Evaluation Item	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
1. Establishment of Integrity Management Policies and Programs (1) Has the company established an integrity management policy approved by the Board of Directors, clearly articulated the integrity management policy and related practices in its internal regulations and external documents, and demonstrated the commitment of the Directors and senior management to actively implement such policy?	V		(1) To ensure the implementation of corporate integrity management, the Group has established the Corporate Integrity Management Code, as well as the Integrity Management Operating Procedures and Code of Conduct, in accordance with applicable laws and regulations. These documents were approved by the Board of Directors on 2014/11/14 and have been in effect since that date. The Company's Corporate Integrity Management Code expressly prohibits dishonest conduct and adopts "fairness, honesty, trustworthiness, and transparency" as the guiding principles of its integrity management policy. In all business activities and interactions with customers and suppliers, the Company strictly adheres to ethical standards of integrity, upholding a policy that places the highest priority on credibility. The Board of Directors and senior management actively fulfill their commitment to these business policies, demonstrating a firm determination for sustainable operations and establishing a strong commitment to integrity management.	No difference
(2) Has the company established a mechanism for assessing the risk of dishonest conduct, regularly analyzed and evaluated business activities within its operational scope that present a higher risk of dishonest conduct, and, based on such assessments, formulated prevention programs that at a minimum include preventive measures for each type of conduct specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?	V		(2) The Company has established a Code of Ethical Corporate Management and has cultivated a corporate culture of integrity. The Group expressly stipulates in its Employee recruitment and management regulations that individuals who have been sentenced to imprisonment, with sentences not yet revoked, or who are currently wanted, shall not be employed. The Company further specifies in its work rules, labor contracts, and reward and disciplinary management regulations measures to prevent dishonest conduct, such as the abuse of authority for personal gain. In the event of dishonest acts, disciplinary actions are imposed commensurate with the severity of the violation. The Company strictly prohibits Employee corruption, embezzlement of company funds, and the acceptance of bribes. A clear Employee grievance handling mechanism is in place, enabling Employees to submit written complaints via a suggestion box. The management regularly analyzes and assesses business activities within the scope of operations that are considered to have a higher risk of unethical conduct, and accordingly establishes measures to prevent such conduct. Based on these assessments, preventive measures against unethical behavior are formulated, and the "Code of Ethics" is established and reviewed or adjusted as necessary. The content of the Code includes, at a minimum, but is not limited to, preventive and	No difference

Evaluation Item	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
(3) Has the company explicitly defined operating procedures, codes of conduct, disciplinary measures for violations, and grievance mechanisms within its program for the prevention of dishonest conduct, ensured their effective implementation, and conducted regular reviews and revisions of the aforementioned program?	V		control measures for the behaviors specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies." (3) To promote ethical business conduct, the Company has established effective accounting and internal control systems. The internal audit unit regularly reviews compliance with procedures governing ethical conduct, such as the "Code of Ethics" and "Work Rules," and prepares audit records detailing the content of these systems, the implementation status by relevant departments, any violations, disciplinary actions taken, and recommendations for system improvements. These audit findings are reported periodically to the Board of Directors. The management unit periodically reviews and revises management policies, including the "Code of Ethics" and "Work Rules," based on audit reports and Employee complaints.	No difference
2. Implementation of Integrity in Business Operations (1) Has the company assessed the integrity records of its counterparties and explicitly included integrity-related provisions in the contracts executed with such counterparties?	V		(1) To ensure that transaction counterparties conduct business with integrity, the Company requires all counterparties to undergo a credit assessment prior to the commencement of any business activities, in order to evaluate their creditworthiness. Before engaging in transactions with suppliers and subcontractors, an integrity clause must be executed in advance, expressly stipulating ethical business conduct within the contract. Should any dishonest conduct occur, the contract may be terminated or rescinded. The contract also clearly specifies penalties, and any breach shall be handled in accordance with applicable laws.	No difference
(2) Has the company established a dedicated unit under the Board of Directors responsible for promoting ethical business practices, and does it report to the Board of Directors on a regular basis (at least annually) regarding its integrity management policies, measures for the prevention of unethical conduct, and the supervision of their implementation?	V		(2) To strengthen the management of ethical corporate management, the Company's Administration Department and Group Human Resources serve as the dedicated unit for promoting ethical corporate management. The unit is responsible for assisting the Board of Directors in formulating and supervising the implementation of ethical management policies and plans for preventing unethical conduct, ensuring the implementation of the Code of Ethical Corporate Management, and reporting to the Board of Directors at least once a year on the implementation status.	No difference
(3) Has the company established a policy to prevent conflicts of interest, provided appropriate channels for disclosure, and effectively implemented such measures?	V		(3) 1. When the Company convenes a meeting of the Board of Directors, if any agenda item presents a conflict of interest for a Director or the legal entity they represent, the Director shall recuse themselves and shall not participate in the discussion or voting on that item. 2. If personnel of the Company, in the course of conducting company business, become aware of any conflict of interest involving themselves or the legal entity they represent, or of any situation that	No difference

Evaluation Item	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
			may result in themselves, their spouse, parents, children, or any related parties obtaining improper benefits, they shall promptly report the relevant circumstances to both their immediate supervisor and the Management Department of the Company. The immediate supervisor shall provide appropriate guidance.	
(4) Has the company established effective accounting and internal control systems to ensure the implementation of integrity management, and has the internal audit unit, based on the assessment of risks related to dishonest conduct, formulated relevant audit plans and conducted audits to verify compliance with the prevention of dishonest conduct programs, or engaged certified public accountants to perform such audits?	V		(4) The Company has established an accounting system and an internal control system, which are subject to ongoing review to ensure that their design and implementation comply with applicable laws and regulations as well as the requirements of the Company. Internal audit personnel also conduct regular audits to assess compliance with these systems and prepare audit reports for submission to the Board of Directors.	No difference
(5) Does the company regularly conduct internal and external training programs on integrity management?	V		(5) In 2025, the Company conducted a total of 818 sessions of education and training related to ethical business practices (including compliance with ethical business policies and courses on the consequences of violations of ethical conduct), amounting to an aggregate of 818 hours.	No difference
3. Operation of the Company's Whistleblower System (1) Has the company established a specific whistleblowing and reward system, implemented accessible reporting channels, and designated appropriate personnel responsible for handling cases involving reported parties?	V		(1) The Company has clearly stipulated its whistleblowing channels and incentive mechanisms within the Ethical Corporate Management Best Practice Principles, Corporate Social Responsibility Best Practice Principles, and Reward and Punishment Management Regulations. Whistleblowers may submit reports anonymously, and the Company maintains strict confidentiality regarding both the identity of the whistleblower and the content of the report. A dedicated whistleblowing mailbox, managed by the Administration Department, has been established; this mailbox is publicized on the Company's internal website and introduced during new employee orientation.	No difference
(2) Has the company established standard operating procedures for investigating reported matters, implemented follow-up actions upon completion of such investigations, and instituted appropriate confidentiality mechanisms?	V		(2) To assist Employees in resolving work-related issues, facilitating communication and understanding, and enhancing work efficiency, the Company has established a suggestion box as a channel for Employee complaints. The procedures for Employee complaints are as follows: a. If Employees experience infringement of legal Equity within their scope of work, improper handling, or have doubts or suggestions for improvement regarding the Company's regulations or administrative measures, and are unable to obtain a reasonable response after seeking resolution through their respective units, they may submit a written complaint. b. The complaint letter shall be sealed and submitted to the Administration Department, which will confidentially and directly forward it to the General Manager. Upon completion of the investigation, individual responses will be provided. The Company handles complaint cases in accordance with rigorous investigative procedures. Cases involving sexual harassment are handled in	No difference

Evaluation Item	Operating Status (Note)			Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies
	Yes	No	Summary Explanation	
(3) Has the company implemented measures to ensure that whistleblowers are protected from any improper treatment resulting from their disclosures?	V		accordance with the Sexual Harassment Prevention Act, and strict confidentiality and protection mechanisms are maintained throughout the investigation period. (3) The Employee communication mailbox established by the Company is directly subordinate to the highest level of management. During the handling of complaints, controls shall be implemented in accordance with the Company's information security regulations to protect the privacy and other personal rights and Equity of the parties involved. Any violations will be subject to disciplinary action.	No difference
4. Enhance information disclosure Has the company disclosed the contents of its established Ethical Corporate Management Best Practice Principles and the effectiveness of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has disclosed information related to ethical business practices on its corporate website and has uploaded such information to the Market Observation Post System for investors' reference. The effectiveness of these initiatives is detailed in item 5 below.	No difference
5. If the Company has established its own Code of Ethical Corporate Management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe its implementation and specify any differences from the prescribed principles. The Company has established the Ethical Corporate Management Best Practice Principles, together with the Procedures for Ethical Management and Guidelines for Conduct, which were approved by the Board of Directors on 2014/11/14 and have been implemented since that date. These measures are designed to foster a culture of integrity within the Company and are integrated into various relevant policies and procedures. Internally, the Company's Employee Recruitment and Management Regulations explicitly stipulate that individuals who have been sentenced to imprisonment, where such sentence has not been revoked, or who are subject to an outstanding warrant, shall not be employed. The Company further specifies in its Work Rules, Labor Contracts, and Reward and Disciplinary Management Regulations clear provisions to prevent dishonest conduct, such as the abuse of authority for personal gain. In the event of dishonest acts, disciplinary measures are imposed commensurate with the severity of the violation. The Company strictly prohibits Employees from engaging in corruption, embezzlement, or accepting bribes. A clear Employee grievance mechanism is in place, enabling Employees to submit written complaints via a suggestion box. Upon commencement of employment, 100% of Employees sign an Employee Integrity Commitment, and 100% of Directors and senior management sign a Statement of Ethical Management. Externally, to ensure that all transaction counterparties adhere to principles of integrity, the Company conducts due diligence on all counterparties prior to engaging in business activities to assess their creditworthiness. Prior to entering into transactions with suppliers and subcontractors, integrity clauses must be signed in advance. Accordingly, the Company's actual operations are fully consistent with the established principles.				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operating Status (Note)</th><th rowspan="2">Differences and reasons for deviations between the Company's Ethical Corporate Management Best Practice Principles and those of listed and OTC companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td colspan="5">6. Other significant information pertinent to understanding the Company's integrity management practices (including, for example, the Company's review and revision of its established Code of Integrity Management).
1. The Company has established the Ethical Corporate Management Best Practice Principles, together with the Procedures for Ethical Management and Guidelines for Conduct, which were implemented following approval by the Board of Directors on November 14, 2014 (most recently amended on January 9, 2023). These measures have fostered a corporate culture of integrity, which has been integrated into all relevant policies and procedures. The Company is firmly committed to its ethical management policy - fairness, honesty, trustworthiness, and transparency - as a testament to its dedication to sustainable operations, and conducts ongoing reviews and updates of related regulations.
2. On November 10, 2020, at the 18th term, 3rd meeting of the Board of Directors, the Company approved the Procedures for Prevention of Insider Trading and Handling of Material Internal Information (which consolidated the original Insider Trading Prevention Management Procedures and the Procedures for Handling Material Information) (most recently amended on November 9, 2022), in order to prevent improper disclosure of information and to ensure the consistency and accuracy of information disclosed by the Company to the public.
3. On January 9, 2023, the Board of Directors of the Company approved amendments to the Corporate Governance Best Practice Principles. Article 10 of these Principles stipulates stock trading control measures for insiders of the Company upon becoming aware of the Company's financial reports or related performance information, including (but not limited to) the prohibition on Directors trading their shares during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report.
4. On November 12, 2026, a training and advocacy session was held for current Directors (including Independent Directors), managers, and employees. The session, titled “Insider Trading Prevention Education and Advocacy,” lasted one hour and was attended by 20 participants. The training covered confidentiality procedures for material information, the causes and identification process of insider trading, explanations of trading cases, the scope of internal material information, confidentiality procedures, disclosure procedures, and the handling of violations. Upon conclusion of the session, the presentation materials were distributed via e-mail to all Directors and employees for their reference.</td></tr>
</table>

Note: An explanation must be provided in the summary Explanation column regardless of whether "Yes" or "No" is selected for the operating status.

(7) Other significant information that may enhance understanding of the Company's corporate governance practices:

1. The Company has established the “Procedures for Prevention of Insider Trading and Handling of Material Internal Information” as the basis for the handling and disclosure of the Company’s material information, and reviews these procedures from time to time to ensure compliance with applicable laws and practical requirements.
2. The Company has established the “Rules of Procedure for Board of Directors Meetings,” “Procedures for Election of Directors and Supervisors,” “Rules of Procedure for Shareholders’ Meetings,” “Organizational Charter of the Remuneration and Nomination Committee,” “Procedures for Acquisition or Disposal of Assets,” “Procedures for Engaging in Derivative Transactions,” “Regulations Governing Endorsements and Guarantees,” “Procedures for Lending Funds to Others,” “Subsidiary Supervision Procedures,” “Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises,” as well as other management

regulations, to serve as standards for the Company's internal management operations and risk control. These regulations are reviewed regularly and amended as necessary to comply with applicable laws and management requirements. When amendments are made, the Company notifies employees via e-mail and bulletin board postings, and the latest regulations are made available on the Company's internal website for employee reference. The Company also periodically notifies insiders of important matters concerning material information.

3. The Company has established the "Procedures for Handling Material Information" as the basis for the handling and disclosure of the Company's material information, and reviews these procedures from time to time to ensure compliance with applicable laws and practical requirements.

(8) Status of Implementation of the Internal Control System

A. Internal Control Statement: Please refer to the Market Observation Post System. The index path and website are as follows:
Index Path: Market Observation Post System > Individual Company > Corporate Governance > Company Regulations > Internal Control/Internal Control Statement Disclosure
Website: https://mops.twse.com.tw/mops/#/web/t06sg20

B. Where certified public accountants have been engaged to conduct a special review of the internal control system, the accountant's review report shall be disclosed: None.

(9) Major Resolutions of the Shareholders' Meeting and the Board of Directors for the Most Recent Year and up to the Date of Publication of the Annual Report

A. Implementation Status of Major Resolutions of the 2025 Shareholders' Meeting

Major Resolution	Implementation Status
1. Approval of the 2024 Business Report and Financial Statements	The Company's 2024 financial statements were approved by the Shareholders' Meeting and disclosed on the Market Observation Post System for public investors' reference.
2. Approval of the 2024 Earnings Distribution Proposal	The Shareholders' Meeting approved the distribution of cash dividends to Shareholders in the amount of NT$181,247,569, and the distribution has been completed.

B. Major Resolutions of the Board of Directors

Meeting	Date	Major Resolutions
Board of Directors	2025.01.15	1. By-election of Directors of the Company. 2. Matters related to convening the first extraordinary Shareholders' Meeting in 2025. 3. Matters related to accepting the list of Director candidates, including Independent Directors, nominated by Shareholders holding 1% or more of the total issued shares.
Board of Directors	2025.01.21	1. Payment of year-end bonuses for 2024 to managers and Directors concurrently serving as Employees. 2. Evaluation of independence, appointment, and remuneration of the attesting CPAs. 3. Application to Yuanta Commercial Bank for renewal of a comprehensive credit line of NT$200 million. 4. Application to Far Eastern International Bank for renewal of a short-term credit line of NT$100 million. 5. Application to First Commercial Bank for renewal of a comprehensive credit line of NT$400 million, increased from NT$300 million, and foreign-currency time deposit pledge financing of NT$100 million. 6. Application to Bank SinoPac for renewal of Facility 1, short-term loans and import/export credit facilities totaling NT$400 million, and Facility 2, medium-term loans of NT$400 million, with Facility 1 and Facility 2 jointly controlled at NT$400 million. 7. Application to Chang Hwa Commercial Bank for renewal of total credit facilities of NT$300 million, increased from NT$100 million, including short-term loan facilities of NT$300 million.
Board of Directors	2025.02.14	1. Nomination of Director candidates, including Independent Directors. 2. Release of non-compete restrictions on Directors. 3. Appointment of the Internal Audit Officer.
Board of Directors	2025.03.13	1. 2025 Company business plan. 2. 2024 self-prepared financial statements. 3. Matters related to convening the 2025 Annual Shareholders' Meeting. 4. Matters related to accepting Shareholder proposals for the 2025 Annual Shareholders' Meeting.
Board of Directors	2025.03.25	1. Assessment of the effectiveness of the 2024 internal control system and the Internal Control System Statement. 2. 2024 Business Report and financial report. 3. Distribution of 2024 Employee remuneration and Directors' remuneration. 4. Distribution of remuneration to individual Directors for 2024. 5. Payment of Directors' attendance allowances for 2024. 6. 2024 earnings distribution proposal. 7. Cash dividend distribution from 2024 earnings. 8. Cash distribution from capital surplus. 9. Appointment of members of the Company's Remuneration Committee. 10. Appointment of members of the Company's Sustainable Development Committee.

Meeting	Date	Major Resolutions
		11. Amendment to the Articles of Incorporation. 12. Scope of the Company's rank-and-file Employees. 13. Appointment of the Company's new Chief Accounting Officer. 14. Application to KGI Bank for a new short-term equipment export demand loan facility of NT$100 million under the Executive Yuan National Development Fund "Machinery and Equipment Export Loan" project, renewal of a short-term secured loan facility of NT$500 million, and renewal of a short-term financial transaction hedging facility of NT$10 million.
Board of Directors	2025.05.05	1. Approval to suspend implementation of the Company's "Procedures for Management of Acquisition or Disposal of Securities."
Board of Directors	2025.05.13	1. Consolidated financial statements for the first quarter of 2025. 2. Endorsement/guarantee limit of CNY80 million for the Company's subsidiary Guangzhou Kingtachi Electronic Co., Ltd., updating the guarantee limit. 3. Application to Mega International Commercial Bank for renewal of short-term comprehensive credit facilities of NT$150 million. 4. Application to The Export-Import Bank of the Republic of China for renewal of short-term export loan financing of NT$300 million. 5. Application to E.SUN Bank for renewal of comprehensive credit facilities of NT$200 million and a new foreign-currency time deposit pledge financing facility of NT$200 million.
Board of Directors	2025.07.09	1. Approval for the Company to increase the capital of its wholly owned subsidiary Royal Cheng Investment Co., Ltd. by NT$8.5 million, and for such subsidiary to reinvest in and establish a new subsidiary with an 85% shareholding ratio, in order to build an autonomous supply system for key materials.
Board of Directors	2025.08.11	1. Consolidated financial statements for the second quarter of 2025. 2. Approval of the Company's 2024 Sustainability Report. 3. Issuance of the Company's sixth domestic unsecured convertible corporate bonds. 4. Amendment to the "Regulations Governing Salary and Remuneration for Managers." 5. Remuneration of the Company's Chief Accounting Officer. 6. Amendment to the salary operation process under the "Internal Control System." 7. Application to DBS Bank Taiwan for renewal of short-term comprehensive borrowing facilities of NT$300 million. 8. Application to Dah Ching Bills for renewal of a credit line of NT$50 million. 9. Application to Grand Bills Finance for renewal of a credit line of NT$80 million. 10. Application to Entie Commercial Bank for renewal of a medium-term working capital credit line of NT$150 million. 11. Application to International Bills Finance for renewal of a credit line of NT$80 million. 12. Application to Taishin International Bank for renewal of comprehensive credit facilities of NT$120 million. 13. Application to Bank of Panhsin for renewal of a medium-term loan facility of NT$150 million. 14. Application to Bank SinoPac for renewal of a foreign-currency time deposit pledge financing facility of NT$90 million. 15. Application to Taipei Fubon Commercial Bank Co., Ltd. for renewal of comprehensive credit facilities of NT$400 million.
Board of Directors	2025.11.12	1. Consolidated financial statements for the third quarter of 2025. 2. 2026 audit plan of the Company. 3. Application for endorsement/guarantee limit and working capital loan facility of CNY36 million for the Company's subsidiary Guangzhou Kingtachi Electronic Co., Ltd. 4. The Company's 2026 risk management policies or strategies and 2025 implementation results. 5. Application to Taipei Fubon Bank for renewal of comprehensive credit facilities of NT$400 million. 6. Application to Taiwan Shin Kong Commercial Bank for renewal of short-term comprehensive credit facilities of NT$200 million. 7. Application to Hua Nan Commercial Bank for renewal of comprehensive credit facilities of NT$400 million. 8. Application to Yuanta Commercial Bank for renewal of comprehensive credit facilities of NT$200 million. 9. Application to Far Eastern International Bank for renewal of short-term credit facilities of NT$100 million. 10. Application to Mega Bills Finance for renewal of a credit line of NT$100 million.
Board of Directors	2026.01.22	1. The Company's subsidiary Guangzhou Jinri Technology Co., Ltd. proposed to sign a demolition compensation agreement with Guangzhou Tianhe District Kemulang Economic Development Company.
Board of Directors	2026.02.05	1. Change of the corresponding contracting party in connection with the 20th meeting of the 19th Board of Directors held on January 22, 2026.
Board of	2026.02.09	1. Payment of year-end bonuses for 2025 to managers and Directors concurrently

Meeting	Date	Major Resolutions
Directors		serving as Employees. 2. Evaluation of independence, appointment, and remuneration of the attesting CPAs. 3. Application to First Commercial Bank for renewal of comprehensive credit facilities, comprising medium-term loans of NT$400 million and overseas letters of credit of NT$100 million, jointly controlled at NT$400 million, originally a short-term loan facility of NT$100 million. 4. Application to Bank SinoPac for renewal of Facility 1, short-term loans and import/export credit facilities totaling NT$400 million, and Facility 2, medium-term loans of NT$400 million, with Facility 1 and Facility 2 jointly controlled at NT$400 million. 5. Proposed investment of NT$1 million in Lianyuan Supply Chain Co., Ltd. 6. Proposed purchase of one corporate golf club membership for use by Company executives in customer relations. 7. 2026 salary adjustments for managers.
Board of Directors	2026.03.13	1. 2026 Company business plan. 2. 2025 self-prepared financial information. 3. Election of the 20th Board of Directors. 4. Matters related to convening the 2026 Annual Shareholders' Meeting. 5. Matters related to the period, number of seats to be elected, and place for accepting Shareholder proposals and nominations of Director candidates, including Independent Directors, for the Annual Shareholders' Meeting. 6. Amendment to the "Rules of Procedure for Board of Directors Meetings."
Board of Directors	2026.03.27	1. Assessment of the effectiveness of the 2025 internal control system and the Internal Control System Statement. 2. 2025 Business Report and financial report. 3. Distribution of 2025 Employee remuneration and Directors' remuneration. 4. Distribution of remuneration to individual Directors for 2025. 5. Payment of Directors' attendance allowances for 2025. 6. 2025 earnings distribution proposal. 7. Cash dividend distribution from 2025 earnings. 8. Cash distribution from capital surplus. 9. Amendment to the "Remuneration Committee Charter" and renaming it as the "Remuneration and Nomination Committee Charter."
Board of Directors	2026.04.22	1. Nomination and approval of the list of Director and Independent Director candidates. 2. Release of non-compete restrictions on newly elected Directors and their Representatives. 3. Amendment to the "Procedures for Lending Funds to Other Parties." 4. Addition of matters related to the 2026 Annual Shareholders' Meeting. 5. Application to The Export-Import Bank of the Republic of China for renewal of short-term export loan financing of NT$500 million, increased from NT$300 million. 6. Application to E.SUN Bank for renewal of comprehensive credit facilities of NT$200 million, medium-term loan facilities of NT$200 million, aggregate control limit of NT$250 million, and short-term secured time deposit facilities of NT$200 million.

(10) In the most recent year and up to the date of publication of the annual report, there were no instances in which any Director or Supervisor expressed dissenting opinions, whether recorded or stated in writing, regarding significant Resolutions passed by the Board of Directors: None.

4. Information on Auditor's Fees

Unit: Thousands of New Taiwan Dollars (NT$)

Name of Accounting Firm	Name of Certified Public Accountant	Audit period	Audit Fees	Non-audit Fees (Note)	Total	Notes
Pricewaterhouse Coopers Taiwan	Tu Zhan-Yuan	2025/01/01~2025/12/31	3,270	2,882	6,152	None
	Lai Zongxi	2025/01/01~2025/12/31				

Note: Non-audit fees mainly consist of tax certification, transfer pricing reports, tax consulting services, and travel expense advances.

(1) Where the accounting firm was changed and the audit fees paid in the year of change decreased from those paid in the preceding year, the audit fees before and after the change and the reasons shall be disclosed: None.

(2) Where audit fees decreased by 10% or more from the preceding year, the amount, percentage, and reasons for the decrease shall be disclosed: None.

5. Change of Auditor Information: None.
6. Where the Company’s Chairman, General Manager, or managers responsible for finance or accounting affairs have served at the attesting CPA firm or any of its affiliated enterprises within the past year, the Company shall disclose their names, titles, and the attesting CPA firm or affiliated enterprise at which they served. The term “affiliated enterprise of the attesting CPA firm” refers to any company or institution in which CPAs of the attesting CPA firm hold more than 50% of the shares or hold more than half of the seats, or any company or institution listed as an affiliated enterprise in materials published or printed by the attesting CPA firm: None.
7. Changes in equity transfers and equity pledges of Directors, Supervisors, Managers, and Shareholders holding more than ten percent of the shares during the most recent year and up to the date of publication of the annual report

(1) Changes in equity holdings of Directors, managers, and major Shareholders:

Please refer to the Market Observation Post System. The index paths and websites are as follows:

Equity Transfer
Index Path: Market Observation Post System > Single Company > Equity Changes / Securities Issuance > Equity Transfer Information Inquiry > Insider Shareholding Change Post-Event Declaration Form
Website: https://mops.twse.com.tw/mops/#/web/query6_1

Equity Pledge Changes
Index Path: Market Observation Post System > Single Company > Equity Changes / Securities Issuance > Insider Pledge and Release of Pledge > Insider Pledge and Release of Pledge Announcement
Website: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(2) Circumstances where the counterparty to the equity transfer is a related party: None.

(3) Circumstances where the counterparty to the equity pledge is a related party: None.

8. Information on the top ten Shareholders by shareholding ratio, including any related party relationships or relationships as spouses or within second-degree kinship among them

April 10, 2026

<table>
<tr><th rowspan="2">Name (Note 1)</th><th colspan="2">Shares Held by the Individual</th><th colspan="2">Shares Held by Spouse and Minor Children</th><th colspan="2">Shareholding held in aggregate under the names of others</th><th colspan="2">Names of the top ten Shareholders who are related parties to one another or are spouses or relatives within the second degree of kinship, and the nature of their relationships (Note 3)</th><th rowspan="2">Notes</th></tr>
<tr><th>Number of Shares</th><th>Shareholding Ratio</th><th>Number of Shares</th><th>Shareholding Ratio</th><th>Number of Shares</th><th>Shareholding Ratio</th><th>Name (or name)</th><th>Relationship</th></tr>
<tr><td rowspan="2">Ching Rong Investment Co., Ltd.
Representative: CHIANG, SHIH-HSIN</td><td>20,157,546</td><td>15.57%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>1,467,950</td><td>1.13%</td><td>781,477</td><td>0.60%</td><td>0</td><td>0</td><td>Jiang Huang Bai Lian
Jiang Qingying
Chiang Ching-Yang
Jiang Yi-Che</td><td>Spouses
Parent and subsidiary</td><td>None</td></tr>
<tr><td rowspan="2">Hong-Pu Investment Co., Ltd.
Representative: CHIANG, SHIH-HSIN</td><td>10,648,154</td><td>8.22%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>1,467,950</td><td>1.13%</td><td>781,477</td><td>0.60%</td><td>0</td><td>0</td><td>Jiang Huang Bai Lian
Jiang Qingying
Chiang Ching-Yang
Jiang Yi-Che</td><td>Spouses
Parent and subsidiary</td><td>None</td></tr>
<tr><td rowspan="2">Han-Lin Investment Co., Ltd.
Representative: Jiang Huang Bai-Lian</td><td>8,302,767</td><td>6.41%</td><td>0</td><td></td><td></td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>781,477</td><td>0.60%</td><td>1,467,950</td><td>1.13%</td><td>0</td><td>0</td><td>CHIANG, SHIH-HSIN
Jiang Qingying
Chiang Ching-Yang
Jiang Yi-Che</td><td>Spouses
Parent and Subsidiary</td><td>None</td></tr>
<tr><td rowspan="2">Feng Xi Investment Co., Ltd.
Representative: Chiang Yi-Che</td><td>4,920,485</td><td>3.80%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>1,098,257</td><td>0.85%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>CHIANG, SHIH-HSIN
Jiang Huang Bai Lian
Jiang Qingying
Chiang Ching-Yang</td><td>Parent and subsidiary
Parent and Subsidiary
Brother</td><td>None</td></tr>
<tr><td>Guoshih Bank Custodial Investment Account at Phillip Securities (Hong Kong) Limited</td><td>3,883,114</td><td>3.00%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td rowspan="2">Fengmeng Investment Co., Ltd.
Representative: Chiang Yi-Che</td><td>3,128,069</td><td>2.42%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>1,098,257</td><td>0.85%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>CHIANG, SHIH-HSIN
Jiang Huang Bai Lian
Jiang Qingying
Chiang Ching-Yang</td><td>Parent and subsidiary
Parent and Subsidiary
Brother</td><td>None</td></tr>
<tr><td rowspan="2">HONG LIN INVESTMENT CO., LTD.</td><td>2,930,000</td><td>2.26%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>294,631</td><td>0.23%</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
</table>

Name (Note 1)	Shares Held by the Individual		Shares Held by Spouse and Minor Children		Shareholding held in aggregate under the names of others		Names of the top ten Shareholders who are related parties to one another or are spouses or relatives within the second degree of kinship, and the nature of their relationships (Note 3)		Notes
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or name)	Relationship	
Representative: CHANG, HUNG-HAO									
Chang Sheng Investment Co., Ltd.	2,828,667	2.18%	0	0	0	0	None	None	None
Representative: Chiang Ching-Yang	1,272,267	0.98%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Jiang Qingying Jiang Yi-Che	Parent and subsidiary Parent and Subsidiary Brother	None
Jiang Qingying	2,138,127	1.65%	0	0	0	0	CHIANG, SHIH-HSIN Jiang Huang Bai Lian Chiang Ching-Yang Jiang Yi-Che	Parent and subsidiary Parent and Subsidiary Brother	None
Zheng Yuan Investment Co., Ltd.	2,113,000	1.63%	0	0	0	0	None	None	None
Representative: HUANG, CHENG-YUAN	0	0%	Information unavailable				None	None	None

Note 1: The top ten Shareholders shall all be listed. For corporate Shareholders, the name of the corporate Shareholder and the name of the Representative shall be listed separately.

Note 2: The calculation of the shareholding ratio includes shares held in one's own name, in the name of a spouse, minor children, or under the name of another person.

Note 3: The relationships among the Shareholders listed above, including corporate and natural person Shareholders, shall be disclosed.

9. The number of shares held in the same reinvested enterprise by the Company, its Directors, Supervisors, managers, and enterprises directly or indirectly controlled by the Company, together with the aggregate shareholding ratio calculated on a combined basis.

Unit: Shares; %

Investments accounted for using the equity method (Note)	The Company's investments		Directors, Supervisors, managers, and Investments in enterprises directly or indirectly controlled		Aggregate Investments	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Chinsan (Cayman) Enterprises Co., Ltd.	9,797,002	100.00%	0	0.00%	9,797,002	100.00%
King-Tachi Technology Company Limited	0	0.00%	6,200,000	100.00%	6,200,000	100.00%
Chinsan Electronic Industrial (Thailand) Co., Ltd.	0	0.00%	9,022,698	94.98%	9,022,698	94.98%
Chinsan (BVI) Enterprise Co., Ltd.	0	0.00%	2,500,000	100.00%	2,500,000	100.00%
Eagle Zone (Samoa) Co., Ltd.	0	0.00%	1,000,000	100.00%	1,000,000	100.00%
Royal Cheng Investment Co., Ltd.	0	100.00%	0	0.00%	0	100.00%
Xinmao Applied Materials Co., Ltd.	0	0.00%	850,000	85.00%	0	85.00%
Guangzhou Jinri Technology Co., Ltd.	0	0.00%	0	95.22%	0	95.22%
Guangzhou Kingtachi Electronic Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Guangzhou Youmao Electronics Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Spotlight Int'L Co., Ltd.	0	0.00%	12,610,000	100.00%	12,610,000	100.00%
Wealthy Success Enterprise Limited	0	0.00%	29,136,000	100.00%	29,136,000	100.00%
Guangzhou Heng Long Investment Co., Ltd.	0	0.00%	0	100.00%	0	100.00%
Yongcheng Environmental Technology Co., Ltd. (Note)	3,793,892	5.60%	0	0.00%	3,793,892	5.60%

Note: This refers to investments accounted for using the equity method. The investee was formerly Sustainable Development Co., Ltd. At its extraordinary shareholders' meeting on November 1, 2025, it approved a share-swap merger with its subsidiary Yongcheng Environmental Technology Co., Ltd. as part of an organizational restructuring. Sustainable Development Co., Ltd. was the dissolved company, and the dissolution base date was December 11, 2025.

Three. Fundraising Status

1. Capital and Shares

(1) Source of ordinary share capital:

A. Classes of Shares

Unit: Shares

Shares Type	Authorized Capital					Notes
	Shares outstanding			Unissued Shares	Total	
	Listed	Unlisted	Total			
Ordinary Shares	129,462,549	0	129,462,549	170,537,451	300,000,000	Shares of companies listed on the OTC market

Note: Please specify whether the stock is listed on a stock exchange or traded over-the-counter (OTC). If the stock is subject to trading restrictions on the stock exchange or OTC, this must also be indicated.

B. Source of Share Capital

Unit: New Taiwan Dollars (NT$) / Share

Year/Month	Issue Price	Authorized Capital		Ordinary share capital		Notes		
		Number of Shares Co., Ltd.	Amount (NT$)	Number of Shares Co., Ltd.	Amount (NT$)	Source of Share Capital (NT$)	Capital contribution in the form of non-cash assets	Other
1970/03	1,000		1,000,000	1,000	1,000,000	Establishment	None	
1981/12	1,000	6,000	6,000,000	6,000	6,000,000	Capital increase in the amount of 5,000,000	None	
1984/02	1,000	16,000	16,000,000	16,000	16,000,000	Capital increase in the amount of 10,000,000	None	
1988/06	1,000	35,000	35,000,000	35,000	35,000,000	Capital increase from retained earnings in the amount of NT$19,000,000	None	
1992/07	1,000	68,000	68,000,000	68,000	68,000,000	Capital increase by appropriating earnings in the amount of NT$33,000,000	None	
1995/06	1,000	90,000	90,000,000	90,000	90,000,000	Capitalization of earnings in the amount of NT$22,000,000	None	
2000/10	10	22,000,000	220,000,000	22,000,000	220,000,000	Capital increase in the amount of 130,000,000	None	Note 1
2001/08	10	24,200,000	242,000,000	24,200,000	242,000,000	Capital increase by transfer from legal reserve 22,000,000	None	Note 2
2001/12	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital increase in the amount of 58,000,000	None	Note 3
2002/08	10	45,000,000	450,000,000	37,021,277	370,212,770	Capital increase in the amount of 40,000,000 Capital increase by transfer from capital reserve $26,000,000 Capitalization of earnings for capital increase 4,212,770	None	Note 4
2002/11	10	45,000,000	450,000,000	40,021,277	400,212,770	Capital increase in the amount of 30,000,000	None	Note 5
2003/10	10	55,000,000	550,000,000	44,278,860	442,788,600	Issuance of 42,575,830 new shares through capital increase	None	Note 6
2004/10	10	70,000,000	700,000,000	48,989,377	489,893,770	Capitalization of earnings for capital increase: 47,105,170	None	Note 7
2004/11	10	70,000,000	700,000,000	49,168,620	491,686,200	Capital increase from conversion of convertible bonds 1,792,430	None	Note 8
2005/03	10	70,000,000	700,000,000	50,097.832	500,978,320	Capital increase arising from	None	Note 9

Year/Month	Issue Price	Authorized Capital: Number of Shares Co., Ltd.	Authorized Capital: Amount (NT$)	Ordinary share capital: Number of Shares Co., Ltd.	Ordinary share capital: Amount (NT$)	Notes: Source of Share Capital (NT$)	Notes: Capital contribution in the form of non-cash assets	Notes: Other
						conversion of corporate bonds 9,292,120		
2005/04	10	70,000,000	700,000,000	50,560,092	505,600,920	Capital increase arising from conversion of corporate bonds 4,622,600	None	Note 10
2005/10	10	70,000,000	700,000,000	55,916,298	559,162,980	Capital increase from earnings $53,562,060	None	Note 11
2006/05	10	70,000,000	700,000,000	57,153,265	571,532,650	Capital increase arising from conversion of corporate bonds 12,369,670	None	Note 12
2006/09	10	100,000,000	1,000,000,000	58,826,424	588,264,240	Capital increase arising from conversion of corporate bonds 16,731,590	None	Note 13
2006/10	10	100,000,000	1,000,000,000	65,609,881	656,098,810	Capital increase from conversion of convertible bonds 6,729,210 Capital increase from retained earnings in the amount of NT$61,105,360	None	Note 14
2007/01	10	100,000,000	1,000,000,000	66,588,296	665,882,960	Capital increase arising from conversion of corporate bonds 9,784,150	None	Note 15
2007/03	10	100,000,000	1,000,000,000	75,088,296	750,882,960	Capital increase in the amount of 85,000,000	None	Note 16
2007/04	10	100,000,000	1,000,000,000	75,102,684	751,026,840	Capital increase arising from conversion of corporate bonds 143,880	None	Note 17
2007/07	10	100,000,000	1,000,000,000	75,117,075	751,170,720	Capital increase arising from conversion of corporate bonds 143,880	None	Note 18
2007/10	10	100,000,000	1,000,000,000	77,975,820	779,758,200	Capital increase from retained earnings in the amount of NT$28,587,480	None	Note 19
2009/04	10	100,000,000	1,000,000,000	76,727,820	767,278,200	Capital reduction by cancellation of 12,480,000 treasury shares	None	Note 20
2009/04	10	100,000,000	1,000,000,000	87,735,276	877,352,760	Capital increase from conversion of convertible bonds 110,074,560	None	Note 21
2009/08	10	100,000,000	1,000,000,000	87,772,588	877,725,880	Capital increase from conversion of corporate bonds 373,120	None	Note 22
2010/10	10	150,000,000	1,500,000,000	94,372,588	943,725,880	Capital increase in the amount of 66,000,000	None	Note 23
2011/04	10	150,000,000	1,500,000,000	92,419,588	924,195,880	Capital reduction by cancellation of 19,530,000 treasury shares	None	Note 24
2012/12	10	150,000,000	1,500,000,000	99,369,588	993,695,880	Capital increase in the amount of 69,500,000	None	Note 25
2013/04	10	150,000,000	1,500,000,000	99,473,544	994,735,440	Capital increase from conversion of convertible bonds 1,039,560	None	Note 26
2013/07	10	150,000,000	1,500,000,000	100,238,380	1,002,383,800	Capital increase from conversion of convertible bonds 7,648,360	None	Note 27
2013/10	10	150,000,000	1,500,000,000	102,887,908	1,028,879,080	Capital increase arising from conversion of corporate bonds 26,495,280	None	Note 28
2014/01	10	150,000,000	1,500,000,000	104,108,907	1,041,089,070	Capital increase from conversion of convertible bonds 12,209,990	None	Note 29
2014/04	10	150,000,000	1,500,000,000	104,548,243	1,045,482,430	Capital increase arising from conversion of corporate bonds 4,393,360	None	Note 30
2014/07	10	150,000,000	1,500,000,000	104,559,024	1,045,590,240	Capital increase from convertible bonds conversion	None	Note 31

Year/Month	Issue Price	Authorized Capital		Ordinary share capital		Notes		
		Number of Shares Co., Ltd.	Amount (NT$)	Number of Shares Co., Ltd.	Amount (NT$)	Source of Share Capital (NT$)	Capital contribution in the form of non-cash assets	Other
						107,810		
2014/10	10	150,000,000	1,500,000,000	105,412,047	1,054,120,470	Capital increase arising from conversion of corporate bonds 8,530,230	None	Note 32
2015/01	10	150,000,000	1,500,000,000	105,437,983	1,054,379,830	Capital increase arising from conversion of corporate bonds 259,360	None	Note 33
2015/04	10	150,000,000	1,500,000,000	105,484,092	1,054,840,920	Capital increase arising from conversion of corporate bonds 461,090	None	Note 34
2015/12	10	150,000,000	1,500,000,000	102,504,092	1,025,040,920	Capital reduction by cancellation of 29,800,000 treasury shares	None	Note 35
2016/10	10	150,000,000	1,500,000,000	105,292,897	1,052,928,970	Capital increase arising from conversion of corporate bonds 27,888,050	None	Note 36
2017/02	10	150,000,000	1,500,000,000	109,741,381	1,097,413,810	Capital increase through conversion of corporate bonds 44,484,840	None	Note 37
2017/05	10	150,000,000	1,500,000,000	111,372,916	1,114,729,160	Capital increase arising from conversion of corporate bonds 16,315,350	None	Note 38
2017/09	10	150,000,000	1,500,000,000	112,236,778	1,122,367,780	Capital increase arising from conversion of corporate bonds 8,638,620	None	Note 39
2017/12	10	150,000,000	1,500,000,000	114,029,482	1,130,294,820	Capital increase arising from conversion of corporate bonds 7,927,040	None	Note 40
2018/02	10	150,000,000	1,500,000,000	114,255,105	1,132,551,050	Capital increase from conversion of corporate bonds 2,256,230	None	Note 41
2018/05	10	150,000,000	1,500,000,000	114,274,601	1,142,746,010	Capital increase arising from conversion of corporate bonds 10,194,960	None	Note 42
2018/07	10	150,000,000	1,500,000,000	116,530,868	1,165,308,680	Capital increase from conversion of convertible bonds 22,562,670	None	Note 43
2018/09	10	150,000,000	1,500,000,000	122,030,868	1,220,308,680	Capital increase in the amount of 55,000,000	None	Note 44
2020/10	10	300,000,000	3,000,000,000	125,691,795	1,256,917,950	Capital surplus transferred to share capital in the amount of 36,609,270	None	Note 45
2021/10	10	300,000,000	3,000,000,000	129,462,549	1,294,625,490	Capital surplus transferred to share capital in the amount of 37,707,540	None	Note 46

Note 1: Ministry of Finance, Securities and Futures Commission, Letter No.84608, Tai Cai Zheng (1), 2000.
Note 2: Securities and Futures Commission, Ministry of Finance, (2001) Tai-Tsai-Cheng (1) No.144601.
Note 3: Ministry of Finance, Securities and Futures Commission, Letter No. Tai-Cai-Zheng (1) 165712, 2001.
Note 4: Ministry of Finance, Securities and Futures Commission, Tai-Tsai-Cheng-I Letter No.0910141306.
Note 5: Ministry of Finance, Securities and Futures Commission, Tai-Tsai-Cheng-I Letter No.0910160820.
Note 6: Ministry of Finance, Securities and Futures Commission Letter No.0920130274.
Note 7: Letter No.0930129781 issued by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.
Note 8: Date and reference number of approval by the Ministry of Economic Affairs: 2004/11/02, Jing-Shou-Shang-Zi No.09332965160.
Note 9: Date and reference number of approval by the Ministry of Economic Affairs: 2005/03/08, Jing-Shou-Shang-Zi No.09401036670.
Note 10: Date and reference number of approval by the Ministry of Economic Affairs: 2005/04/27, Jing-Shou-Shang No.09401073420.
Note 11: Date and reference number of approval by the Ministry of Economic Affairs: 2005/10/12, Jing-Shou-Shang-Zi No.09401200550.
Note 12: Date and reference number of approval by the Ministry of Economic Affairs: 2006/05/08, Jing-Shou-Shang-Zi No.09501083660.
Note 13: Date and reference number of approval by the Ministry of Economic Affairs: 2006/09/05, Jing-Shou-Shang-Zi No.09501199330.
Note 14: Date and reference number of approval by the Ministry of Economic Affairs: 2006/10/17, Jing-Shou-Shang-Zi No.09501229490.
Note 15: Date and reference number of approval by the Ministry of Economic Affairs: 2007/01/23, Jing-Shou-Shang-Zi No.09601014380.
Note 16: Date and reference number of approval by the Ministry of Economic Affairs: 2007/03/14, Jing-Shou-Shang-Zi No.09601047430.
Note 17: Date and reference number of approval by the Ministry of Economic Affairs: 2007/04/16, Jing-Shou-Shang-Zi No.09601075190.
Note 18: Date and reference number of approval by the Ministry of Economic Affairs: 2007/07/03, Jing-Shou-Shang-Zi No.09601149480.
Note 19: Date and reference number of approval by the Ministry of Economic Affairs: 2007/10/26, Jing-Shou-Shang-Zi No.09601264270.
Note 20: Date and reference number of approval by the Ministry of Economic Affairs: 2009/04/15, Jing-Shou-Shang-Zi No.09801073080.
Note 21: Date and reference number of approval by the Ministry of Economic Affairs: 2009/07/13, Jing-Shou-Shang-Zi No.09801149110.
Note 22: Date and reference number of approval by the Ministry of Economic Affairs: 2009/09/15, Jing-Shou-Shang-Zi No.09801209940.
Note 23: Approval date and document number issued by the Ministry of Economic Affairs: 2010/11/15, Jing-Shou-Shang-Zi No.09901253850.
Note 24: Date and reference number of approval by the Ministry of Economic Affairs: 2011/04/18, Jing-Shou-Shang-Zi No.10001074980.
Note 25: Date and reference number of approval by the Ministry of Economic Affairs: 2012/12/13, Jing-Shou-Shang-Zi No.10101255830.
Note 26: Date and reference number of approval by the Ministry of Economic Affairs: 2013/04/15, Jing-Shou-Shang-Zi No.10201067920.

Note 27: Date and reference number of approval by the Ministry of Economic Affairs: 2013/07/23, Jing-Shou-Shang-Zi No.10201141360.
Note 28: Date and reference number of approval by the Ministry of Economic Affairs: 2013/10/16, Jing-Shou-Shang-Zi No.10201210930.
Note 29: Date and reference number of approval by the Ministry of Economic Affairs: 2014/01/27, Jing-Shou-Shang-Zi No.10301014920.
Note 30: Date and reference number of approval by the Ministry of Economic Affairs: 2014/04/18, Jing-Shou-Shang No.10301068130.
Note 31: Date and reference number of approval by the Ministry of Economic Affairs: 2014/07/28, Jing-Shou-Shang-Zi No.10301145420.
Note 32: Date and reference number of approval by the Ministry of Economic Affairs: 2014/10/17, Jing-Shou-Shang No.10301216470.
Note 33: Date and reference number of approval by the Ministry of Economic Affairs: 2015/01/20, Jing-Shou-Shang-Zi No.10401007340.
Note 34: Date and reference number of approval by the Ministry of Economic Affairs: 2015/04/14, Jing-Shou-Shang No.10401068230.
Note 35: Date and reference number of approval by the Ministry of Economic Affairs: 2015/12/02, Jing-Shou-Shang-Zi No.10401258250.
Note 36: Date and reference number of approval by the Ministry of Economic Affairs: 2016/10/20, Jing-Shou-Shang-Zi No.10501249380.
Note 37: Date and reference number of approval by the Ministry of Economic Affairs: 2017/02/06, Jing-Shou-Shang-Zi No.10601013630.
Note 38: Date and reference number of approval by the Ministry of Economic Affairs: 2017/05/17, Jing-Shou-Shang-Zi No.10601064510.
Note 39: Date and reference number of approval by the Ministry of Economic Affairs: 2017/09/11, Jing-Shou-Shang-Zi No.10601123820.
Note 40: Approval date and reference number issued by the Ministry of Economic Affairs: 2017/12/04, Jing-Shou-Shang-Zi No.10601163100.
Note 41: Date and reference number of approval by the Ministry of Economic Affairs: 2018/02/27, Jing-Shou-Shang-Zi No.10701020590.
Note 42: Date and reference number of approval by the Ministry of Economic Affairs: 2018/05/04, Jing-Shou-Shang-Zi No.10701046410.
Note 43: Date and reference number of approval by the Ministry of Economic Affairs: 2018/07/26, Jing-Shou-Shang-Zi No.10701092220.
Note 44: Date and reference number of approval by the Ministry of Economic Affairs: 2018/09/06, Jing-Shou-Shang-Zi No.10701114720.
Note 45: Date and reference number of approval by the Ministry of Economic Affairs: 2020/10/06, Jing-Shou-Shang-Zi No.10901187380.
Note 46: Date and reference number of approval by the Ministry of Economic Affairs: 2021/10/26, Jing-Shou-Shang-Zi No.11001197060.

C. Summary of information regarding the consolidated reporting system: Not applicable.

(2) List of Major Shareholders

April 10, 2026 Unit: Shares

Shares / Name of Major Shareholder	Shares held	Equity interest percentage
Ching Rong Investment Co., Ltd.	20,157,546	15.57%
Hong-Pu Investment Co., Ltd.	10,648,154	8.22%
Han-Lin Investment Co., Ltd.	8,302,767	6.41%
Feng Xi Investment Co., Ltd.	4,920,485	3.80%
Guoshi Bank Custodial Investment Account at Phillip Securities (Hong Kong) Limited	3,883,114	3.00%
Fengmeng Investment Co., Ltd.	3,128,069	2.42%
HONG LIN INVESTMENT CO., LTD.	2,930,000	2.26%
Chang Sheng Investment Co., Ltd.	2,828,667	2.18%
Jiang Qingying	2,138,127	1.65%
Zheng Yuan Investment Co., Ltd.	2,113,000	1.63%

(3) Dividend policy and execution status of the Company:

A. The dividend policy stipulated in the Articles of Incorporation is as follows:

If the Company has earnings upon annual closing, it shall first pay taxes and make up accumulated losses, then set aside 10% as legal reserve, unless the legal reserve has reached the total capital. If necessary, special reserve shall be set aside or reversed in accordance with laws and regulations or requirements of the competent authority. Any remaining balance shall be distributed based on a proposal prepared by the Board of Directors for distribution of not less than 20% of earnings. However, if there are no earnings for the year or the Board of Directors considers the earnings to be low, the Board may resolve not to distribute earnings. When preparing an earnings distribution proposal, the Board may include a portion of prior years' undistributed earnings for distribution. If the distribution is made by issuing new shares, it shall be submitted to the Shareholders' Meeting for resolution.

The Company's dividend policy is established in accordance with its current and future development plans, taking into consideration factors such as the investment environment and capital requirements. When distributing Shareholder dividends, the Company may do so in the form of cash or stock. Cash dividends shall not be less than 5% of the total dividends; however, if the cash dividend per share is less than one

dollar, the entire dividend may be distributed in the form of stock dividends.
Pursuant to Article 240 of the Company Act, the Company authorizes the Board of Directors, by a resolution adopted by at least two-thirds of the Directors present and more than half of the Directors present voting in favor, to distribute all or part of dividends and bonuses, or all or part of legal reserve and capital surplus as prescribed under Article 241 of the Company Act, in cash, and to report such distribution to the Shareholders' Meeting.

B. Proposed Dividend Distribution for This Shareholders' Meeting:
On March 27, 2026, the Board of Directors resolved to distribute cash dividends of NT$51,785,020 (NT$0.4 per share) from earnings for 2025 and cash of NT$103,570,039 (NT$0.8 per share) from capital surplus.

(4) The impact of the proposed gratuitous stock dividend distribution at this Shareholders' Meeting on the Company's operating performance and earnings per share:
All dividends for the year were distributed in cash; therefore, not applicable.

(5) Remuneration of Employees, Directors, and Supervisors:

A. The Company shall allocate 1% to 5% of profit before tax, prior to the deduction of Employee remuneration and Director remuneration, as Employee remuneration (of which not less than 20% shall be allocated to grassroots Employees), and no more than 3% as Director remuneration. Such allocation shall be determined by a Resolution of the Board of Directors, with the attendance of at least two-thirds of the Directors and the approval of more than half of the attending Directors, and shall be reported to the Shareholders' meeting. However, if the Company has accumulated losses, the amount required to offset such losses shall be reserved in advance.
The Employee remuneration referred to in the preceding paragraph may be distributed in the form of shares or cash. Eligible recipients may include Employees of subsidiaries who meet specific criteria.

B. Basis for estimating Employee and Director/Supervisor remuneration for the current period, the basis for calculating the number of shares distributed as stock remuneration, and accounting treatment of differences between actual distributions and estimated amounts:
The Company estimates Employee and Director/Supervisor remuneration based on the profitability of the year and the percentage ranges stipulated in the Articles of Incorporation. If the amount subsequently resolved for actual distribution differs from the estimated amount, the difference shall be treated as a change in accounting estimate and adjusted in profit or loss for the year of actual distribution.

C. Remuneration distribution as approved by the Board of Directors:

(A) Amounts of Employee remuneration and Director/Supervisor remuneration distributed in cash or shares. If there is any difference between the actual amounts distributed and the estimated amounts recognized as expenses for the year, such differences, reasons, and handling principles shall be disclosed:

On March 27, 2026, the Board of Directors resolved to allocate Employee remuneration of NT$2,812,013 for 2025 (20% of the Employee remuneration, or NT$562,403, is allocated to grassroots Employees) and Director remuneration of NT$4,218,020, both to be paid in cash. Compared with the amounts recognized in the 2025 financial report, the amount of Director remuneration is consistent, while the difference in Employee remuneration is NT$703,003, mainly due to an increase made to enhance Employee benefits. The foregoing difference is treated as a change in accounting estimate and has been adjusted in profit or loss for 2026.

(B) The amount of Employee remuneration distributed in the form of shares and its proportion to the aggregate of profit after tax and total Employee remuneration for the current period, as presented in the individual or separate financial statements: All dividends for the current year were distributed in cash; therefore, not applicable.

D. Actual distribution of Employee remuneration and Director/Supervisor remuneration in the previous year (including the number of shares distributed, amount, and share price), and if there was any difference from the recognized Employee and Director/Supervisor remuneration, the difference, reason, and handling shall be explained:

The Employee remuneration and Director remuneration actually distributed by the Company in the previous year were NT$1,768,140 and NT$3,536,280, respectively, with no difference from the amounts recognized in the financial reports.

(6) Repurchase of the Company’s shares: The Company has not repurchased any of its own shares.

2. Status of Corporate Bonds

(1) Status of the Sixth Domestic Unsecured Convertible Corporate Bonds

Type of Corporate Bonds	Sixth domestic unsecured convertible corporate bonds
Issuance Date	December 16, 2025
Denomination	NT$100,000
Place of Issuance and Trading	Domestic
Issue Price	Issued at par value
Total Amount	NT$350,000,000
Interest Rate	0%
Term	3-year term, maturity date: December 16, 2028
Guarantor Institution	None
Trustee	Trust Department, Bank SinoPac Co., Ltd.
Underwriter	SinoPac Securities Corporation
Attesting Attorney	Chuang Chih-Kun Law Firm; Attorney CHUANG, CHIH-KUN
Attesting CPAs	PricewaterhouseCoopers Taiwan CPAs Chan-Yuan Tu and Tsung-Hsi Lai
Repayment Method	Except for conversion or redemption in accordance with the conversion rules, the principal will be repaid in cash in one lump sum at maturity.
Outstanding Amount	NT$350,000,000
Redemption or Early Repayment Terms	Please refer to the issuance rules for details.
Restrictive Covenants	Please refer to the issuance rules for details.
Name of Credit Rating Institution and Rating Date, Corporate Bond Rating Result	None

Other Rights Attached	Amount of common shares, overseas depositary receipts, or other securities converted (exchanged or subscribed) up to the date of publication of the annual report	None
	Issuance and Conversion (Exchange or Subscription) Rules	Please refer to the issuance and conversion rules for details.
Issuance, conversion, exchange, or subscription rules; potential dilution of equity under the issuance terms; and impact on existing Shareholders' equity		Based on the conversion price of NT$60 at issuance, the dilution ratio of this convertible corporate bond issuance to existing equity is 6.19%, and the dilution effect is not significant.
Name of Custodian Institution for the Underlying Exchange Target		None

(2) Convertible Corporate Bond Information

Type of Corporate Bonds		Sixth domestic unsecured convertible corporate bonds		
Contents \ Year		Year 2024	Year 2025	Current year up to April 27, 2026
Market Price of Convertible Corporate Bonds	Highest	Not yet issued	108.10	140.50
	Minimum	Not yet issued	103.00	105.00
	Average	Not yet issued	105.57	115.69
Conversion Price		Not yet issued	60.00	60.00
Issuance (Handling) Date and Conversion Price at Issuance		2025/12/16 NT$60		
Method of Fulfilling Conversion Obligation		Issuance of new shares		

3. Status of Preferred Shares: The Company has not issued any preferred shares.
4. Issuance of Overseas Depositary Receipts: The Company has not issued any overseas depositary receipts.
5. Status of Employee Stock Option Warrants: The Company has not issued any employee stock option warrants.
6. Status of Restricted Employee Share Issuance: The Company has not issued any new restricted employee shares.
7. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: The Company has not issued new shares in connection with any merger, acquisition, or acquisition of shares of another company.
8. Status of Execution of the Fund Utilization Plan

A. Plan content: As of the quarter preceding the date of publication of the annual report, for any prior issuance or private placement of securities that has not been completed, or that was completed within the most recent three years but whose plan benefits have not yet materialized, the content of each issuance or private placement plan shall be described in detail, including any changes to the plan, sources and uses of funds, reasons for changes, benefits before and after changes, the date on which the changed plan was submitted to the Shareholders' Meeting, and the date entered into the information reporting website designated by the competent authority:

(A) Sixth domestic unsecured convertible corporate bonds

The plan for the Company's sixth domestic unsecured convertible corporate bonds issued in 2025 was entirely for repayment of bank borrowings and was completed in the fourth quarter of 2025.

B. Execution status: As of the quarter preceding the date of publication of the annual report, the execution status of each plan referred to in the preceding paragraph is as follows:

(A) Sixth domestic unsecured convertible corporate bonds

The Company's corporate bond issuance plan became effective upon registration with the competent authority by letter Jin-Guan-Zheng-Fa No. 1140360643 dated October 28, 2025. The fundraising was completed on December 12, 2025, and the plan had been fully implemented by the end of the fourth quarter of 2025.

Unit: Thousands of New Taiwan Dollars (NT$)

Plan Item	Execution Status		As of the fourth quarter of 2025	Reasons for Advancement or Delay
Repayment of bank borrowings	Amount Utilized	Scheduled	350,000	Completed according to plan
		Actual	350,000	
	Execution Progress	Scheduled (%)	100	
		Actual (%)	100	

The proceeds from this convertible corporate bond issuance were used to repay bank borrowings in order to enhance solvency and competitiveness with industry peers. The repayment of bank borrowings was completed in the fourth quarter of 2025. With reference to the interest rates of the original borrowings, annual interest expenses may be reduced by approximately NT$6,867 thousand. After the proceeds raised by the Company are used to repay bank borrowings, they will not only reduce the Company's financial burden but also, when future operating performance improves, support the Company's medium- and long-term development and enhance overall competitiveness. Therefore, the fundraising plan was necessary.

Four. Operational Overview

1. Business Activities

(1) Scope of Operations

A. Main Content:

(A) Manufacture, processing, trading, and import and export of various electronic equipment capacitors.

(B) Contracting and design of various radio engineering works.

B. Operating proportion:

Unit: Thousands of New Taiwan Dollars (NT$)

Principal Products	Year 2025	
	Amount	Proportion of operating revenue
Liquid Electrolytic Capacitor	2,840,052	75.42%
Solid Electrolytic Capacitor	925,831	24.58%
Total	3,765,883	100.00%

C. Current Products (Services):

Capacitors are fundamental components in electronic equipment and are widely used in 3C electronic products, home appliances, electrical machinery, computers, power supplies, lighting systems, and communications equipment. In response to the needs of different industries, the Company has developed various types of solid and liquid capacitors, including leaded, L-shaped, screw-type, and snap-in products.

D. New products (services) planned for development by the Company:

(A) Development of solid-state and solid-liquid vehicle application specifications (continued)

(B) Development of solid and liquid aluminum capacitors for high-temperature applications at 135℃ (continued)

(C) Development of solid-state high-voltage 120WV products

(D) PEDOT development

(E) Development of server 550V and 600V products (continued)

(F) Development of AI server products (continued)

(G) Development of miniaturized sintered foil products (continued)

(2) Industry Overview

A. Current status and development of the industry

The basic structure of commonly used aluminum electrolytic capacitors is a foil-wound structure. The positive electrode is aluminum foil on whose surface a valve metal oxide film, Al2O3, is formed by electrochemical means, while the negative electrode consists of working electrolyte absorbed in porous electrolytic paper. This wound structure effectively expands the actual plate area, enabling aluminum electrolytic capacitors to provide larger capacitance than other capacitors. Global applications of aluminum electrolytic capacitors include computers, monitors, white goods, cloud and servers, industrial automation, gaming consoles, and broader fields such as 5G communications, automotive industry, new energy, and medical and fitness products. Because the stability of current aluminum electrolytes under extreme conditions is not as strong as other capacitors, their military applications remain limited.

The rise of solid capacitors is mainly intended to address the problem of electrolyte leakage or bursting in traditional aluminum electrolytic capacitors under high heat. Solid capacitors also have longer useful lives and are suitable for high-frequency environments. In downstream applications such as high-end motherboards, notebook computers, industrial computers, servers, VGA cards, gaming consoles, miniaturized transformers, and chargers, solid capacitors are expected to gradually replace traditional liquid aluminum electrolytic capacitors as performance and quality requirements continue to improve.

According to data from the Industry, Science and Technology International Strategy Center of the Industrial Technology Research Institute, the global solid capacitor market has been expanding gradually. As the price of solid capacitors continues to approach that of traditional aluminum electrolytic capacitors and penetration continues to increase, the outlook for the solid capacitor industry is promising.

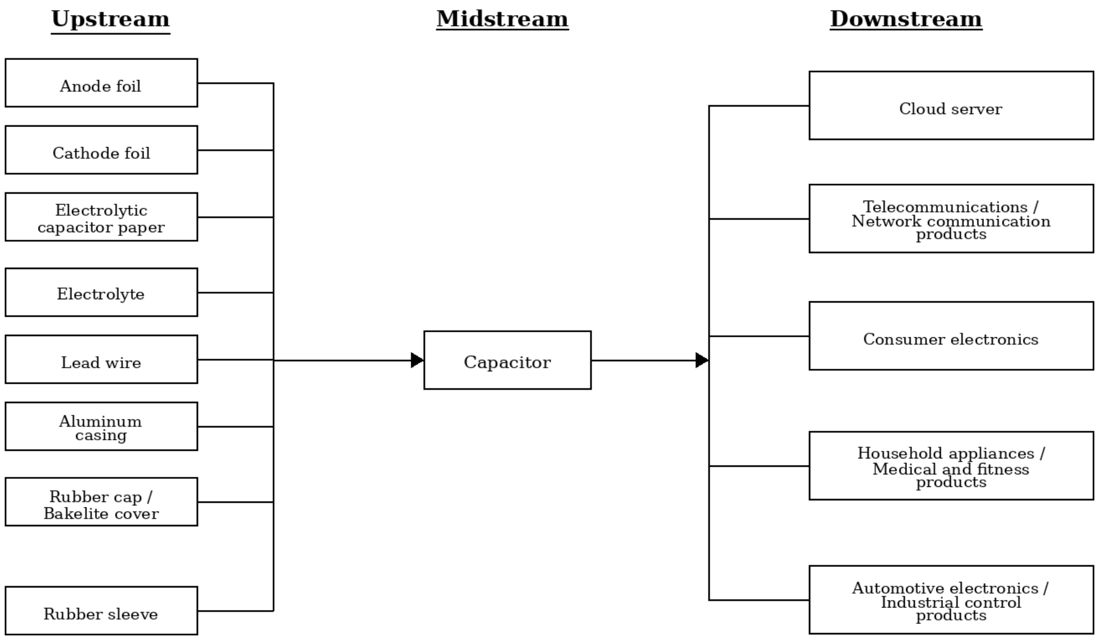
The main reason for the design of hybrid solid-liquid capacitors is that the electrolyte of solid capacitors, conductive polymer, does not repair the oxide film in the same way as liquid electrolyte. Manufacturers therefore impregnate additional electrolyte on the basis of solid capacitors, hoping to improve solid capacitors' relatively weaker voltage resistance and higher leakage current through the oxide-film repair effect of the electrolyte. Hybrid solid-liquid capacitors are mainly used in servers, 4G and 5G communication infrastructure, industrial products, and automotive applications.

Hybrid solid-liquid capacitors are improved on the basis of solid capacitor technology, so most of their performance characteristics still tend toward solid capacitors. However, due to the introduction of electrolyte, they also differ from solid capacitors. A general comparison of hybrid, solid, and liquid capacitors is as follows:

Classification	Solid and liquid capacitors	Solid state capacitor	Electrolytic capacitor
Electrolyte	Conductive polymer and electrolyte	Conductive Polymer	Electrolyte
Capacity	smaller	Minimum	Larger
Voltage	Lower	Minimum	Very high
ESR	Low		High
Leakage Current (LC)	Low	High	Low
High-temperature lifespan	Longer	Long	Shorter
Failure Mode	Route opening	Short circuit	Route opening

B. Relationships Among Upstream, Midstream, and Downstream Industries

The upstream segment of the capacitor industry comprises anode foil, cathode foil, electrolytic paper, electrolyte, lead wire, aluminum casing, and other materials; the downstream industries include electronic information, communications, consumer electronic products, and other products. The industry relationship diagram is shown below:



C. Development trends in the industry

In response to increasingly refined requirements and technological upgrades in downstream application markets such as mobile phones and tablet computers, products continue to develop toward smaller sizes and specifications, longer lifetimes, higher reliability, lower impedance, and higher ripple resistance. Digital electronic products, variable-frequency energy-saving household appliances, and green energy-saving products have entered a stage of technological maturity, with market share rising steadily and demand for high-end capacitors increasing accordingly. In addition, the miniaturization and portability of information and communication products have increased the use of external power supplies. Energy saving, automation, and cloud applications are becoming increasingly important.

D. Competitive landscape

High-end aluminum capacitors are still mainly supplied by Japanese companies. However, the Company has been established for more than 50 years and is mainly engaged in the production, manufacturing, and sale of aluminum electrolytic capacitors. With many years of industry experience and mature technology, and through technical cooperation with a major Japanese manufacturer, HITACHI AIC, for research and production of high-voltage electrolytic capacitors, the Company's products have been recognized by well-known domestic and overseas manufacturers and have established a strong reputation in the industry. The Company is currently one of the top two domestic aluminum capacitor manufacturers.

(3) Technology and Research and Development Overview:

A. Technology level and research and development of the business

Since its establishment, the Company has been committed to the research and development of electrolytic capacitors and electrolytes. Its technology sources include in-house research and development as well as technical cooperation with major foreign manufacturers, including Hitachi AIC. Through an investee company's technical cooperation with Hitachi AIC, the Company has obtained key technologies for high-voltage electrolytic capacitors and patents for L-type capacitor technology for production, manufacturing, and sales.

B. Research and development expenses invested each year for the most recent three years

Unit: Thousands of New Taiwan Dollars (NT$)

Contents	Year 2025	Year 2024	Year 2023
Research and development expenses	105,178	93,233	88,938
Net operating revenue	3,765,883	3,430,181	3,193,488
Revenue proportion	2.79%	2.72%	2.78%

C. Successfully developed technologies or products

Technologies or products successfully developed in the most recent five years are listed below:

Year	Research and Development Achievements	Explanation
2021	Development of Ecap-V-CHIP Capacitors	Used in consumer products to partially replace existing E-cap DIP products.
	Development of Long-Life Foil-Type Capacitors	Servers, high-end power supply units, industrial power supply units
2022	Development of Solid and Liquid-State V-CHIP Aluminum Capacitors	Automotive applications, VGA graphics cards
	Development of Long-Life Liquid Capacitors Rated at 105℃/550V	Charging piles, solar inverters
	Development of liquid-type, high-temperature (130℃), pin-type, long-life, high ripple-resistant, medium- to high-voltage capacitors	Outdoor network communication devices
	Miniaturization Development of Solid DIP Capacitors, 50–63V	Motherboards, servers, high-end power supplies, and LCD televisions
2023	The development of specifications for solid and liquid V-CHIP aluminum capacitors has been completed.	Automotive applications, VGA graphics cards
	Development of long-life liquid capacitors rated at 105℃/550V (in progress)	Charging piles, solar inverters
	Development of liquid-filled, high-temperature (130℃), thermally conductive, pin-type, long-life, high ripple-resistant, medium- and high-voltage capacitors (ongoing)	Outdoor network communication devices
	Ongoing miniaturization development of solid-state DIP 50–63V capacitors	Motherboards, servers, high-end power supplies, and LCD televisions
2024	Development of Solid and Liquid-State V-CHIP Aluminum Capacitors	Automotive applications, VGA graphics cards
	Mass production of solid-state DIP/SMD 50–80V	Motherboards, servers, high-end power supplies, and LCD televisions
	Mass production of solid-state DIP 12.5π	High-power power supply unit
	130℃ High-Voltage Long-Life Capacitor	Outdoor network communication devices
2025	Mass production of solid-state and liquid-type V-CHIP aluminum capacitors	Automotive electronics / electric vehicles (EVs)

		Industrial power supplies / industrial control / communications infrastructure / data centers / servers / AI servers Consumer electronics and communications equipment (such as base stations and networking equipment) Energy / renewable energy / power systems
	Mass production of solid-state high-voltage 100WV products	Motherboards, servers, high-end power supplies, and LCD televisions
	Development of AI server products	AI servers, smart manufacturing
	Development of miniaturized sintered foil products	Servers, power supply products

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

Since its establishment, the Company has been committed to capacity expansion, process improvement, research and development of new products, and development of marketing operations in order to meet market requirements for product quality, cost, delivery, and service systems. In response to domestic and international competition and rapid market changes, the Company has formulated the following short- and long-term plans:

A. Short-term plans:

(A) Develop products in accordance with the individual needs of major customers, promptly provide the products and quality required by customers, and strengthen supply-demand relationships with customers.

(B) Leverage the strengths of each production site and integrate the resources of local suppliers to effectively control costs and create competitive pricing advantages for products.

(C) Establish strategic alliances with major raw material suppliers to secure stable access to key raw material sources.

(D) Improve equipment and eliminate major bottlenecks in the production process to increase production capacity and output.

B. Long-term plans:

(A) Expand global market share and actively market product brands in order to secure direct business cooperation opportunities with well-known overseas manufacturers.

(B) Establish marketing bases in Europe and the Americas and continue to expand markets both domestically and internationally.

(C) Long-term development of high value-added products through research and development.

(D) Develop the contract manufacturing market, expand production and procurement economies of scale, and reduce the Company’s production costs.

2. Market, Production, and Sales Overview

(1) Market Analysis

A. Principal sales regions for major goods and services:

The Company’s principal products are aluminum electrolytic capacitors, with export sales as its primary focus. The main market is in Asia.

Unit: Thousands of New Taiwan Dollars (NT$)

Year / Sales Region	Year 2025		Year 2024	
	Amount	%	Amount	%
Domestic	194,443	5.16	104,017	3.03
Asia	3,315,342	88.04	2,978,371	86.83
Europe	78,251	2.08	107,321	3.13
United States	136,879	3.63	79,769	2.33
Middle East and Near East	40,644	1.08	160,077	4.67
Africa	324	0.01	626	0.01
Total	3,765,883	100.00	3,430,181	100.00

B. Market Share

The Company and its subsidiaries are primarily engaged in the manufacturing and sale of aluminum electrolytic capacitors. Currently, the global market for aluminum electrolytic capacitors is predominantly controlled by Japanese manufacturers, with the top four global producers all being Japanese companies, collectively accounting for 70% of worldwide production. Korean manufacturers, such as SamYoung and SAMWHA, follow, with Taiwanese manufacturers ranking third and Mainland Chinese manufacturers ranking fourth, such as Hunan Aihua Capacitor and Nantong Jianghai. The supply of high-end products is almost exclusively dominated by Japanese companies, including Nippon Chemi-con, Nichicon, Rubycon, and Matsushita. In addition, Nippon Chemi-con, Sanyo, and Matsushita continue to expand production capacity to increase market share, while other manufacturers primarily focus on mid- to low-end products. Within Taiwan’s aluminum electrolytic capacitor industry, the Company ranks second only to Lelon Electronics in liquid capacitors and second only to APAQ Technology in solid capacitors.

C. Future market supply and demand conditions and growth prospects

Looking ahead to 2026, the trade policies of the Trump administration are expected to further heighten global economic uncertainty. JPMorgan Chase has cautioned that, should the United States fail to adjust its trade war strategy, the risk of economic recession may extend worldwide, with Europe likely to be significantly affected. With respect to operations in 2026, while overall economic uncertainty persists and continues to impact the global environment, inventory adjustments among downstream customers are nearing completion. It is anticipated that there will be growth opportunities in applications such as computers, cloud/servers, 5G communications, artificial intelligence, and energy storage equipment (power supplies). Accordingly, the Company will maintain a cautiously optimistic outlook in addressing these challenges. The Suvarnabhumi plant in Thailand (Plant 3) continues to carry out equipment investment and related construction projects to respond to future expansion of production of solid capacitors, liquid capacitors, and new products, thereby increasing the Group’s profitability.

D. Competitive Advantages

(A) Extensive industry experience and high market sensitivity

The Company was established in 1970 and has been engaged in the development of aluminum electrolytic capacitors for a longer period than other domestic peers.

In addition, strong customer relationships and technical collaboration with Japan's HITACHI AIC have enabled the Company to effectively support the development of downstream industries. Over the long term, the Company has developed a comprehensive understanding of the capacitor industry and cultivated a keen sensitivity to market dynamics, allowing it to promptly identify industry trends and provide complete supporting services to downstream manufacturers.

(B) Excellent Quality and Brand Reputation

The Company and its subsidiaries have consistently maintained superior quality standards and have accumulated extensive technical expertise and experience over many years. This dedication has not only established a strong reputation and goodwill but has also enabled their overseas production facilities to obtain BSI ISO-9001, ISO-14001, ISO/TS 16949, and OHSAS 18001 quality certifications, as well as safety approvals from multiple countries. Furthermore, for capacitor products with specialized characteristics such as high voltage, low impedance, and high ripple current, downstream customers primarily designate the Company and its subsidiaries as their principal suppliers.

(C) Enhancement of quality through professional expertise

The Company and its subsidiaries manufacture aluminum electrolytic capacitors, offering a comprehensive range of products. The research and development team, with the guidance of Japanese capacitor experts, is actively engaged in the development of electrolytes for high-voltage capacitors and continues to invest in high-value niche products to sustain the Company's competitive advantage. The Company enforces stringent operating standards and quality control measures as it pursues its objective of becoming a market leader.

E. Favorable and Unfavorable Factors Influencing Development Prospects and Corresponding Countermeasures

(A) Favorable Factors

(i) The demand for passive components continues to grow.

Although the passive component industry has entered a stable growth phase with limited annual growth rates, end-use applications continue to expand. Products such as automotive electronics and high-end mobile phones continue to evolve, and ongoing innovation in terminal product specifications has increased the number of passive components used per unit. This has encouraged downstream customers to place orders more actively. Passive component manufacturers continue to introduce updated, thinner, heat-resistant, and other designs to meet market demand, helping extend order visibility for passive component manufacturers.

(ii) Independently develop electrolytes to achieve self-sufficiency in key raw materials for aluminum electrolytic capacitors.

Electrolyte is a critical material for aluminum electrolytic capacitors. In recent years, the Company and its subsidiaries have actively engaged in the research, development, and production of high-voltage electrolytes and various high value-added capacitor products, thereby securing autonomy over key raw materials for aluminum electrolytic capacitors. These efforts contribute to enhancing the Company's competitiveness and expanding market share.

(iii) Broad product coverage, excellent quality, and multiple certifications

The Company and its subsidiaries manufacture and sell a wide range of aluminum electrolytic capacitor products. Through extensive professional manufacturing technology and experience, the Company continuously improves product quality and stability, earning customer recognition and trust. Its outstanding quality, technical expertise, and research and development capabilities have secured strong customer confidence. The Company has obtained certifications such as BSI ISO 9001 & 14001, ISO/TS 16949, and OHSAS 18001, which have played a significant role in supporting and advancing market development.

(iv) In-depth Understanding of Industry Trends

The Company and its subsidiaries possess fifty years of industry experience, providing them with deep insight into future industry trends and customer dynamics. The Company maintains up-to-date knowledge of industry developments, supplier quotations, and customer market demand. This comprehensive understanding of industry trends, combined with agile adaptability, constitutes the primary competitive advantage that enables the Company and its subsidiaries to sustain continuous growth in the capacitor industry.

(v) Robust Financial Structure

The Company is an OTC-listed company with transparent information disclosure and a sound financial structure, which helps strengthen the support of production, marketing, suppliers, and banks for the Company.

(B) Unfavorable Factors

(i) Intensifying market competition

The capacitor industry has characteristics such as a long product life cycle, low unit prices, and declining prices. Because products are widely used in various electronic products and product characteristics do not differ significantly, the rise of Mainland Chinese manufacturers has caused product prices to fall sharply, intensifying market competition.

<u>Countermeasures:</u>

(a) Strictly control quality, enhance brand image, and create brand differentiation so that "Chinsan Electronics" becomes the first choice among Taiwanese brands for aluminum electrolytic capacitors.

(b) Actively develop high value-added capacitors featuring smaller sizes, longer life, low impedance, and high ripple resistance; increase the product mix of solid capacitors and medium- to high-voltage products; and strive for orders from internationally well-known brands to enhance profit margins.

(c) Strengthen the development of key raw material technologies, such as electrolytes, and improve the level of production equipment automation to reduce production costs.

(d) Use capacity increases to expand procurement scale, thereby enhancing bargaining power in procurement, obtaining favorable payment terms, and lowering raw material costs.

(ii) Rising labor costs at major production bases

The major production bases of the Company and its subsidiaries are located in Thailand and Mainland China. As wages in Mainland China have risen in recent years, personnel costs have continued to increase, creating pressure on production cost control.

<u>Countermeasures:</u>

The Company seeks to mitigate the impact of rising labor costs by improving processes and increasing the degree of automation of production equipment, thereby reducing manpower requirements, increasing production efficiency, and expanding capacity.

(iii) Aluminum foil, the principal upstream raw material, is susceptible to fluctuations in international precious metal prices

Aluminum foil is the most critical raw material for aluminum electrolytic capacitors, accounting for approximately 50% to 70% of raw material costs. The performance of aluminum electrolytic capacitors is mainly determined by capacitance; the larger the surface area of the electrode foil, the higher the capacitance. Taiwan currently lacks autonomous suppliers for these raw materials, and the sources and technologies for base foil required for self-manufactured etched foil are mainly concentrated in Mainland China and Japan. High-voltage aluminum foil is mainly controlled by Japan, while low-voltage aluminum foil is mainly controlled by Japan and Mainland China, with only a small portion produced in Taiwan. In 2018, an aluminum foil shortage prevented the Company from significantly reducing production costs and caused difficulties in fulfilling orders due to a lack of raw materials. Raw material prices continued to rise in 2019 and reversed at the end of 2019. However, as the pandemic intensified, raw material prices began to rise again from the second quarter of 2021. With the economic downturn beginning in the second quarter of 2022, aluminum foil prices also began to decline. In 2025, aluminum foil prices continued to decline, though the decrease was not significant. By the end of 2026, as market supply and demand gradually stabilized, aluminum foil prices began to adjust slightly. Future prices will still be affected by international raw material prices, energy costs, and overall economic conditions.

Countermeasures:

(a) Directly invest in aluminum foil plants to secure stable sources of supply and reasonable purchase prices.

(b) Establish strategic alliances with aluminum foil plants; strengthen technical exchanges with upstream raw material manufacturers; actively research and develop high-quality materials; enhance process capabilities; and create a mutually beneficial relationship between suppliers and the Company.

(c) Seek additional high-quality local raw material suppliers and diversify sources to reduce the risk of raw material shortages.

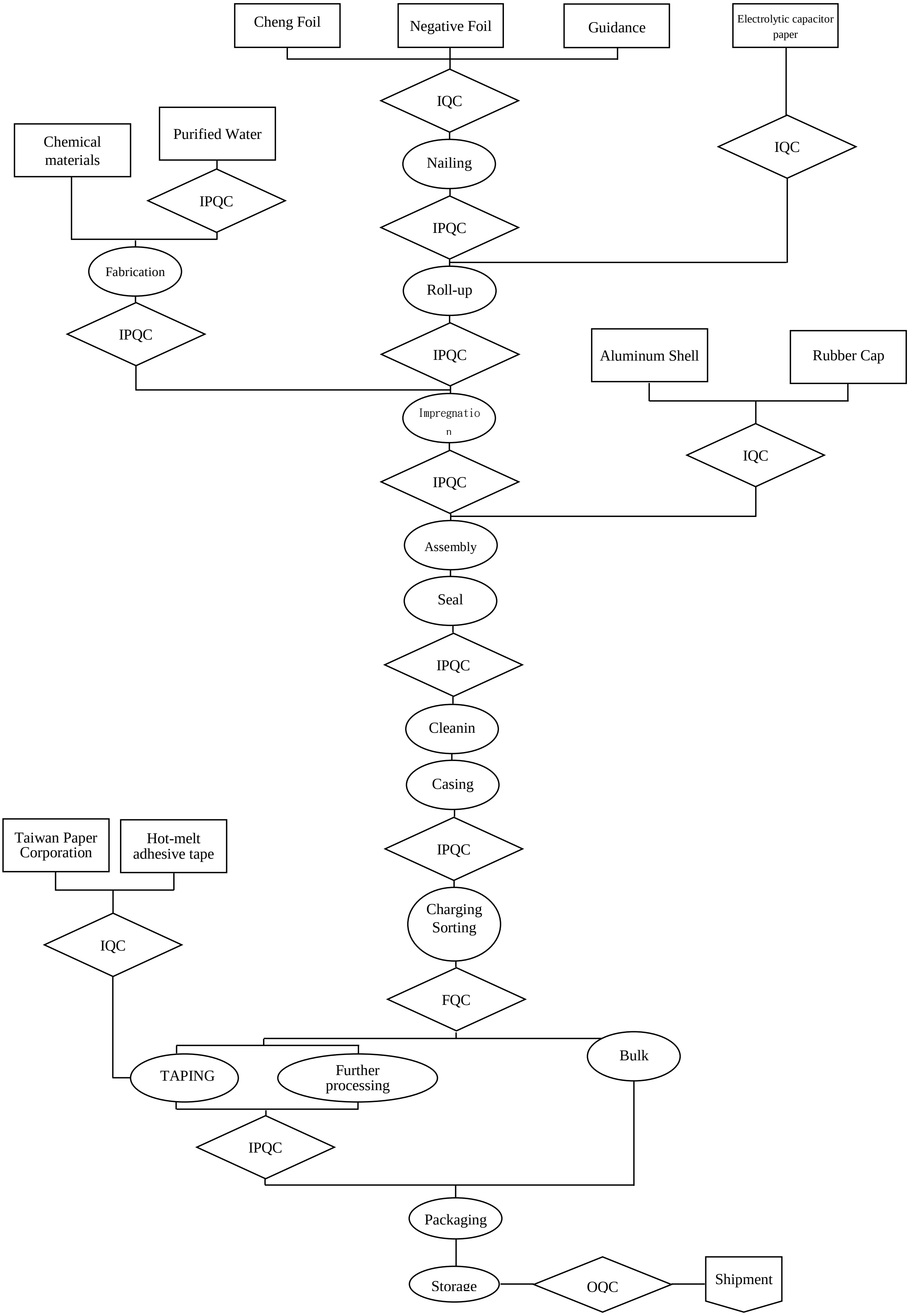
(d) Expand production scale, enhance bargaining power in procurement, and reduce production costs.

(2) Principal Products: Primary Uses and Manufacturing Processes

A. Primary uses of principal products

The principal products of the Company and its subsidiaries are aluminum electrolytic capacitors, including liquid capacitors and solid capacitors. Capacitors are among the primary passive components used in electronic and electrical circuits. They provide filtering, rectification, coupling, and high-speed charge/discharge functions and are characterized by small size and large capacitance. They are widely used in black goods such as televisions and audio equipment, white goods such as refrigerators, washing machines, air conditioners, and kitchen appliances, as well as consumer electronics, communication equipment, computer equipment, OA machines, power supplies, energy-saving lamps, IoT, industrial control products, optoelectronic products, 5G infrastructure, and medical and fitness products.

B. Production Process Flowchart



(3) Status of Supply of Principal Raw Materials

The principal raw materials of the Company and its subsidiaries are aluminum foil, electrolytic paper, lead wires, aluminum cases, electrolyte solution for liquid capacitors, and conductive polymer material PEDT for solid capacitors. The supply regions of these principal raw materials vary depending on the characteristics of each material and include Japan, Taiwan, and Mainland China. In terms of raw material procurement policy, the Company has consistently maintained at least two suppliers for purchases, encouraging suppliers to cooperate, improve quality, and maintain reasonable and stable prices. At present, for raw materials such as aluminum foil and electrolytic paper, which are more prone to shortages or longer delivery times, the Company maintains higher inventory levels to prevent the risk of material shortages.

(4) Information on customers whose purchase or sales amounts accounted for more than 10% of the total in each of the most recent two years

A. Information on principal suppliers whose purchases accounted for more than 10% of total purchases in each of the most recent two years:

Unit: Thousands of New Taiwan Dollars (NT$)

	Year 2024				Year 2025			
Contents	Name	Amount	Percentage of Net Purchases for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases for the Year (%)	Relationship with the Issuer
1	Company A	355,191	15.96	None	Company B	347,858	15.48	None
2	Company B	347,705	15.62	None	Company A	260,777	11.61	None
	Other	1,522,636	68.42	None	Other	1,638,194	72.91	None
	Net Sales	2,225,532	100.00		Net Sales	2,246,829	100.00	

Note: Where the contract stipulates that the supplier name or the counterparty, being an individual and not a related party, must not be disclosed, a code may be used in lieu thereof.

Reasons for changes:

The Company primarily manufactures aluminum electrolytic capacitors and solid capacitors, and its major purchase items include aluminum foil, electrolytic paper, bakelite covers, and chemical materials. Considering product quality, price terms, delivery coordination, supply stability, and the Company's procurement strategy of diversified purchasing from multiple suppliers, the purchase ratio from any single supplier did not exceed 30%. Therefore, there is no risk of purchase concentration or unstable supply sources.

B. Information on major sales customers whose sales accounted for more than 10% of total sales in each of the most recent two years:

Unit: Thousands of New Taiwan Dollars (NT$)

	Year 2024				Year 2025			
Contents	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the Issuer
1	Company A	600,702	17.51	None	Company A	929,256	24.68	None
2	Company B	482,432	14.06	None	Company B	510,716	13.56	None
	Other	2,347,047	68.43	None	Other	2,325,911	61.76	None
	Net Purchases	3,430,181	100.00		Net Purchases	3,765,883	100.00	

Note: Where the contract stipulates that the customer name or the counterparty, being an individual and not a related party, must not be disclosed, a code may be used in lieu thereof.

Reasons for changes:

The Company's principal products are aluminum electrolytic capacitors, with end customers primarily comprising manufacturers of LCD televisions, monitors, notebook computers, power supply units, motherboards, and gaming consoles. In 2025, as the economy recovered, revenue increased by 9.79% compared with 2024. Benefiting from strong AI demand in 2025, the sales ratio to Company A grew significantly and exceeded 20%, while the sales ratios to all other customers did not exceed 20%. As the Company actively develops new customers and maintains stable long-term relationships with existing customers, the overall customer sales ranking did not change, indicating that sales targets remain diversified and that there is no risk of sales concentration.

3. Employee Information for the Most Recent Two Years and as of the Date of Publication of the Annual Report

March 31, 2026

Year		Year 2024	Year 2025	For the year ended 31 March
Number of Employees		1,457	1,527	1,632
Average Age		36.46	35.49	36.61
Average length of service		6.43	6.62	6.91
Educational Background Distribution Ratio	Ph. D.	1	1	1
	Master’s Degree	28	30	27
	Higher education	404	386	438
	Senior High School	534	730	785
	Below senior high school level	490	380	381

※Age Distribution of New Employees (Group)

Gender	Male				Female				Total
Age	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	
Number of new employees	235	263	2	500	147	149	22	318	818

※Age Distribution of Departed Employees (Group)

Gender	Male				Female				Total
Age	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	Below the age of 30	Aged 30 to 50 years	Over 50 years of age	Subtotal	
Number of employees resigned	133	135	8	276	82	90	43	215	491

4. Information on Environmental Protection Expenditures

The total amount of losses (including compensation) and penalties incurred due to environmental pollution for the most recent year and up to the date of publication of the annual report, as well as an explanation of future response measures (including improvement actions) and possible expenditures (including estimated amounts of losses, penalties, and compensation that may arise if no response measures are taken; if a reasonable estimate cannot be made, an explanation of the inability to reasonably estimate should be provided): None.

5. Labor Relations

(A) Employee welfare measures, continuing education and training, the retirement system and its implementation, as well as agreements between labor and management, and measures for the protection of Employee rights and interests:

(i) To safeguard Employee rights and interests, support Employee well-being, and foster Employee cohesion, the Company not only establishes appropriate personnel and welfare systems in compliance with relevant laws and regulations, but also offers a variety of welfare measures that surpass statutory requirements. In addition to providing Employees with basic rights such as labor insurance, health insurance, pension contributions, special leave, maternity leave, parental leave, menstrual leave, family care leave, and other legally mandated benefits, the Company further offers a comprehensive and diverse array of additional Employee benefits.

The Company (Taiwan) serves as the operational headquarters. Due to the limited number of personnel, no labor union has been established and no collective agreement has been signed. The Company’s employee benefit items are described as follows:

(a) Bonus/Cash Gift Category: Year-end bonus; Dragon Boat Festival gift payment; Mid-Autumn Festival gift payment; Labor Day gift payment; birthday gift payment; wedding gift payment; childbirth gift payment; hospitalization or bereavement condolence payment.
(b) Insurance Category: Labor Insurance; National Health Insurance; group insurance; Labor Pension Fund contribution.
(c) Leave and Vacation System: Birthday leave; two-day weekend; special leave; prenatal checkup leave; maternity leave; paternity leave; family care leave; menstrual leave; unpaid leave.
(d) Education and Training: New Employee training; new Employee mentoring system; professional in-service training; management training; project training; self-development training; external training subsidy; Employee in-service education subsidy; well-being seminars.
(e) Leisure/Facilities Category: Employee travel subsidies; departmental meal subsidies; regular provision of afternoon tea; regular provision of premium vegetarian lunch boxes; internal publications; complimentary coffee machines; lactation rooms; year-end banquets and raffle events; club activities; various Employee welfare activities; various ESG social welfare activities.
(f) Other: Employee childcare allowance subsidy; health examination; car and motorcycle parking arrangements; comfortable office environment; business unit performance achievement bonus; senior Employee award; outstanding Employee award; research and development bonus; counselor work bonus.

(ii) Continuing Education and Training

The Company allows Employees to apply for external training and further education as required by their job responsibilities, and also organizes various internal training programs, including management and general education courses, to meet Employees' work-related needs. In 2025, in addition to Employees independently applying for external training and professional competency development courses, relevant programs were also provided within the Group.

Course Category	Total number of attendees	Total hours	Total expenses (NTD)
External Training Courses	282	2,992	553,575
Internal Training Courses	15,552	33,340	125,400
Total	15,834	36,332	678,975

(iii) The status of the Company and personnel responsible for financial information transparency in obtaining the relevant certifications designated by the competent authority is as follows:

Continuing education courses for the Accounting Supervisor, deputy Accounting Supervisor, and accounting personnel: three employees in the Finance Department.

Professional training courses for audit personnel: one individual from the audit department and one individual from other departments.

(iv) Retirement System and Its Implementation Status

With respect to the Employee retirement system, the Company administers its plans in accordance with the provisions of the Labor Standards Act (old pension scheme, defined benefit plan) and the Labor Pension Act (new pension scheme, defined contribution plan) as mandated by the government.

(a) The Company has established Employee retirement regulations and, on April 11, 1987, received approval from the Taipei County Government by letter No. 62640, Bei-Fu-She-Si, to establish the Labor Retirement Reserve Supervisory Committee. The Company appropriated 2.5% of total monthly salaries as labor retirement reserve. Beginning December 31, 1999, the appropriation ratio was changed to 2%, and the reserve was deposited in a special labor retirement reserve account with Central Trust of China. In addition, the recognized amount of old pension scheme retirement benefits for 2025 was NT$151,142, which is sufficient to cover the retirement benefits of Employees under the old labor pension scheme.
(b) Effective July 1, 2005, the new pension scheme has been implemented. The Company

contributes 6% of the total salaries of Employees who have elected to participate in the new scheme to the Employees' pension fund account. Employees may also, at their discretion, voluntarily contribute up to 6% of their monthly wages to their individual pension accounts with the Bureau of Labor Insurance. The amount recognized for the new pension scheme in 2025 was NT$2,567,839. As of the end of 2025, 13 Employees made voluntary contributions under the Labor Pension scheme, representing 13.54% of the total 96 Employees participating in the new scheme within the Company.

(c) Negotiation for postponed retirement age:

In line with ESG social responsibility, the Company actively creates a diverse and inclusive work environment. Several supervisors and Employees who are approaching or have reached the statutory retirement age continue to contribute outstanding value in their professional fields. The Company values every Employee's experience and abilities, does not impose age restrictions in its recruitment policy, and encourages senior talent to apply for suitable positions to ensure both knowledge transfer and organizational vitality. The Company believes that recruiting senior talent effectively promotes intergenerational cooperation, strengthens human capital, and demonstrates its commitment to diversity and inclusion. This policy helps retain outstanding senior Employees, reduce the risk of manpower gaps, and demonstrates the Company's commitment to fulfilling social responsibility and responding to the trends of an aging society.

(v) Status of labor-management agreements and measures to protect Employee rights and interests

The Company has established interactive communication and grievance channels with Employees, fully complies with labor laws, and strengthens welfare measures. Since its establishment, labor-management relations have been harmonious and there have been no labor disputes. The Company also uses labor-management meetings and communication and coordination mechanisms to ensure that labor and management reach common understanding and that various tasks can be carried out smoothly.

(vi) Employee Code of Conduct and Ethics

The Company has established relevant codes and internal regulations, including the "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," "Employee Management Regulations," "Employee Rewards and Penalties Measures," and "Confidentiality Agreement," which serve as the basis for Employee compliance in their daily work and conduct, thereby regulating the ethical behavior of Employees. Employees are required to strictly comply with the Company's relevant regulations in the performance of daily work and business activities to safeguard the Company's reputation.

(vii) Measures for the protection of the working environment and Employee personal safety

The Company currently implements the following measures for the working environment and Employee personal safety:

Contents	Content
Equipment Maintenance and Inspection	All electrical and voltage equipment, elevators, air conditioning systems, official vehicles, fire safety equipment, and other critical facilities are subject to both scheduled and unscheduled inspections and maintenance conducted by external professionals or organizations. Within the factories, mechanical maintenance personnel carry out regular maintenance and servicing of equipment. The equipment is designed with safeguards to ensure personal safety.
Access control security	Dedicated security personnel and an access control system are in place. Additionally, a contract has been executed with a security company for the installation of a monitored security system to ensure safety and access control during nighttime and holidays.
Insurance and Healthcare	In compliance with applicable laws, the Company enrolls all Employees in labor insurance and national health insurance. Additionally, the Company provides group accident and medical insurance for Employees. The Company also conducts regular health examinations for Employees.
Environmental Warning Message	Warning signs are displayed in various work environments to remind Employees to observe operational safety precautions and to ensure their safety.
Regulatory Compliance	1. The implementation and effectiveness of quality and environmental management systems are monitored through the ISO 9001 Quality Management System, ISO

Contents	Content
	14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System to enhance quality, environmental performance, and occupational health and safety, thereby ensuring the personal safety of Employees. 2. The use of hazardous substances in products is strictly prohibited. All products comply with the requirements of RoHS, REACH, and halogen content, as well as regulations ensuring the non-use of environmentally restricted substances, to safeguard the personal safety and health of Employees.
Disaster Prevention Framework	1. Establish a fire disaster prevention and response system by forming an Emergency Response Team and First Aid Personnel to address major disasters, coordinate support from various units, enhance the effectiveness of disaster prevention and response, reduce disaster-related losses, safeguard Employee safety and health, and ensure the normal operation of the workplace. 2. Fire safety drills are conducted every six months to enable Employees to understand the importance of fire safety through practical exercises, thereby enhancing disaster prevention and response capabilities, reducing losses from disaster incidents, safeguarding Employee safety and health, and ensuring the normal operation of the workplace. 3. All electrical and voltage equipment, elevators, air conditioning systems, official vehicles, fire safety equipment, and other critical facilities are subject to regular and ad hoc inspections and maintenance by external professionals or organizations. 4. Establish occupational safety and health regulations to prevent occupational hazards, safeguard Employee safety and health, ensure the proper functioning of the workplace, and thereby achieve the objective of sustainable corporate operations. 5. Professional occupational safety personnel, including Category B occupational safety and health supervisors, first aid personnel, and fire prevention managers, are provided with regular training and retraining. This ensures the ongoing enhancement of workplace environmental safety and health management, thereby maintaining a safe and healthy working environment.
Internal Announcement	For various special or unforeseen operations or projects, all Employee will be notified of relevant precautions and preventive measures via internal e-mail and postings on bulletin boards, including electronic bulletin boards.
Installation of AED devices	Install an AED device in the security office to facilitate emergency rescue operations.

(viii) Personal Data Protection Policy and Implementation Status:

(a) A comprehensive personal data protection policy and corresponding procedures have been established.

To implement personal data protection and management, the Company has formulated the Personal Data Protection Regulations in accordance with the Personal Data Protection Act. The regulations clearly set forth policies, specific practices, and data protection management principles for personal data protection. They apply to all employees of the Company, outsourced vendors, third-party personnel, and all operations and services involving legal compliance and security management of personal data, thereby comprehensively safeguarding personal data security.

(b) Clear allocation of responsibilities for data management.

The Company assigns data management responsibilities to departments responsible for the collection, processing, and use of data according to business attributes, strengthening accountability and improving data management efficiency. Through departmental self-management and internal rules, the Company ensures that each item of personal data is processed and controlled in accordance with compliance standards.

(c) Employee personal data protection awareness is incorporated into system design.

Upon onboarding, clauses on personal data protection, confidential information, and confidentiality responsibilities are included in labor contracts. In addition, the Company's Personnel Management Regulations specify that Employees are obligated to protect personal data and Company confidential information, embedding awareness of personal data protection into daily management processes.

(d) Implementation of the ISO 27001 Information Security Management System and Attainment of Certification.

In 2024, the Company formally implemented and obtained certification for the ISO 27001 Information Security Management System. The current certificate is valid from November 21, 2024 to November 20, 2027. During implementation, the Company established multiple information security management rules and systems, enhancing information security and privacy protection capabilities from both institutional and risk-control perspectives, and strictly controlling trade secrets and undisclosed confidential information to safeguard the rights and interests of customers, Shareholders, suppliers, and Employees.

(e) Continuous promotion of education and training to enhance protection awareness.

In 2025, in addition to arranging information and communication security courses for new Employees after onboarding, the Company held plant-wide “information and communication security” education and training courses to strengthen all Employees’ awareness and practical capabilities regarding information security and personal data protection. Details are as follows:

a. At Chinsan Thailand, cumulative training attendance reached 223 person-times, total training hours reached 63 hours, and the training participation rate was approximately 41%.

b. At Chinsan Guangzhou, cumulative training attendance reached 638 person-times, total training hours reached 78 hours, and the training participation rate was approximately 65%.

c. At Chinsan Taiwan, cumulative training attendance reached 109 person-times, total training hours reached 2 hours, and the training participation rate was approximately 90%.

Through education and training, all Employees’ awareness and practical capabilities regarding information security and personal data protection are strengthened.

(ix) In the most recent year and up to the date of publication of the annual report, no losses were incurred by the Company due to labor-management disputes. If the current and future estimated amounts and response measures cannot be reasonably estimated, the facts that such estimates cannot be made shall be explained: None.

6. Information and Communication Security Management

To strengthen risk management for information and communication security, the Company has established an information and communication security implementation team, built an information and communication security risk management framework, formulated information and communication security policies and specific management plans, and invested resources in information and communication security management. The Company also regularly reviews information and communication security policies to ensure information and communication security.

(A) Information and Communication Security Risk Management Framework

The Information and Communication Security Implementation Team regularly reviews information and communication security management policies and related procedures. Members of each unit faithfully carry out operations in accordance with the relevant procedures. During daily operations, regular inspections of firewalls, network equipment, servers, and other equipment are performed to promptly identify issues. Information and communication security risk assessments are conducted, and audits by the audit unit are performed to ensure the correctness and effectiveness of operations. Errors, vulnerabilities, and risks are immediately improved to establish a continuous improvement management cycle for information and communication security.

The Company has disclosed on the Market Observation Post System that the Chief Information Security Officer is Huang ○○ and the information security personnel is Hsu ○○. The Company conducts an annual review of its information security strategy at the end of each year and reports the results to the Board of Directors. The 2025 report date was 2025/11/12.

(B) Information and Communications Security Policy

The Company’s information and communication security policy is to “maintain the confidentiality, integrity, availability, and legality of the Company’s information and communications, and avoid improper use, leakage, alteration, damage, or loss of information, communications, and assets caused by human error, intentional sabotage, or natural disasters, which could affect the Company’s operations and damage its rights and interests.”

(i) Purpose

This policy is established to strengthen the risk management of information and communications security and to ensure the security of data, systems, equipment, and networks.

(ii) Information and Communication Security Objectives

Ensure the accuracy, availability, integrity, and confidentiality of the Company's information and communications operations. Prevent threats arising from both internal and external information security incidents. In the event of an incident, respond promptly to restore normal operations as quickly as possible and minimize any resulting damage.

(iii) Information and Communication Security Management Measures

Establish an information and communications security task force, formulate information and communications security policies and specific management plans, and implement the information and communications security operational cycle to ensure information and communications security.

(a) Enhance information security and reinforce ISO 27001 service quality

Through the comprehensive implementation of the ISMS by all employees, all information operations-related measures are required to ensure the confidentiality, integrity, and availability of business data, thereby safeguarding it against risks such as leakage, destruction, or loss arising from external threats or improper internal management. Appropriate protective measures are selected to reduce risks to an acceptable level, with continuous monitoring, review, and auditing of the information security system conducted to strengthen service quality and enhance service standards. The Company implemented the ISO 27001 Information Security Management System in 2024 and obtained ISO 27001 certification. The current certificate is valid from 2024/11/21 to 2027/11/20. Through the adoption of the ISO 27001 Information Security Management System, the Company has enhanced its ability to respond to information security incidents and to protect the assets of both the Company and its customers.

(b) Strengthen information security training to ensure business continuity

Oversee all employees to ensure the effective implementation of information security management, conduct appropriate information security education and training annually, and instill the concept that information security is the responsibility of every individual. This approach enhances employees' understanding of the importance of information security and promotes compliance with relevant regulations, thereby strengthening information security awareness and emergency response capabilities, reducing information security risks, and supporting the achievement of continuous operations.

(c) In 2025, in addition to arranging information and communication security courses for new employees after onboarding, the Company held plant-wide information and communication security training courses to strengthen all employees' awareness and practical capabilities regarding information security and personal data protection. Details are as follows:

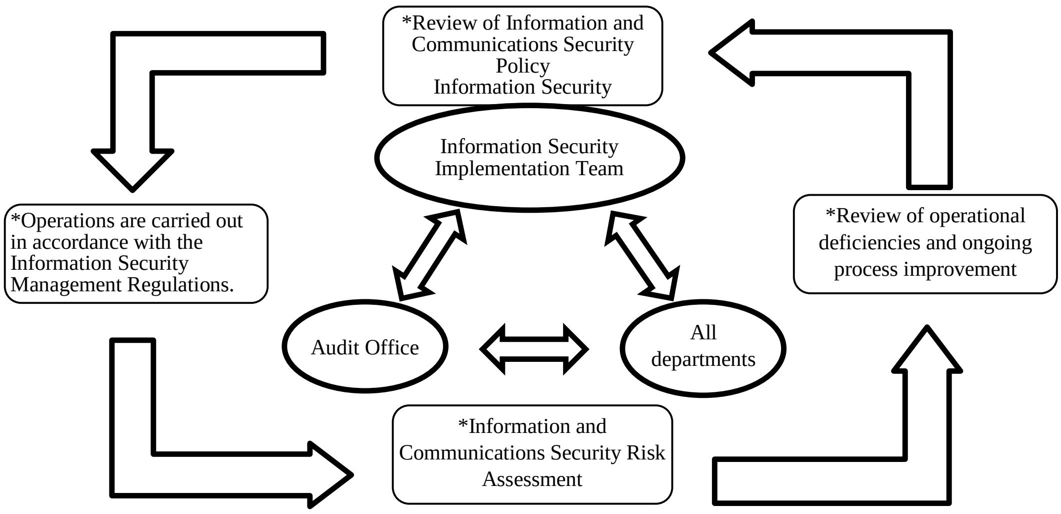
a. At Chinsan Thailand, cumulative training attendance reached 223 person-times, total training hours reached 63 hours, and the training participation rate was approximately 41%.

b. At Chinsan Guangzhou, cumulative training attendance reached 638 person-times, total training hours reached 78 hours, and the training participation rate was approximately 65%.

c. At Chinsan Taiwan, cumulative training attendance reached 109 person-times, total training hours reached 2 hours, and the training participation rate was approximately 90%.

(d) Immediate Emergency Response and Swift Disaster Recovery

Establish emergency response plans and disaster recovery plans for significant information assets and critical business operations, and conduct regular drills of emergency response procedures to ensure that, in the event of information system failures or major disasters, rapid recovery can be achieved, the continuous operation of critical business functions is maintained, and losses are minimized.



(iv) Review and Amendment

This policy shall take effect upon approval by the Group General Manager. Any amendments shall be subject to the same approval procedure.

(C) Detailed Management Plan

(i) Considering that cyber insurance is still an emerging type of insurance and that the Company's current cybersecurity risk management measures are effective in safeguarding information security, the Cybersecurity Implementation Task Force has evaluated and determined that cyber insurance will not be purchased at this time.

(ii) The Company's specific information and communication security management plans are categorized by the timing of information security incidents into prior prevention, daily operational maintenance, and information security incident handling. The details are as follows:

Category	Explanation	Content
Prevention of external intrusions	Install firewall and antivirus software.	Set up a network firewall Antivirus software is installed on servers and computer hosts, with automatic updates of virus definitions. Perform weekly antivirus software scans on computers.
Data Leakage Prevention	Account and Access Rights Management	User Account Review and Management Perform regular audits of system access permissions.
Maintenance of routine operations	Data Backup and Related Verification	Data backup, heterogeneous backup, and off-site storage are implemented according to the nature of the data, with regular data restoration tests conducted. Daily server host inspections and system tests Regular computerized audits
Information Security Incident Management	Disaster Recovery Plan	Establish a disaster recovery plan Conduct regular simulation drills in the absence of actual incidents. Prepare a post-incident disaster recovery plan execution report for evaluation and enhancement.

(D) Resources Invested in Information and Communication Security Management

(i). Establish firewalls to strengthen protection and control functions for the Company's network.

(ii) Use VPN connections to control secure external connections.

(iii) Establish SPAM SQR for email filtering to reduce spam and defend against various email attacks.

(iv) Establish information security risk management procedures to strengthen the Company's internal control functions.

(v) Company computers must install antivirus software designated by the Company and automatically update virus definitions.

(vi) Establish an offline backup system to improve the backup system mechanism.

(vii) Configure permissions for relevant information systems.

(vii) Introduce ISO 27001 and obtain certification.

(E) Summary of Investment Expenditures:

2025 Item	Chinsan, Taiwan (NTD)	Guangzhou King Nichi and Guangzhou Kingtachi (CNY)	Chinsan, Thailand (THB)
Wi-Fi equipment	78,000	54,110	92,020
Firewall equipment	72,030	33,000	361,767
Antivirus software	23,100	13,650	40,098
Surveillance Equipment	N/A	98,055	86,892
SPAM	87,675	N/A	
Microsoft Software Licenses (Windows, Office)	69,867	N/A	322,938
Backup software	104,000	N/A	120,521
Total (Original Currency)	434,672	198,815	1,024,236
Total (NTD)	434,672	861,545	975,892

7. Significant Contracts:

Contract Type	Parties	Contract Period	Main Content	Restrictive Covenants
Medium- and Long-term Loans	SinoPac Bank	2025/11-2027/11	Medium-term working capital	Subject to contractual commitments
Medium- and Long-term Loans	Hua Nan Bank	2025/12-2027/12	Medium-term working capital	Subject to contractual commitments
Medium- and Long-term Loans	Fubon Bank	2025/10-2027/10	Medium-term working capital	Subject to contractual commitments
Medium- and Long-term Loans	Entie Commercial Bank	2025/11-2027/11	Medium-term working capital	Subject to contractual commitments
Medium- and Long-term Loans	First Bank	2025/12-2027/12	Medium-term working capital	Subject to contractual commitments

Five. Review and Analysis of Financial Position, Financial Performance, and Risk Factors

1. Financial Position

Unit: Thousands of New Taiwan Dollars (NT$)

Contents \ Year	Year 2025	Year 2024	Increase (decrease) in amounts	Percentage change
Current Assets	5,175,962	5,321,755	(145,793)	(2.74)
Non-current assets	3,755,639	3,612,332	143,307	3.97
Total Assets	8,931,601	8,934,087	(2,486)	(0.03)
Current liabilities	2,872,380	3,616,996	(744,616)	(20.59)
Non-current liabilities	2,022,340	1,178,156	844,184	71.65
Total Liabilities	4,894,720	4,795,152	99,568	2.08
Ordinary share	1,294,625	1,294,625	0	0.00
Capital surplus	1,249,837	1,230,685	19,152	1.56
Retained earnings	1,490,635	1,559,948	(69,313)	(4.44)
Other Equity	(74,888)	(22,233)	(52,655)	236.83
Non-controlling Interests	76,672	75,910	762	1.00
Total Equity	4,036,881	4,138,935	(102,054)	(2.47)

(1) Major reasons for and effects of significant changes in Assets, Liabilities, and Equity over the past two years (where the percentage change exceeds 20% and the amount of change exceeds NT$10 million):

1. Current liabilities: mainly due to decreases in short-term borrowings and long-term liabilities due within one year or one operating cycle.
2. Non-current liabilities: mainly due to increases in corporate bonds payable and long-term borrowings.
3. Other Equity: Primarily attributable to the increase in exchange differences resulting from the translation of financial statements of foreign operations.

(2) Future response plans for Contents with material changes:

The overall performance of the Company does not exhibit any material irregularities; therefore, it is not necessary to develop a response plan.

2. Financial Performance

Unit: Thousands of New Taiwan Dollars (NT$)

Contents \ Year	Year 2025	Year 2024	Increase (decrease) in amounts	Percentage change
Net operating revenue	3,765,883	3,430,181	335,702	9.79
Operating costs	3,011,876	2,755,627	256,249	9.30
Gross profit from operations	754,007	674,554	79,453	11.78
Operating expenses	561,066	534,387	26,679	4.99
Operating profit	192,941	140,167	52,774	37.65
Non-operating income and expenses	(25,989)	(2,968)	(23,021)	775.64
Profit before tax	166,952	137,199	29,753	21.69
Income tax expense	52,571	59,108	(6,537)	(11.06)
Profit after tax	114,381	78,091	36,290	46.47
Other comprehensive income	(53,887)	299,044	(352,931)	(118.02)
Total Comprehensive Income	60,494	377,135	(316,641)	(83.96)

(1) The main reasons for significant changes in operating revenue, operating profit, and profit before tax over the past two years (where the amount of change exceeds 10% and the change amount reaches 1% of total assets for the year) are as follows:

1. Other comprehensive income: mainly due to a decrease in exchange differences arising from the translation of financial statements of foreign operations compared with the same period of the previous year.
2. Total comprehensive income: mainly due to a decrease in exchange differences arising from the translation of financial statements of foreign operations compared with the same period of the previous year.

(2) Expected sales volume and its basis, potential impact on the Company’s future financial and business operations, and corresponding response plan:

The Company does not publicly disclose financial forecasts; therefore, expected sales volume is not disclosed.

3. Cash Flows

(1) Analysis and Explanation of Changes in Cash Flows for the Most Recent Year

Unit: Thousands of New Taiwan Dollars (NT$)

Contents	Year 2025	Year 2024	Increase (Decrease) in Amount
Cash flows from (used in) operating activities	313,826	223,743	90,083
Cash flows from (used in) investing activities	65,493	(523,527)	589,020
Cash flows from financing activities	(310,996)	73,140	(384,136)

Analysis of Changes in Amounts:
(1) Operating activities: mainly due to the increase in profit after tax for the current year.
(2) Investing activities: mainly due to the disposal of financial assets measured at fair value through profit or loss and financial assets measured at amortized cost during the current year.
(3) Financing activities: mainly due to repayment of part of borrowings and increased cash dividend distribution.

(2) Remedial Plan for Liquidity Deficiency: Not applicable.

(3) Cash Liquidity Analysis for the Coming Year

Unit: Thousands of New Taiwan Dollars (NT$)

Beginning cash balance (1)	Projected net cash flows from operating activities for the year (2)	Estimated full-year cash outflows (3)	Projected cash surplus (deficiency) (1)+(2)-(3)	Remedial measures for projected cash deficiency	
				Investment Plan	Financing Plan
1,622,939	416,165	275,961	1,763,143	—	—

(1) Analysis of cash flow changes for the coming year:
A. Operating activities: Net cash inflows from operating activities for the full year are expected to amount to NT$416,165 thousand, after deducting related operating expenditures from cash inflows generated from operations.
B. Investing activities: mainly consist of receipt of plant relocation compensation of NT$329,394 thousand and acquisition of property, plant and equipment of NT$450,000 thousand.
C. Financing activities: mainly consist of distribution of cash dividends of NT$51,785 thousand from earnings and cash distribution from capital surplus of NT$103,570 thousand.

4. Impact of Major Capital Expenditures in the Most Recent Year on Financial and Operating Results

The Company's major capital expenditures in 2025 amounted to NT$335,949 thousand, mainly for the purchase of machinery and equipment and prepayments for equipment. The project focuses on future return on investment and has no material impact on financial or business operations.

5. Investment policies for the most recent year, principal reasons for profits or losses, improvement plans, and investment plans for the coming year

Unit: Thousands of New Taiwan Dollars (NT$)

Explanation / Contents	Investment income from associates and joint ventures recognized in the year 2025	Principal Business Activities	Primary factors contributing to profit or loss	Improvement Plan	Future Investment Projects
Chinsan (Cayman) Enterprises Co., Ltd.	73,984	Aluminum capacitor trading and investment activities	Primarily attributable to the recognition of the current period profit or loss of investee companies accounted for using the equity method.	None	None
Royal Cheng Investment Co., Ltd.	(12)	General investment operations	Mainly due to the recognition of interest income.	None	None
Yongcheng Environmental Technology Co., Ltd. Co., Ltd. (Note)	(15,345)	Waste Management Industry	Currently in the trial operation stage.	None	None

Note: Sustainable Development Co., Ltd. resolved at its extraordinary Shareholders' Meeting on November 1, 2025 to conduct a share-swap absorption merger with its subsidiary, Yongcheng Environmental Technology Co., Ltd., as an organizational restructuring. Sustainable Development Co., Ltd. was the dissolved company, with the dissolution record date set as December 11, 2025.

6. Analysis and Assessment of Risk Factors for the Most Recent Year and up to the Date of Publication of the Annual Report

(1) Impact of interest rate changes, exchange rate fluctuations, and inflation on the Company's profit or loss, and future response measures.

Unit: Thousands of New Taiwan Dollars (NT$); %

Contents	Year 2025
Net interest income (expense)	(17,253)
Net exchange gains (losses)	9,466
Ratio of net interest income (expense) to net operating revenue	(0.46%)
Net interest income to profit before tax ratio	(10.33%)
Net exchange gains (losses) as a percentage of net sales revenue	0.25%
Net exchange gains (losses) as a percentage of profit before tax	5.67%

A. Impact of interest rate changes:

The Company obtains borrowings as required for operational needs. Due to its strong financial position, the Company is able to negotiate more favorable interest rates with banks when arranging borrowings. In the future, the Company will continue to generate cash flows from operating activities and investment income to reduce bank liabilities.

B. Impact of exchange rate fluctuations:

The Group's foreign exchange risk primarily arises from operating activities, where the currency of income or expenses differs from the Group's functional currency, and from net investments in foreign operations. As the Company is predominantly export-oriented and holds a relatively high level of foreign currency assets, any significant and adverse fluctuations in international exchange rates may negatively affect the Company's financial position. To mitigate this risk, the Company endeavors to offset assets and liabilities to the greatest extent possible, thereby reducing net exposure to exchange rate fluctuations. When providing quotations to customers, the Company considers the potential impact of exchange rate movements and adopts a prudent and conservative exchange rate as the basis for quotations, thereby reducing the impact of exchange rate fluctuations on the profitability of confirmed orders. The Company will continue to adhere to this risk management approach in the future.

C. Impact of inflation:

Over the past year, inflation has had a limited impact on the Company's operating costs. The Company has continued to focus on the development of niche products, made timely adjustments to product pricing, strengthened collaboration with key suppliers, developed and integrated materials, and reduced production costs. These business strategies have effectively mitigated risks associated with inflation.

(2) Policies regarding high-risk and high-leverage investments, lending of funds to others, provision of endorsements and guarantees, and derivative transactions; principal reasons for profits or losses; and future response measures:

A. During the year, the Group did not engage in any high-risk or highly leveraged investments. All investments were executed following thorough evaluation.

B. During the year, all loans to others and endorsements and guarantees provided by the Group were made to its investee subsidiaries and were conducted in accordance with the Group's "Procedures for Lending Funds to Others" and "Procedures for Endorsements and Guarantees."

C. The Group did not conduct any forward foreign exchange transactions during the year.

(3) Future research and development plans and estimated research and development expenses:

A. Future research and development:

New Products (Services) Planned for Future Development

Development of solid-state and solid-liquid vehicle application specifications (continued)

Development of solid and liquid aluminum capacitors for high-temperature applications at 135℃ (continued)

Development of solid-state high-voltage 120WV products

PEDOT development

Development of server 550V and 600V products (continued)

Development of miniaturized sintered foil products (continued)

Development of AI server products (continued)

B. Estimated research and development expenses:
This year, the Company expects to invest NT$100 million to NT$140 million in research and development expenses to develop new products.

(4) Impact of major domestic and international policy and legal changes on the Company's financial and business operations and corresponding response measures:
All business activities of the Company are conducted in compliance with the regulations promulgated by the competent authorities. During the most recent year and up to the date of publication of the annual report, significant changes in domestic and international policies and laws have not had a material impact on the Company's financial position or operations.

(5) Impact of technological changes (including information and communication security risks) and industry developments on the Company's financial and business operations, and corresponding response measures:

A. Rapid technological advancements and swift changes within the industry have subjected the Company to various challenges, including price competition among peers, continual product innovation, and customers' demands for prompt delivery. In response to these factors, the Company will actively develop high value-added products, reduce sales of products with low gross profit margins, strengthen cost controls to lower costs and reduce inventory levels, provide customers with satisfactory services, and increase profitability.

B. In addition to independently developing key technologies, Chinsan actively incorporates new technologies and materials. All new product development undergoes thorough validation in accordance with established product development procedures, and products are officially launched only after confirming that their safety and characteristics comply with design specifications.

C. Incorporate AI concepts to enhance production automation.

D. The Company continues to invest in advanced information security equipment and has implemented comprehensive information security protection and data protection measures.

(6) Impact of changes in corporate image on corporate crisis management and corresponding response measures:
The Company has been established for over 50 years and has consistently maintained a sound corporate image by adhering to the principles of fairness, honesty, integrity, and transparency in its operations. There have been no significant changes that have resulted in a management crisis for the Company.

(7) Expected benefits, possible risks, and response measures of mergers and acquisitions:
During the most recent year and up to the date of publication of the annual report, the Company did not conduct any mergers or acquisitions; therefore, not applicable.

(8) Expected benefits, possible risks, and response measures for plant expansion:
Although plant expansion involves risks such as fundraising, technology acquisition, talent cultivation, and market changes, the Company's plant expansion plans have all undergone complete and prudent evaluation processes by dedicated units, with full consideration given to investment recovery benefits and possible risks.

(9) Risks from purchase or sales concentration and response measures: The Company's purchases and sales are sufficiently diversified; therefore, it is not exposed to risks arising from purchase or sales concentration.

(10) Impact, risks, and response measures regarding large-scale transfers or changes in equity holdings by Directors, Supervisors, or major Shareholders holding more than 10% of the shares: None.

(11) Impact of changes in management control on the Company, related risks, and response measures:
During the most recent year and up to the date of publication of the annual report, the Company's equity ownership remained relatively concentrated, and there were no changes in management control.

(12) Litigation or non-litigation matters: None.

(13) Other significant risks and response measures: None.

7. Other Significant Matters

On January 22, 2026, the Board of Directors approved that the Company’s subsidiary, Guangzhou Jinri Technology Co., Ltd., would negotiate matters related to land expropriation for the property located at No. 704, Guangshan 1st Road, Tianhe District, Guangzhou, with a building area of 15,596 square meters, in response to the Land Expropriation Pre-Announcement of the People’s Government of Tianhe District, Guangzhou (Sui Tian Fu Yu Zheng [2025] No. 5). The subsidiary negotiated the expropriation with the local government and the Kemulang Joint-stock Cooperative Economic Association, Fenghuang Street, Tianhe District, Guangzhou City, and signed a demolition compensation agreement with the association on February 6, 2026. The compensation amount was RMB73,252 thousand. This expropriation matter has not had a material impact on the Group’s operations.

Six. Special Disclosures

1. Information on Related Parties
   Please refer to the Market Observation Post System (MOPS).
   Index Path: Market Observation Post System > Single Company > Electronic Document Download > Related Party Disclosure Forms Section
   Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. For the most recent year and up to the date of publication of the annual report, there were no private placements of securities. Accordingly, there is nothing to disclose regarding the date and amount approved by the Shareholders' Meeting or the Board of Directors, the basis and reasonableness for price determination, the method for selecting specific persons, or the necessary reasons for conducting the private placement: None.

3. Other Necessary Supplementary Explanation Matters: None.

4. During the most recent year and up to the date of publication of the annual report, there have been no events as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have had a material impact on Shareholder Equity or the price of securities: None.

Taiwan Chinsan Electronic Industrial Co., Ltd.

Responsible Person: CHIANG, SHIH-HSIN

Head Office Address: 2nd Floor, No. 1, Alley 11, Lane 68, Section 1, Guangfu Road, Sanchong District, New Taipei City

Telephone: (02) 2995-0535

Fax: (02) 2995-0202