TYNTEK Corporation

2025 Annual Report

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May 22, 2026

(English translation of consolidated financial statements originally issued in Chinese is unaudited and for information purpose only; The Chinese version shall prevail.)

I. Names, positions, contact numbers and e-mail addresses of spokesperson and acting spokesperson:

Name of Spokesperson: Chiu Mei-Ling
Title: Vice President of Finance & Risk Management Center
Tel: (037)582997
E-mail: service@serv.tyntek.com.tw
Name of Deputy Spokesperson: Li Hsiao-Ping
Title: Manager of Finance Division
Tel: (037)582997
E-mail: service@serv.tyntek.com.tw

II. Address and Tel of Headquarter, branch and plants:

Address of Headquarter: No. 15, Kezhong Rd., Zhunan Township, Miaoli County,
Address of Branch: No. 1387 and 1389, Ren-Ai Rd., Zhunan Science Park, Zhunan Township, Miaoli County
Address of Ren-Ai Plant: No. 1387 and 1389, Ren-Ai Rd., Zhunan Township, Miaoli County
Address of Kezhong Plant: No. 15, Kezhong Rd., Zhunan Township, Miaoli County,
Tel of Headquarter: (037)582-997
Tel of Branch: (037)582-997

III. Name, Address, Website and Telephone Number of Stock Transfer Agent & Registrar:

Name: Stock Affairs Agency Department, Fubon Securities Co., Ltd
Address: 11F, No. 17, Xuchang St., Zhongzheng District, Taipei Ctiy
Website: www.fbs.com.tw
Tel: (02)2361-1300

IV. Name of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of said person's accounting firm:

Name of CPAs: Mei-Chen Tsai , Ming-Hui Chen
Name of accounting firm: Deloitte Taiwan
Address: 20F, No. 100, Song-Ren Rd., Neighborhood 8, Xitcun Village, Xinyi Rd., Taipei City
Website: www.deloitte.com.tw
Tel: (02)2725-9988

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company website: WWW.TYNTEK.COM.TW

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One. Report to Shareholders

Good day, ladies and gentlemen,

Your coming to the shareholders meeting is highly appreciated, and I would like to express the highest appreciation to your support and encouragement, on behalf of the Company. Hereby the 2025 business results and strategies for the future development are reported as the following:

I. Implementation results of the 2025 business plan:

Looking back at 2025, the global economy exhibited a moderate growth trend as major central banks initiated an interest rate cutting cycle, and inflationary pressures have eased significantly. However, as the international situation becomes increasingly complex, geopolitical risks intensify, including the ongoing Russo-Ukrainian conflict, unresolved tensions in the Middle East, and continued technological competition and trade friction between the U.S. and China, accelerating the restructuring of the global supply chain. Due to fluctuations in international raw material prices and exchange rate movements, the Company's revenue for 2025 slightly declined compared with 2024. Nevertheless, through strengthened internal management efficiency, optimization of the product mix, and strict control of operating costs, the net operating loss continued to narrow. This reflects a steady improvement in operating performance compared with 2024 and fully demonstrates the management team's responsiveness and managerial resilience. The Company continues to deepen strategic cooperation with supply chain partners to enhance product value and actively expand a diversified market presence. Looking ahead, the Company will continue to invest in research and development innovation, strengthen its core competitiveness and profitability, and create long-term, stable value for shareholders. Business performance and operations of the Company in 2025 are compared with the ones in 2024 as described in the following respectively:

Business performance and operations of the Company in 2025 are compared with the ones in 2024 as described in the following respectively:

(I) Implementation results of the 2024 business plan

Item	2024	2025	Percentage	difference %
Net sales amount	2,394,131	2,335,859	(58,272)	-2.43
Net operating loss	(55,875)	(38,117)	17,758	-31.78
Net non-operating income (expense)	139,243	(12,937)	(152,180)	-109.29
Net income (loss) before tax	83,368	(51,054)	(134,422)	-161.24
Income tax expense	18,214	25,182	6,968	38.26
Net income (loss)	65,154	(76,236)	(141,390)	-217.01
Basic earnings (loss) per share after tax (NT$)	0.21	(0.25)	-$0.46	-219.05

Note: The impacts of earnings per share and issuance of stock dividends have been included in the etrospective adjustment.

(II) Implementation of budget

Name of Product	Planned quantity	Actual quantity	Unit
Compound semiconductor components	7,060	6,556	KK
Si component	17,500	15,850	KK
	170,190	133,390	PCS

(III) Financial Revenue/Expenditure and Profitability Analysis

	item	2024	2025
Financial structure (%)	Debt to total assets ratio	22.18	18.66
	Long-term capital to property, plant & equipment ratio	235.65	237.35
Debt servicing capability (%)	Current ratio	331.66	331.26
	Quick ratio	253.40	255.43
Profitability (%)	Return on asset	1.46	-1.45
	Return on shareholders' equity	1.68	-2.00
	Net profit margin	2.72	-3.26
	Earnings per share (EPS) (NT$)	0.21	(0.25)

(IV) R&D Status

The Company has always maintained a strong focus on product research and development, consistently launching innovative products through continuous efforts and receiving recognition in the form of multiple government grants and awards. With the rapid growth of the optoelectronics market, our product applications have continued to expand, driving robust market demand. To stay aligned with market trends, the Company is actively developing innovative technologies and will continue to focus on the following product developments to strengthen its competitive advantage and meet diversified customer needs:

A. High density semiconductor passive components
B. 6” wafer and high-sensitivity sensing PD
C. 6” wafer and high precision and power components
D. High power AlGaInP light emitting diodes
E. High speed communication photodiodes
F. Multiband photo detectors
G. DUV sensors
H. Substrates with electrostatic protection components
I. Flip-chip Zener diodes
J. Photo diode integrated circuit (PDIC)
K. Low-capacitance transient voltage suppressors (TVS)
L. High speed optical communication laser diodes
M. Vertical cavity surface emitting laser (VCSEL) diodes
N. GaN power device
O. Long wavelength sensing components
P. Infrared diodes for high-speed industrial control
Q. Point light source infrared diode
R. Flip Photo Diode
S. Photovoltaic generation components (PVG)
T. Photo TRIAC

II. Summary of the 2026 business plan

(I) Operating guideline

To achieve the annual operating objectives, the Company will continue to comprehensively strengthen its core capabilities in marketing, research and development, manufacturing, and management, focusing on the following key strategic priorities:

1.Optimizing the product mix: Focus on the development of high value-added products to enhance overall profitability and market competitiveness.

2.Strengthening supply chain resilience: Develop diversified sources of materials to mitigate supply risks, ensure stable supply, and enhance bargaining power.

3. Enhancing operational efficiency: Continuously improve production processes to increase yield rates and capacity utilization while simultaneously reducing manufacturing costs.
4. Deepening global market presence: In response to changing international market demands, actively expand into strategic markets such as Europe, the Americas, and Japan, aiming to increase the proportion of overseas revenue.
5. Driving sustainable transformation: Accelerate digitalization and smart manufacturing upgrades to enhance operational efficiency; at the same time, deepen ESG practices, optimize energy and resource utilization, implement low-carbon production, and achieve economic growth and environmental sustainability.

(II) Expected sales volume and its basis

The Company will flexibly adjust its business strategy and sales targets according to market dynamics, industry trends, and its own production capacity status. We firmly believe that a comprehensive product line and technological capabilities are the core cornerstone of sustainable operation. The Company will continue to devote resources to new product R&D, strengthen quality management, enhance customer relationships, and maintain long-term cooperation with supply chain partners to secure its long-term development and bring maximum value to shareholders, customers, and employees.

Forecasted sales volume of TYNTEK in 2026

Name of Product	Volume	Unit
Compound semiconductor components	6,680	KK
Si component	16,200	KK
	183,560	PCS

(III) Important production and sale policies

In 2026, the Company will continue to deepen its "high value-added" product strategy by optimizing its product mix and precisely developing niche applications with strong market potential, with the aim of enhancing overall gross margins and raising technological barriers. In the face of global supply chain volatility, we will continue to deepen strategic partnerships with key suppliers to ensure stable and high-quality raw material supply. At the same time, by upgrading our global marketing and logistics management systems, we aim not only to expand our share in both overseas and domestic markets, but also to strengthen real-time technical support and after-sales services to meet customers' urgent demand for intelligent and diversified sensing solutions.

III. The Company's future development strategy, and the effect of external competition, the legal environment, and overall operations

(I) Future development strategy

The Company builds on its foundation in the Asian market and continues to expand into European and American markets to increase its global market share. In the fields of medical and wearable devices, demand for sensing components is expected to continue its growth trend. The Company will continue to focus on the North American and Northeast Asian markets, accelerating business expansion and deepening customer collaboration. In the area of automotive protection components, in response to the trends of electric vehicles and automotive electrification, the Company will expand its application scope, deepen its presence in the European and Southeast Asian markets, and further increase market penetration. In the industrial control market, optical transmitters and high-voltage receivers are going to maintain robust growth momentum, continuing to provide growing contributions to revenue. Furthermore, as demand for optical communication applications grows rapidly, the Company will make every effort to increase its market share in this field and strengthen its technological leadership and market competitiveness.

(II) Effect of external competition, the legal environment, and the overall business environment:

1. External competition environment:

In the face of the ongoing capacity expansion and technological catch-up by manufacturers in Mainland China, capacity competition is no longer the primary battleground for domestic manufacturers. Looking ahead, the Company will adopt a "high value-added and specialized" strategy, leveraging Taiwan's well-established semiconductor supply chain advantages to deepen its presence in automotive protection, medical sensing, and optoelectronic integration solutions. Through strengthening R&D capabilities and strategic patent deployment, the Company aims to carve out high-margin niche markets in a red ocean and is committed to transforming from a single-component supplier into a comprehensive provider of optoelectronic sensing solutions.

2. Legal environment and overall business environment:

The normalization of global climate change and public health risks has made sustainable development a core pillar of corporate operations. The Company actively responds to global net-zero transition goals and will upgrade its strategies for addressing sustainability regulations. It is committed not only to achieving internal carbon reduction targets, but also to aligning with international standards, strengthening supply chain carbon footprint management, and maintaining a strong competitive advantage.

Entering 2026, although the global operating environment continues to be affected by geopolitical factors, such as regional conflicts and evolving U.S.–China trade dynamics, the market is showing resilience as inflationary pressures stabilize and global supply chains are reconfigured. In particular, driven by the widespread deployment of AI technologies, both end-user consumer electronics and industrial application markets are experiencing a new wave of replacement demand. The Company will continue to closely monitor market fluctuations and respond to uncertainties with flexible operating strategies. In the face of technological iteration and transformation challenges, the Company will continue to develop niche products with high entry barriers and high performance. We are not merely a component supplier; we are committed to becoming an enabler of smart living and a sustainable future. Through diversified sensing solutions and green manufacturing processes, the Company collaborates with global partners to co-create net-zero value and move toward a future of steady growth.

TYNTEK Corporation

Chairman: Su, Feng-Cheng

Manager: Li, Rong-Huan

Accounting Supervisor: Li, Hsiao-Ping

Two. Corporate Governance Report

I. Background information of directors, independent directors, the President, vice presidents, assistant vice presidents, and heads of departments and branch offices

1. Directors' and independents' background

(1) Directors' and independents' background

March 24, 2026 Unit: shares; %

Title	Nationality or place of registration	Name	Gender/Age	Date elected (appointed)	Tenure	(The Company) Date first elected	Shareholding when elected		Current shareholding		Current shareholding of spouses and children of minor age		Shareholding by nominee Arrangement		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor		
							Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	Relations
Chairman	The Republic of China	Ennostar Inc.	-	2024.05.30	3	2021.07.02	23,799,000	7.91	23,799,000	7.91	0	0	0	0	-	-	None	None	None
	The Republic of China	Representative Su, Feng-Cheng	Male 61-70 years old	2024.05.30	3	2023.12.25	0	0	0	0	0	0	0	0	PhD, Materials Engineering, State University of New York, USA Executive Vice President, ENNOSTAR Inc. Director of GCS HOLDINGS, INC. Director, DARWIN PRECISIONS CORPORATION Chairman of Lextar Electronics Corp. Senior Vice President, AUO Corporation	Chairman of the Company and (Note 1)	None	None	None
Director	The Republic of China	Will Chou	Male 61-70 years old	2024.05.30	3	2021.07.02	166,813	0.06	166,813	0.06	0	0	0	0	Bachelor, Department of Physics, Tamkang University Vice President, Vitelic (Hong Kong) Limited Vice President, TYNTEK Corporation President, TYNTEK Corporation Vice Chairman concurrent CSO of the Company Chairman concurrent CSO of the Company	CSO and (Note 2) of the Company	None	None	None
Director	The Republic of China	Ennostar Inc.	-	2024.05.30	3	2021.07.02	23,799,000	7.91	23,799,00	7.91	0	0	0	0	-	-	None	None	None
	The Republic of China	Representative Li Cun-Chung	Male 51-60 years old	2024.05.30	3	2023.12.25	0	0	0	0	0	0	0	0	Master of Commerce, University of Berkeley Vice President, ENNOSTAR	Vice President, Ennostar Inc. and (Note 3)	None	None	None

Title	Nationality or place of registration	Name	Gender/Age	Date elected (appointed)	Tenure	(The Company) Date first elected	Shareholding when elected		Current shareholding		Current shareholding of spouses and children of minor age		Shareholding by nominee Arrangement		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor		
							Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	Relations
															Inc. Director of GCS HOLDINGS, INC. Director of PROLIGHT OPTO TECHNOLOGY CORPORATION				
Director	The Republic of China	Ennostar Inc.	-	2024.05.30	3	2021.07.02	23,799,000	7.91	23,799,000	7.91	0	0	0	0	-	-	None	None	None
	The Republic of China	Representative Li, Rong-Huan	Male 51-60 years old	2024.05.30	3	2021.07.02	140,000	0.05	160,000	0.05	0	0	0	0	Bachelor, Department of Chemical Engineering, Tamkang University President, Opto Tech Corporation Special Assistant, TYNTEK Corporation	President of the Company and (Note 5)	None	None	None
Independent Director	The Republic of China	Yu, Tsui-Jung	Female 61-70 years old	2024.05.30	3	2024.05.30	0	0	0	0	0	0	0	0	Bachelor's Degree in Materials Science and Engineering, National Tsing Hua University Ph.D. in Materials Engineering, Massachusetts Institute of Technology Distinguished Professor, Department of Materials Science, National Tsing Hua University Vice President of Advanced Technology R&D, United Microelectronics Corporation Consultant, UMC Capital Independent Director, BenQ Materials Corp. CTO, Solar Applied Materials Technology Corp.	Consultant, Hsun Chieh Investment Corporation (Note 6)	None	None	None
Independent Director	The Republic of China	Tsung-Yen Lin	Male 71-80 years old	2024.05.30	3	2018.06.14	0	0	0	0	0	0	0	0	Master of Law, National Chengchi University Master of Business Administration (Accounting), Eastern New Mexico University Deloitte Taiwan - Partnered Accountant Tunghai University - Part-time Lecturer of Accounting	Tsung-Yen Lin Accounting Firm - Licensed Accountant	None	None	None

Title	Nationality or place of registration	Name	Gender/Age	Date elected (appointed)	Tenure	(The Company) Date first elected	Shareholding when elected		Current shareholding		Current shareholding of spouses and children of minor age		Shareholding by nominee Arrangement		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor		
							Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	Relations
															Deloitte & Touche Guam Branch - Assistant Vice President of Audit Department HSBC New York Branch Loan Department - Credit Investigator Cathay Securities Investment Trust Credit Department - Credit Investor National Taxation Bureau of Kaohsiung, Ministry of Finance - Tax Auditor of Audit Section Independent Director, TYNTEK Corporation Independent Director, AES-KY (listed company)				
Independent Director	The Republic of China	Yeh, Sheng-Fa	Male 61-70 years old	2024.05.30	3	2024.05.30	0	0	0	0	0	0	0	0	Master’s Degree, School of Business, City University of Seattle, USA Chairman, Gallant Precision Machining Co., Ltd. Chairman, Gallant Micro. Machining CO., LTD. Independent Director, Zhong Yang Technology Co., Ltd. President, KING ULTRASONIC CO., LTD. Chairman, Hua Dong Semiconductor	Independent Director, ACE PILLAR CO., LTD. Chairman, Sunengine Corporation Ltd. Chairman, Natsume Smartech Co., Ltd. Chairman, SkyLine Technology Co., Ltd. Director, 3S Silicon Tech., Inc. Director, KING ULTRASONIC CO., LTD. Director, FAVITE INC. Supervisor, Solomon Goldentek Display Corp.	None	None	None

Note 2: Representatives of the Chairman: Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd., Representative of Director: KEYWAY INTERNATIONAL L.L.C.., Long Benefit Investment Co., Ltd.

Note 3: Director representatives: Trendylite Corporatio; Vogito Innovation Co., Ltd.; GCS Holdings, Inc. (Cayman Islands); Leadstar Micro-Crystal Display Corporation (JiangSu) Ltd.; Formolight Technologies, Inc.; Changzhou Chemsemi Co., Ltd.; China Crystal Technologies Co.,Ltd and BriBit Technologies, Inc.

Note 4: In situations where the Company's President or manager of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, additional explanation will be provided on the reasons, rationality, and necessity of such an arrangement and any response measures taken: None.

Note 5: Director representative: Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.

Note 6: Independent Director Yu, Tsuei-Jung retired from her concurrent position as Distinguished Professor in the Department of Materials Science and Engineering at National Tsinghua University on February 1, 2025, and has served concurrently as an advisor to Hsun Chieh Investment Co., Ltd. since January 1, 2026.

Table 1: Major shareholders of corporate shareholders

Name of institutional shareholder	Major shareholders of institutional shareholders	Shareholding percentage (%)
Ennostar Inc. (Note)	AU Optronics Corp	12.68
	Li Investment Co., Ltd.	2.80
	Kang Li Investment Co., Ltd.	2.22
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under custody of Business Department, Standard Chartered Bank Limited	1.12
	Taiwan Life Insurance Co., Ltd.	1.03
	Short-term project employee stock ownership trust property account of Ennostar Inc. under custody of Taishin International Bank	1.01
	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds under custody of Business Department, Standard Chartered Bank Limited	0.98
	Tseng, Wan-Ting	0.92
	Ballie Gifford Emerging Markets Fund Account under custody of Citibank (Taiwan) Limited	0.83
	Employee stock ownership trust property account of Ennostar Inc. under custody of Taishin International Bank	0.78
Harvestar Investment Corp.	Ennostar Inc.	100
Calystar Investment Corp.	Ennostar Inc.	100

Note: According to the official website of Ennostar Inc. as of March 2026, the treasury shares bought back were canceled through a capital reduction on Steptember 15, 2025.

Table 2: Major shareholders of major corporate shareholders listed in Table 1

Name of corporate	Major shareholders of the corporate	Shareholding percentage (%)
AU Optronics Corp (Note 1)	Qisda Corporation	6.92
	Trusted property account of the employee shareholding trust management committee, AU Optronics Corp, custody of SinoPac Commercial Bank	5.81
	Quanta Computer Incorporated	4.63
	Taiwan Cooperative Bank	2.99
	Global Depository Receipt Account of AU Optronics Corp, trusted to Citibank	2.30
	New system labor pension fund	1.73
	Cathay Life Insurance Co., Ltd.	1.49
	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds under custody of JPMorgan Chase Bank Taipei Branch	1.09
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under custody of Business Department, Standard Chartered Bank Limited	1.03
	Vanguard Complete International Stock Market Index Trust II Investment Account under custody of Business Department, Standard Chartered Bank Limited	0.65
Li Investment Co., Ltd.	AU Optronics Corp	100

Name of corporate	Major shareholders of the corporate	Shareholding percentage (%)
Kang Li Investment Co., Ltd.	AU Optronics Corp	100
Taiwan Life Insurance Co., Ltd.	CTBC FINANCIAL HOLDING CO., LTD.	100

Note 1: As of the shareholder registration suspension date of March 30, 2025, according to AU

(2) Information disclosure for directors' qualifications and independent directors' independence:

a. The composition and professional qualifications of the Directors are summarized as follows:

Criteria / Title Name	Summary of professional qualifications and experience of directors	Basic composition				Professional knowledge and skills				
		Nationality	Gender	Employee Status	Age range	Operational leadership	Finance/Accounting	Risk management	Industry experience	International
Chairman Representative of ENNOSTAR Inc.: Su, Feng-Cheng	Holds a Ph.D. in Materials Engineering and previously worked at General Electric (G.E.) in the United States. Currently serves as Chairman of the Company. He has engaged in TFT-LCD avionics application research, and at Unipac Optoelectronics focused on R&D, quality control, and the establishment of Taiwan's first TFT-LCD manufacturing facility. He later joined AUO Group as General Manager of the Display Business Group and founded Lextar Electronics. With extensive experience in the optoelectronics industry, he possesses outstanding practical management capabilities and a solid track record of excellence.	The Republic of China	Male		61-70	ˇ		ˇ	ˇ	ˇ
Director and Chief Strategy Officer Will Chou	Studied physics and serves as both the Director and Chief Strategy Officer of the company, deeply involved in the LED and silicon component sensing fields for many years. He is a director of the Taiwan Optoelectronics and Compound Semiconductor Industry Association, skilled in manufacturing technology optimization and factory transformation, and management of research and development teams. He possesses profound knowledge in the optoelectronics industry, with strong leadership and capabilities in various aspects of risk and marketing management.	The Republic of China	Male	ˇ	61-70	ˇ		ˇ	ˇ	ˇ
Director Representative of ENNOSTAR Inc.: Li Cun-Chung	Earned a Master's degree in Business Administration from the University of California, Berkeley. Formerly served as a director at Global Communication Semiconductor, Inc. and Wellypower Technology Co., Ltd., and is currently a Vice President at Ennostar Inc. Possesses extensive knowledge of the optoelectronics industry, with keen business acumen and strong management expertise.	The Republic of	Male		51-60	ˇ	ˇ		ˇ	ˇ
Director/President Representative of ENNOSTAR Inc.: Li, Rong-Huan	Major in Chemical Engineering, focusing on the development and manufacturing of silicon sensing components used in distance measurement, health monitoring, and industrial control. Currently serving as the general manager of the company, they possess strong professional skills in training effective operational teams and decision-making capabilities in operations.	The Republic of	Male	ˇ	51-60	ˇ		ˇ	ˇ	ˇ

Independent Director Yu, Tsui-Jung	Majored in Materials Science and Engineering. Previously served as Vice President of Advanced Technology R&D at United Microelectronics Corporation (UMC) and Chief Technology Officer at Solar Applied Materials Technology Corp. Possesses a solid academic and industry background in materials science, with sharp insight into industrial technology development and associated risks. Particularly adept at analyzing and forecasting trends in industrial technology applications.	The Republic of China	Female		61-70	ˇ		ˇ	ˇ	
Independent Director Tsung-Yen Lin	Majored in both accounting and law, holding a CPA certification and a Master of Laws degree from National Chengchi University. Previously served as a partner at Deloitte & Touche and as a lecturer in the Department of Accounting at Tunghai University. Also formerly served as an independent director of the Company, demonstrating deep familiarity with both the Company and the industry. Possesses strong expertise in business, finance, and legal matters, with particularly outstanding proficiency in accounting. Highly skilled in industry risk management and in reviewing and assessing audit-related issues.	The Republic of China	Male		71-80		ˇ	ˇ	ˇ	
Independent Director Yeh, Sheng-Fa	Holds a Master's degree from the College of Business at City University, USA. Previously served as Chairman of Gallant Precision Machining Co., Ltd. and Huadong Semiconductor, and currently serves as Chairman of Sunengine Corporation Ltd., Natsume Smartech Co., Ltd., and SkyLine Technology Co., Ltd. He possesses deep knowledge of the green energy industry and related technologies, along with many years of hands-on leadership experience in business operations. He is especially strong in precise problem analysis and decision-making in diverse areas of business and financial management.	The Republic of China	Male		61-70	ˇ	ˇ		ˇ	

Note: None of the Company's directors and independent directors has the circumstances described in Article 30 of the Company Act.

b. Independence of independent directors (listed below)

Name of Independent Director	The person himself/herself, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or any of its affiliated companies	The shares of the company are held by the person themselves, their spouse, or a relative within the second degree of kinship (or in the name of another person).	Servicing as director, supervisor, or employee of the company having special relationship with the Company	Amount of remuneration received for providing commercial, legal, financial, accounting services to the Company or its affiliates in the last 2 years	with the Company for more than three consecutive terms	Number of positions as independent director in other public companies	Serving concurrently as independent director in more than 3 other public companies
Yu, Tsui-Jung	No	No such situation	No	No such situation	No such situation	0	No such situation
Tsung-Yen Lin	No	No such situation	No	No such situation	No such situation	0	No such situation
Yeh, Sheng-Fa	No	No such situation	No	No such situation	No such situation	One	No such situation

(3) Board diversity and independence

Management, goals, and implementation of diversity policy of the Board:

Management goal	Achieving Status
The number of directors with employee status does not exceed one-third of the total number of directors	Goal achieved
Over 1/3 of the Board are independent directors	Goal achieved
One third of the board members are female	Target not yet achieved

Considering the diversity goals set by the board of directors, there are 2 members (28.6%) who are employees, which is less than one-third and thus meets the target. Independent directors make up 3 seats (42.86%), exceeding the goal of one-third of all directors. However, there is currently only 1 female member (14%). Due to the lack of suitable candidates, the one-third gender representation target has not yet been achieved. The Company will include this goal as a key focus in its planning prior to the next board re-election (conducted through a candidate nomination system), aiming to expand and diversify the talent pool to facilitate the cultivation and selection of candidates of different genders.

Independence of the Board of Directors:

The election of all directors at our company follows a candidate nomination system, in accordance with our corporate charter, the directors' election procedures, corporate governance practice codes, regulations on the establishment and compliance matters of independent directors of publicly issued companies, and Article 14-2 of the Securities Transaction Act, among other relevant regulations. The principle of openness and fairness governs the process. The current structure of our Board of Directors consists of four general directors (including three corporate representatives and one natural person) and three independent directors, totaling seven members. Independent directors comprise more than one-third of the board. All three independent directors also serve as members of the Company's Audit Committee and Remuneration Committee. Since the establishment of the Sustainability Development Committee in August 2024, the three individuals have concurrently served as members of that committee as well. During both the nomination and tenure periods, the Company conducts annual reviews of their independence qualifications and obtains declarations confirming that neither the directors themselves, their spouses, nor their relatives within the second degree of kinship have any direct or indirect interests with the Company. As a result, the composition of the Board of Directors maintains significant impartial independence.

The Board highly values independent opinions, and all current independent directors are serving their first term with the Company, and none have yet completed three years of tenure, holding no shares in the company, which attests to their high level of independence. The Board emphasizes independent operation and transparency. The three independent directors adhere to relevant legal provisions and, in conjunction with the Audit Committee's authority, oversee the company's internal controls or risk attentions, emphasizing the independence of the certified public accountants and the proper preparation of financial statements. The company is committed to continuously assessing the independence of directors during their tenure, understanding and tracking the independence and suitability of independent directors, and has established a performance evaluation system for the Board. The independent directors have demonstrated a strong sense of independence in the exercise of their duties, and their independent functions and conduct have been fully respected and effectively carried out.

2. Background information of the President, vice presidents, assistant vice presidents and heads of various departments and branches

March 24, 2026 Unit: shares, %

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shareholding of spouses and children of minor age		Shareholding by nominee Arrangement		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers		
					Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)			Title	Name	Relations
Chief Strategy Officer (CSO)	The Republic of China	Will Chou	Male	2023.02.22	166,813	0.055	0	0	0	0	Department of Physics, Tamkang University President, TYNTEK Vice President, TYNTEK Vice President, Vitelic (Hong Kong) Limited	Note 1	None	None	None
President	The Republic of China	Li, Rong-Huan	Male	2023.02.22	160,000	0.053	0	0	0	0	Department of Chemical Engineering, Tamkang University Special Assistant, TYNTEK President, Opto Tech Corporation	Note 2	None	None	None
Vice presidents	The Republic of China	Chia-Chun Yu	Male	2024.01.01	0	0.000	0	0	0	0	Institute of Nuclear Engineering and Science, National Tsing Hua University TYNTEK Innovation R&D Center - Assistant Vice President	None	None	None	None
Vice President	The Republic of China	Chao-Kun Peng	Male	2010.07.01	10,020	0.003	0	0	0	0	Graduated from United College of Technology Industrial Technology Research Institute - Researcher	None	None	None	None
Vice President	The Republic of China	Te-Cheng Lin	Male	2010.07.01	466	0.000	0	0	0	0	Postgraduate Institute of Chung Hua University Tacheng Turbines - Engineer	None	None	None	None
Vice President	The Republic of China	Mei-Ling Chiu	Female	2024.01.01	14	0.000	0	0	0	0	Postgraduate Study of Business, Columbia Southern University TYNTEK - Assistant Vice President of Finance Division	Note 4	None	None	None
Finance Division - Head of Accounting	The Republic of China	Hsiao-Ping Li	Female	2014.02.14	5,827	0.002	0	0	0	0	Graduated from Providence University TYNTEK Finance Division - Manager	Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd. - Supervisor Representative	None	None	None

Note 1: Representatives of the Chairman: Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd., Long Benefit Investment Co., Ltd., KEYWAY INTERNATIONAL L.L.C..

Note 2: Representative of the Board: The Company, Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd., Long Benefit Investment Co., Ltd.

Note 3: In situations where the Company's President or manager of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, additional explanation will be provided on the reasons, rationality, and necessity of such an arrangement and any response measures taken: None.

Note 4: Director representative of Yuanmao Opto-electronic Technology (Wuhan) Co. , Ltd., Supervisor of Long Benefit Investment Co., Ltd.

II. Compensation paid to non-independent directors, independent directors, the President, and vice presidents in the last year

1. Compensation to non-independent and independent directors

December 31, 2025 Unit: NTD thousands; %

Title (Note 1)	Name	Remuneration of directors								Sum of A, B, C and D as a percentage of net income (Note 8)		Compensation received as employee								The sum of A, B, C, D, E, F and G as a percentage of after tax profit (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		Base compensation (A) (Note 2)		Severance payment and pension (B)		Director remuneration (C)(Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Severance payment and pension (B)		Employee profit-sharing compensation (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)	
																Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Corporate director	Ennostar Inc. (Note 1)	2,400	2,400	0	0	0	0	0	0	2,400 (3.15%)	2,400 (3.15%)	0	0	0	0	0	0	0	0	2,400 (3.15%)	2,400 (3.15%)	0
	Representative: Feng-Cheng Su	0	0	0	0	0	0	50	50	50 (0.07%)	50 (0.07%)	0	0	0	0	0	0	0	0	50 (0.07%)	50 (0.07%)	0
	Representative: Li, Rong-Huan	0	0	0	0	0	0	50	50	50 (0.07%)	50 (0.07%)	5,610	5,610	108	108	0	0	0	0	5,768 (7.57%)	5,768 (7.57%)	0
	Representative: Li Cun-Chung	0	0	0	0	0	0	40	40	40 (0.05%)	40 (0.05%)	0	0	0	0	0	0	0	0	40 (0.05%)	40 (0.05%)	0
Director	Will Chou	600	600	0	0	0	0	50	50	650 (0.85%)	650 (0.85%)	5,212	5,212	256	256	0	0	0	0	6,118 (8.02%)	6,118 (8.02%)	20
Independent Director (Note 1)	Yu, Tsui-Jung	660	660	0	0	0	0	50	50	710 (0.93%)	710 (0.93%)	0	0	0	0	0	0	0	0	710 (0.93%)	710 (0.93%)	0
	Lin, Tsung-Yen	660	660	0	0	0	0	50	50	710 (0.93%)	710 (0.93%)	0	0	0	0	0	0	0	0	710 (0.93%)	710 (0.93%)	0
	Yeh, Sheng-Fa	720	720	0	0	0	0	50	50	770 (1.01%)	770 (1.01%)	0	0	0	0	0	0	0	0	770 (1.01%)	770 (1.01%)	0

1. Directors' compensation mentioned above includes travel allowances paid to independent directors for assuming concurrent roles as Remuneration Committee and Audit Committee members.
2. Policy, system, standards, and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed: Independent directors are compensated according to the levels and values of their participation in business operations, which are assessed based on the Board of Directors Performance Assessment Policy after taking into account the presence of moral hazard or any other risk event that may adversely affect the Company's images. The amount of compensation is determined based on individual directors' participation and contribution and overall performance of the Company, and is reviewed in a timely manner to comply with prevailing laws, and reported to the board of directors for discussion and resolution after reviewed by the Remuneration Committee.
3. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): none

Note 1: The 14th term directors, Ennostar Inc., Chou, Wen-Long, Yu, Tsuei-Jung, Lin, Tsung-Yen, and Yeh, Sheng-Fa, assumed office following election at the shareholders’ meeting on May 30, 2024.

Note 2: Refers to director's compensation in 2025 (including salary, allowance, severance pay, various bonuses and incentives etc).

Note 3: Base on the directors’ remuneration amount approved to be distributed by the board of directors on March 4, 2026.

Note 4: Refers to compensation paid for services rendered in 2025 (including travel, special allowances, subsidies, accommodation, corporate vehicle, and in-kind benefits).

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles, in-kind benefits etc. that the director received in 2025 for assuming the role of a company employee (such as President, vice president, manager, or other employee). (In addition, where salary expense is recognized according to IFRS2 - "Share-based Payment," the amount of which includes employee warrants, restricted employee shares, and subscription to cash issues.)

Note 6: Referring to these directors who concurrently serve as employees (including concurrently serving as president, vice president, other managerial officers and employees) and revive employees’ remuneration (including shares and cash) in 2025. Base on the employee’s remuneration amount to be distributed by the board of directors on March 4, 2026.

Note 7: Referring to all companies covered by the consolidated financial statements (including the Company), and represents total amount of compensation paid by all companies above to the Company's directors.

Note 8: The net income after tax refers to the net loss after tax of NT$76,236 thousand in the Company’s 2025 parent-only statement

Note 9: The amount of compensation a director receives from business investments other than subsidiaries refers to any benefit, remuneration (including remuneration received as an employee, director, and supervisor), and professional service fee that the Company's director receives for serving as director, supervisor, or manager in business investments other than subsidiaries.

Note 10: The amount of pension actually paid to the Company's directors 2025 amounted to NT$0. The amount of severance pay and pension contribution expensed during the year was NT$364 thousand.

2. Compensation to the President and vice presidents

December 31, 2025 Unit: NTD thousands; %

Title	Name	Salary (A) (Note 1)		Retirement pay and pension (B) (Note 7)		Bonuses and allowances (C) (Note 2)		Employee remuneration (D) (Note 3)				Sum of A+B+C+D and ratio to net income (Note 5)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 6)
		The Company	All companies included in the financial statements (Note 4)	The Company	All companies included in the financial statements (Note 4)	The Company	All companies included in the financial statements (Note 4)	The Company		All companies included in the financial statements (Note 4)		The Company	All companies included in the financial statements (Note 4)	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chief Strategy Officer (CSO)	Will Chou	16,471	16,471	860	860	6,816	6,816	0	0	0	0	24,147 (31.67%)	24,147 (31.67%)	43
President	Li, Rong-Huan													
Vice President	Chao-Kun Peng													
Vice President	Te-Cheng Lin													
Vice President	Chia-Chun Yu													
Vice President	Mei-Ling Chiu													

Note 1: Refers to salaries, allowances, and severance pay made to the President and vice presidents in 2025.

Note 2: Refers to other compensations such as bonus, incentive, travel allowance, special allowance, subsidy, accommodation, corporate vehicle or other in-kind benefits made to the President and vice presidents in 2025. (In addition, where salary expense is recognized according to IFRS2 - "Share-based Payment," the amount of which includes employee warrants, restricted employee shares, and subscription to cash issues.)

Note 3: Referring to the employees' remuneration amount approved by the Board of Directors to be distributed to the president and vice presidents in 2025 (shares and cash included). Base on the employee's remuneration amount to be distributed by the board of directors on March 4, 2026.

Note 4: Compensation is presented in aggregate of all amounts paid by all companies covered by the consolidated financial statements (including the Company) to the Company's President and vice presidents.

Note 5: The net income after tax refers to the net loss after tax of NT$76,236 thousand in the Company's 2025 parent-only statement

Note 6: The amount of compensation the President and vice presidents receive from business investments other than subsidiaries refers to any benefit, remuneration (including remuneration received as an employee, director, and supervisor), and professional service fee that the Company's President and vice presidents receive for serving as director, supervisor, or manager in business investments other than subsidiaries.

Note 7: The amount of pension actually paid to the Company's President and vice presidents in 2025 amounted to NT$ 0 thousand. The amount of pension contribution expensed during the year was NT$860 thousand.

3. Names of managers who received employee remuneration, and the amount entitled

The Company recorded a net loss after tax for 2025, and the board of directors approved not to distribute, and thus it is not applicable.

4. Remuneration to the Five Highest Remunerated Management Personnel

December 31, 2025 Unit: NTD thousands; %

Title	Name	Salary (A) (Note 1)		Retirement pay and pension (B) (Note 8)		Bonuses and allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
		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)	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chief Strategy Officer (CSO)	Will Chou	3,637	3,637	256	256	1,574	1,574	0	0	0	0	5,467 (7.17%)	5,467 (7.17%)	20
President	Li, Rong-Huan	3,533	3,533	108	108	2,077	2,077	0	0	0	0	5,718 (7.50%)	5,718 (7.50%)	0
Vice President	Chao-Kun Peng	2,362	2,362	97	97	839	839	0	0	0	0	3,298 (4.33%)	3,298 (4.33%)	0
Vice President	Te-Cheng Lin	2,280	2,280	200	200	770	770	0	0	0	0	3,250 (4.26%)	3,250 (4.26%)	0
Vice President	Mei-Ling Chiu	2,387	2,387	93	93	760	760	0	0	0	0	3,240 (4.25%)	3,240 (4.25%)	23

Note 1: The officer refers to the managerial officer; "Managerial officers" means those falling within the applicable scope defined in 27 March 2003 Order No. Tai-Cai-Zheng-III-0920001301 of the former Securities and Futures Commission, Ministry of Finance.

Note 2: This refers to the salary, duty allowances, and severance pay of each of the five highest remunerated management personnel in 2025.

Note 3: Refers to other compensations such as bonus, incentive, travel allowance, special allowance, subsidy, accommodation, corporate vehicle or other in-kind benefits made to the President and vice presidents in 2025. (In addition, where salary expense is recognized according to IFRS2 - "Share-based Payment," the amount of which includes employee warrants, restricted employee shares, and subscription to cash issues.)

Note 4: Referring to the employees' remuneration amount approved by the Board of Directors to be distributed to the five highest remunerated management personnel in 2025 (shares and cash included). Base on the employee's remuneration amount to be distributed by the board of directors on March 4, 2026.

Note 5: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of compensation paid by all companies above to the Company's five highest remunerated management personnel.

Note 6: The net income after tax refers to the net loss after tax of NT$76,236 thousand in the Company's 2025 parent-only statement

Note 7: Referring to the amount of compensation paid to the five highest remunerated management personnel receive from business investments other than subsidiaries refers to any benefit, remuneration (including remuneration received as an employee, director, and supervisor), and professional service fee that the Company's five highest remunerated management personnel receive for serving as director, supervisor, or manager in business investments other than subsidiaries.

Note 8: Refers to the retirement pay and pension expenses provided or contributed, for NT$754 thousand.

5. Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's non-independent directors, independent directors, President, and vice presidents, and their respective proportions to standalone net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks.

(1.) Compensation paid to the Company's non-independent directors, independent directors, President, and vice presidents, and percentage relative to standalone net income, are shown below:

Title	2024				2025				Description
	Total compensation		Total as a percentage of net income (%)		Total compensation		Total as a percentage of net income (%)		The Company's net lost after tax for 2025 was NT$76,236 thousand and the net profit after tax of NT$62,889 thousand for 2025, respectively.
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	
Non-independent Director (Note 1)	13,885	13,885	22.08	22.08	14,376	14,376	(18.86)	(18.86)	
Independent Director	2,749	2,749	4.37	4.37	2,190	2,190	(2.87)	(2.87)	
President and vice presidents (Note 2)	23,565	23,589	37.47	37.51	24,147	24,147	(31.67)	(31.67)	

Note 1: The total compensation amount include the compensation received as employee.

Note 2: The Company recorded a net loss after tax for 2025, and the board of directors approved not to distribute the employees' remuneration on March 4, 2026.

(2.) Compensation policies, standards, packages and procedures, and association with future risks and business performance:

Remuneration policies, standards, and packages:

a. According to Article 15 of the Company's Articles of Incorporation, directors' remuneration shall be paid regardless of the Company making profit or loss. Article 18 of the Articles of Incorporation stipulates that no more than 5% shall be appropriated directors' remuneration of . The Company regularly evaluates the remuneration of directors pursuant to the "Rules for Performance Evaluation of Board of Directors." The relevant performance appraisal and the reasonableness of the remunerations are reviewed by the Remuneration Committee and the Board of Directors.

b. For the Company's managerial officers' remunerations, according to the "Regulations of Remuneration Management," it is specified various work allowances and bonuses, to show compassion, and reward employees for their hard works. Relevant bonuses are also paid depend on the Company's annual operating performance, financial status, operating status, and personal work performance. In addition, if the Company makes profits in the current year, pursuant to Article 18 of the Company's Articles of Incorporation, 5% to 15% should be appropriated as employees' remuneration. Pursuant to the "Regulations for Management of Managerial Officers' Performance," the Company implements the performance evaluation and the results are used as a reference for the issuance of managerial officers' bonuses. The managerial officers' performance evaluation items are divided into 1. financial indicators: based on the Company's management statement of income, allocation of contribution from each business group department to the Company's profits, while taking the achievement rate of the managerial officer's goals into account; 2. non-financial indicators: including two major aspects, namely the practice of the Company's core values and operational management capabilities, as well as participation in sustainable operations, to calculate the remuneration for the operating performance, while reviewing the remuneration system according to the actual operating conditions and relevant laws and regulations, when appropriate.

c. The compensation mix paid by the Company complies with the determinations of the Remuneration Committee, includes cash compensations, warrants, share-based profit sharing, retirement benefits, severance pay, allowances of all kinds, and any substantive incentives. This definition should be consistent with the scope of directors' and managers' compensation stated in "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Procedure for determining remuneration:

(1) To regularly evaluate the remunerations of directors and managerial officers, the Company's "Rules for Performance Evaluation of Board of Directors" and the "Regulations for Management of Managerial Officers' Performance" applicable to managerial officers are adopted as the basis for the evaluation, and the results are used as the reference. In addition, the chairman and president's remunerations are determined by linking to the Company's operating performance indicators, and submitted to the board of directors for approval. To fully demonstrate the achievement of the operating performance indicators, the chairman's performance measurement criteria are based on the Company's annual operating indicators related to operations, governance, and financial results. For the performance of the president, the scope of performance measurement and assessment includes: operational safety management, supervision for the implementation of financial plans, revenue management, enhancement of internal control, implementation of quality assurance and management, among other major tasks related to various performance objectives.

(2) The relevant performance assessment and remuneration reasonableness of the Company's

directors and managerial officers are regularly evaluated and reviewed by the Remuneration Committee and the board of directors every year. On top of referring to the individual's performance achievement rate and contribution to the Company, the Company's overall operating performance, the future risks and development trends of the industry are also considered, and the remuneration system depending on the actual operating conditions and relevant laws and regulations when appropriate. Moreover, upon the comprehensive considerations of the current corporate governance trends, reasonable remuneration will be given to achieve a balance between the Company's sustainable operation and risk control. The actual amount paid for the directors' and managerial officers' remunerations of 2025 are determined by the board of directors after the deliberation of the Remuneration Committee.

Linkage to operating performance and future risk exposure.:

(1) The review of the payment standards and systems related to the Company's remuneration policy is based on the Company's overall operating status as the main consideration, while depending on the performance achievement rate and contribution, to determine the payment standards, for improving the effectiveness of the whole organizational team of the board of directors and management departments. Meanwhile, the remuneration standard of the industry is referred to, to ensure that the Company's management' remuneration is competitive in the industry, to retain excellent management talents.

(2) The performance goals of the Company's managerial officers are integrated with "risk control," to ensure that possible risks within the scope of duties are managed and prevented, and the results of ratings are given based on actual performance, linking all relevant human resources and related remuneration policies. The important decisions of the Company's management are made after balancing various risk factors. The performance of relevant decisions is reflected in the Company's profits, and thus the remuneration of the management is related to the performance of risk control.

III. Corporate governance

(I) Functionality of the board of directors and performance evaluation

The board of directors of the 14th Term held total 5 (A) meetings in 2025; below are directors' (including independent directors') attendance records:

Title	Name	Attendance in person (B)	Proxy attendance	In-person attendance rate (%)[B/A]	Remarks
Chairman	Representative of Ennostar Inc.: Feng-Cheng Su	5	0	100	
Director	Will Chou	5	0	100	-
Director	Representative of Ennostar Inc.: Li, Rong-Huan	5	0	100	-
Director	Representative of Ennostar Inc.: Cun-Chung Li	4	0	100	-
Independent Director	Tsui-Jung Yu	5	0	100	
Independent Director	Tsung-Yen Lin	5	0	100	
Independent Director	Sheng-Fa Yeh	5	0	100	

Other mandatory disclosures:

1. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed motions, independent directors' opinions and how the Company has responded to such opinions:
   (1) Any matter under Article 14-3 of the Securities and Exchange Act: The Company has set up an Audit Committee, and thus Article 14-3 is not applicable. For the description of matters under Article 14-5 of the Securities and Exchange Act, please refer to Table 1 of the Operation of the Audit Committee.
   (2) Any other documented objections or reservations raised by independent director against board resolution in relation to matters other than those described above: No objection or reservation was raised.
2. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process:
   Motion description: Distribution of managerial employee remuneration; appointment of managerial personnel; annual salary adjustments for managerial personnel; allocation of year-end bonuses for managerial personnel; annual key talent retention bonuses for managerial personnel; promotions of managerial personnel; participation of managerial personnel in the employee stock ownership trust plan; and allocation of company vehicles to managerial personnel.
   Voting result: Interested parties in each motion recused themselves in accordance with applicable regulations by leaving the meeting, and the (acting) chair consulted all attending

directors and independent directors, who unanimously approved the proposals without objection.

Reason for recusal: The aforementioned interested parties recused themselves as they were directly involved in or related to the matters under the respective agenda items. The directors involved: Su, Feng-Cheng, Will Chou, and Li Rong-Huan, as well as Vice President Mei-Ling Chiu and Head of Accounting, Hsiao-Ping Li, are all managerial personnel of the Company and were therefore required to recuse themselves.

3. Cycle, duration, scope, method and detail of board performance self (peer) evaluation, and overall execution are explained in the following chart:

Assessment cycle	Assessment duration	Scope of assessment	Assessment method	Assessment details
Once a year	Performance of the board of directors between January 1 and December 31, 2025, was assessed	The entire board	Board of directors internal self-assessment	Performance assessment covers the five main aspects below 1. Level of participation in the Company's operations. 2. Improvement of board decision quality. 3. Composition of the board of directors. 4. Election and ongoing education of directors. 5. Internal control.
		Individual director members	Director self-assessment	Performance assessment covers the following six main aspects 1. Comprehension of the Company's targets and missions. 2. Directors' duty awareness. 3. Level of participation in the Company's operations. 4. Management and communication of internal relations. 5. Professionalism and ongoing education of directors. 6. Internal control.
		Functional committees (including Audit	Peer evaluation (each member)	Performance assessment covers the five main aspects 1. Level of participation in the Company's operations.

		Committee, Remuneration Committee and Sustainable Development Committee)		2. Awareness towards duties of the functional committee. 3. Improvements to the quality o decisions made by functional committees. 4. Composition of the functional committee and selection of committee members. 5. Internal control.

4. Enhancements to the functionality of board of directors in the current and most recent year, and progress of such enhancements:
   1. In 2025 and up until the publication date of annual report, all decisions that have to be supported by the Audit Committee or resolved by the board of directors under The Company Act or Articles 14-3 and 14-5 of the Securities and Exchange Act have been agreed by the Audit Committee, submitted for board of directors' resolution, and executed accordingly.
   2. On August 9, 2024, during the 2nd meeting of the 14th Board of Directors, the Company approved the adoption of the ESG Committee Charter and established the Sustainable Development Committee under the board. Three independent directors were appointed as committee members to fulfill supervisory functions and continuously promote sustainability. The progress and outcomes of implementation are reported quarterly to the board, which provides necessary guidance.
   3. In 2025, the Company’s Board of Directors approved the amendments to the Company’s “Sustainable Development Goals” and “Sustainable Development Best Practice Principles,” thereby fully implementing proactive management of sustainable development.
   4. In 2025, the Company’s Board of Directors approved the “Employee Stock Ownership Trust Plan,” launching the employee stock ownership trust program to enhance employee benefits, strengthen employee cohesion, encourage the long-term retention of outstanding talent, and enable employees to share in the Company’s operating performance.

(II) Key Tasks and Operation of the Audit Committee:

The Audit Committee aims to assist the board of directors in supervising the quality and integrity of the Company's accounting, auditing, financial reporting, and financial control processes.

The matters to be deliberated under the Audit Committee's power mainly include:

1. Establishment or amendment of internal control system according to Article 14-1 of the Securities and Exchange Act.
2. Evaluation over the effectiveness of internal control system.
3. Establishment or amendment of asset acquisition and disposal procedures, derivative trading procedures, external party lending procedures, external party endorsement and guarantee procedures, and other procedures of major financial or business consequences according to Article 36-1 of the Securities and Exchange Act.
4. Matters concerning directors' personal interests.
5. Major asset or derivative transactions.
6. Major lending, endorsement or guarantee to an external party.
7. Offering, issuance or private placement of securities with equity characteristics.
8. Appointment, dismissal, or compensation of financial statement auditors.
9. Appointment and dismissal of finance, accounting, or internal audit managers.
10. Business report, earnings appropriation or loss reimbursement proposal.
11. Other issues deemed material by the Company or the authority.

<u>Review of financial reports</u>

The Board of Directors prepared the Company's annual business report, consolidated financial statements, parent company only financial statements and earnings distribution proposal for 2025. The consolidated financial statements and parent company only financial statements have been audited by CPA Mei-Chen Tsai and CPA Ming-Huei Chen of Deloitte Taiwan, and they have issued a report. The above-mentioned business reports, consolidated financial statements, individual financial statements, and profit distribution proposals have been reviewed by our Audit Committee and found to be compliant.

<u>Assessment of effectiveness of the internal control system</u>

The Audit Committee evaluates the effectiveness of the Company's internal control system, policy, and procedures (including control measures on financial, operational, risk management, information security, and compliance aspects), and reviews audit execution reports prepared by internal audit units on a quarterly basis. Audit Committee considers the design and execution of internal control system to be effective and is able to provide assurance with regards to the Company's business results; target accomplishment; reliability, timeliness, and transparency of reported financial information; and compliance with relevant laws.

<u>Appointment of CPAs</u>

The Audit Committee bears the duty to supervise the independence of the certifying accounting firm, to ensure the fairness of the financial statements. Generally, other than tax-related services and itesm specifically approved, the certifying accounting firm must not provide other services to the Company. To ensure the independence of the certifying accounting firm, the Company has established the evaluation form of independence by referring the Certified Public Accountants' Ethical Guideline Journal number 10 – the "integral, fair, objective and independent" to evaluation the independence, professionalism, and competence of CPAs, and if they are related parties of the Company, or in relationship of business or financial interests with the Company, and vice versa. On March 4, 2026, the 10th meeting of the 14 term Board of Directors deliberated and approved that the CPAs, Tsai, Mei-Chen and Chen, Ming-Hui, from Deloitte Taiwan, have conformed to the criteria of independence evaluation and competence.

Operation of the Audit Committee

The term of the 3rd Audit Committee was from May 30, 2024, to May 29,2027..

The 3rd Audit Committee held 4 meetings during 2025. The attendance of independent directors is detailed as follows:

Title	Name	Attendance in person (B)	Proxy attendance	In-person attendance rate (%)[B/A]	Remarks
Independent Director (Convener)	Yeh, Sheng-Fa	4	0	100	
Independent Director	Tsung-Yen Lin	4	0	100	
Independent Director	Yu, Tsui-Jung	4	0	100	

Other mandatory disclosures:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the meeting, the contents of the motions, independent directors' objections reserved opinions or contents of their major suggestions, the Audit Committee's resolutions, and how the Company responded to the Audit Committee's opinions.
  (I) Issues listed in Article 14-5 of the Securities and Exchange Act: All motions concerning the issues listed in Article 14-5 of the Securities and Exchange Act were passed by the Audit Committee as proposed without objection; see Chart 1 below for details.
  (II) Other than those described above, any resolutions unsupported by the Audit Committee but passed by more than two-thirds of directors. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process: None.

II. Disclosure regarding avoidance of interest-conflicting motions, including the names of independent directors concerned, the motions, the nature of conflicting interests, and the voting process: None.

III. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome).

A. Communication approaches

1. The chief internal auditor engages independent directors in regular discussions at least once a quarter to report on the implementation of internal audit and internal control systems. Meetings may also be called on an ad-hoc basis in the occurrence of major event.
2. The Company's annual financial reports are subject to approval by more than 50% of Audit Committee members before submitting to the board of directors for final resolution. Prior to reviewing financial reports, the Audit Committee would engage financial statement auditors in

productive communication through meetings and other available channels (such as: telephone, fax, e-mail etc.).

3. The CPAs of the Company also report and explain to the independent directors on the results of the reviewed or audited financial statements of the Company and its subsidiaries in the quarterly Audit Committee meetings.

B. Summary of communications

1. Summary of communications between the independent directors and the internal audit officer

Date	Attendees	Matters communicated	Communication results
2025/02/19 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung	● Q4 2024 Audit Implementation Report ● 2024 Statement of the Internal Control System Amendment of part of the internal control system and internal audit implementation rules	No dissent
2025/05/06 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung	● Q1 2025 Audit Implementation Report	No dissent
2025/08/11 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung	● Q2 2025 Audit Implementation Report Amendment of part of the internal control system and internal audit implementation rules	No dissent
Video conference on Ocotber 22, 2025 (The internal audit officer reported to the independent director individually)	ndependent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung	●Report on the 2026 audit plan	No dissent
2025/11/10 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung	● Q3 2025 Audit Implementation Report ●The 2026 audit plan Amendment of part of the internal control system and internal audit implementation rules	No dissent

2. Summary of the communications between the independent directors and the CPAs

Date	Attendees	Matters communicated	Communication results
2025/02/19 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung Deloitte & Touche CPAs: CPA Mei-Chen Tsai ; Manager Lee, Tsung-Han	●The CPAs explained the key points of the matters related to the audit of 2024 financial statements.	The financial reports have been approved by the Audit Committee, and submitted to the board of directors for approval, and announced and reported to the competent authority as scheduled.

	2025/05/06 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung Deloitte & Touche CPAs: CPA Mei-Chen Tsai ; Manager Lee, Tsung-Han	●The CPAs explained the key points of the matters related to the review of financial statements for Q1, 2025.	The financial reports have been approved by the Audit Committee, and submitted to the board of directors for approval, and announced and reported to the competent authority as scheduled
	2025/08/11 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung Deloitte & Touche CPAs: CPA Manager Lee, Tsung-Han	●The CPAs explained the key points of the matters related to the review of financial statements for Q2, 2025.	The financial reports have been approved by the Audit Committee, and submitted to the board of directors for approval, and announced and reported to the competent authority as scheduled.
	2025/11/10 Audit Committee	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung Deloitte & Touche CPAs: CPA Mei-Chen Tsai	●The CPAs explained the key points of the matters related to the review of financial statements for Q3, 2025.	The financial reports have been approved by the Audit Committee, and submitted to the board of directors for approval, and announced and reported to the competent authority as scheduled.
	2025/11/14 Video conference	Independent Director: Yeh, Sheng-Fa Independent Director: Lin, Tsung-Yen Independent Director: Yu, Tsuei-Jung Deloitte & Touche CPAs: CPA Mei-Chen Tsai ; Manager Lee, Tsung-Han	●Communication audit plan, scope, and key audit matters prior to the 2025 financial statements.	Effective communication. Both parties reached a consensus.

Note: In-person attendance rate (%) is calculated based on the number of Audit Committee meetings held and the number of in-person attendances made during active duty.

Table 1

Date	Motion	Resolution	Company's response to Audit Committee's opinions
The 5th meeting of the 3 term	1. 2024 "Internal Control System Effectiveness Review" and issuance of the Company's	Passed as proposed	Passed as proposed

Date	Motion	Resolution	Company's response to Audit Committee's opinions
(2025/02/19) Audit Committee	"Declaration of Internal Control System" 2. Amendments to the internal control system 3. Amendments to the Internal Audit Implementation Rules 4. Amendments to the Internal Control System and Procedures for Self-Assessment Operations. 5. The Company's 2024 financial reports and consolidated financial reports 6. The Company's 2024 business report 7. The 2024 Statement Of Earnings Distribution. 8. Evaluation and review of CPA's professional service fees and independence	without objection from attending members when inquired by the chairperson	without objection from attending independent directors
The 6th meeting of the 3 term (2025/5/6) Audit Committee	1. Review of the Company's Q1 2025 consolidated financial report proposal		
The 7th meeting of the 3 term (2025/8/11) Audit Committee	1. Amendments to the internal control system 2. Amendments to the Internal Audit Implementation Rules 3. Review of the Company's Q2 2025 consolidated financial report proposal		
The 8th meeting of the 3 term (2025/11/10) Audit Committee	1. Establishment of the Company's 2026 internal audit plan 2. Amendments to the internal control system 3. Amendments to the Internal Audit Implementation Rules 4. Review of the Company's Q3 2025 consolidated financial report proposal		
The 9th meeting of the 3 term (2026/3/4)	1. 2025 "Internal Control System Effectiveness Review" and issuance of the Company's "Declaration of Internal Control System" 2. Amendments to the internal control system 3. Amendments to the Internal Audit Implementation Rules 4. The Company's 2025 financial reports and consolidated financial reports 5. The Company's 2025 business report		

Date	Motion	Resolution	Company's response to Audit Committee's opinions
	6. The 2025 Statement Of Earnings Distribution. 7. Evaluation and review of CPA’s professional service fees and independence 8. Amendments to the Company's "Regulations Governing the Review of Pre-approved Non-assurance Service Policy"		

(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

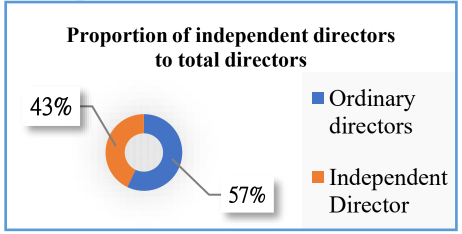
Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has formulated the Corporate Governance Best Practice Principles, and the Company has always respected the rights of shareholders, disclosed major Company information, regularly disclosed financial information as required by relevant regulations, and strengthened the functions of the Board of Directors to promote the operation of corporate governance. Please refer to the Company's website "Investors Section" or "Corporate Governance Section" of MOPS.	No material deviation is found.
II. Shareholding structure and shareholders' interests			II. Shareholding structure and shareholders' interests	
(I) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes, and litigations?	✓		(I) To ensure the interests of shareholders, the Company has established the Shareholder/Investor Section as a communication channel, and appointed the spokesperson, the VP of Financial Department to handle all shareholder suggestions, doubts and disputes.	No material deviation is found.
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	✓		(II) The related matters of the Company are handled by the VP of Financial Department serving as the spokesperson, and Fubon Securities' stock affairs agency department, and the stock affairs agency regularly reports the changes in the equity of directors and managerial officers.	No material deviation is found.
(III) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	✓		(III) The Company has established the specific financial operations procedures writing pursuant to the "Operational Procedures of Transaction among the Group Entities, Certain Companies and Related Parties" to regulate business relations with affiliates, and has also established the "Operational Procedures for Monitoring Subsidiaries" to implement the Company's risk control mechanism and measures specific to the subsidiaries, and approved by the	No material deviation is found.

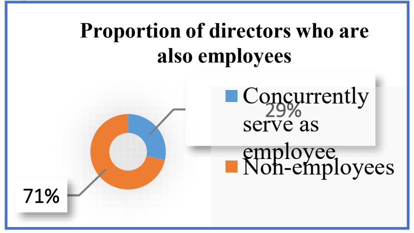
Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		Board of Directors. (IV) The Company has established the "Code of Conducts" and the "Managerial Operational Procedures for Handling Internal Material Information and Preventing Insider Trading" to prevent insider trading, avoid improper information leakage, protect investors and safeguard the interests of the Company.	No material deviation is found.
III. Composition and responsibilities of the board of directors (I) Has the Board of Directors formulated and implemented a diversity policy regarding the composition of its members, with concrete management targets, and implement such?	✓		III. Composition and responsibilities of the board of directors (I) Board Diversity Policy, Specific Management Objectives, and Implementation: In accordance with the Corporate Governance Best Practice Principles, which state that "board members shall consider diversity," the Company ensures that directors who concurrently serve as managerial officers do not exceed one-third of the total directors. The Company formulates an appropriate board diversity policy based on its operational structure, business model, and development needs. The policy should include, but is not limited to, the following two major aspects: 1.1 Background and value: Gender, age, nationality, culture. 1.2 Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing, or technology), professional skill, and industry experience. 1.3 For optimal corporate governance, the board of directors as a whole shall possess the following key abilities: operational judgment ability, accounting and financial analysis ability, business administration ability, crisis	No material deviation is found.

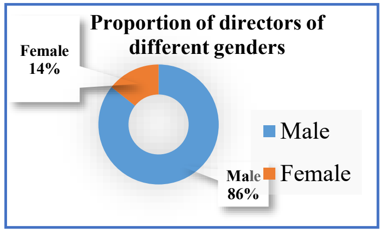
Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	

management ability, industry knowledge, global market vision, leadership ability, and decision-making.

1.4 The composition of the Board of Directors (4 ordinary directors and 3 independent directors) is shown in the figure below:

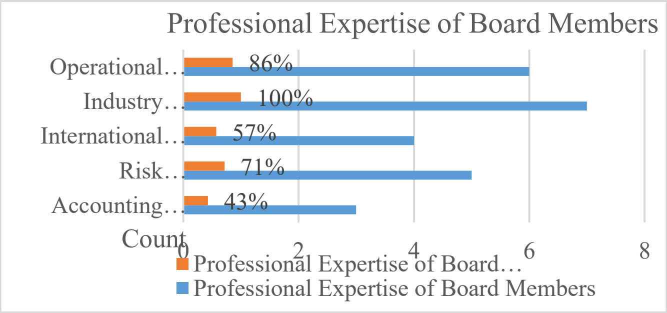

Proportion of independent directors to total directors


Proportion of directors who are also employees


Proportion of directors of different genders

1.5 The Board consists of 7 members in total, with the following areas of professional expertise(Listed below)

Various abilities	Summary of Directors' who are Professionals in the Field of Expertise	Count
Operational leadership	Su ○-Cheng, Chou ○-Long, Lee ○-Huan, Lee ○-Chung, Yu ○-Jung, Yeh ○-Fa	6
Industry experience	Su ○-Cheng, Chou ○-Long, Lee ○-Chung, Lee ○-Huan, Yu ○-Jung, Lin ○-Yen, Yeh ○-Fa	7
International marketing	Su ○-Cheng, Chou ○-Long, Lee ○-Chung, Lee ○-Huan	4

<table>
<tr><th rowspan="2">Assess criteria</th><th colspan="3">Operation</th><th rowspan="2">(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Risk management</td><td>Su ○-Cheng, Chou ○-Long, Lee ○-Huan, Yu ○-Jung, Lin ○-Yen</td><td>5</td></tr>
<tr><td>Accounting and Information Technology</td><td>Lee ○-Chung, Lin ○-Yen, Yeh ○-Fa</td><td>3</td></tr>
</table>
Indicated in the diagram below:


2. Management, goals, and implementation of diversity policy:
Management, goals, and implementation of diversity policy of the Board of the Company:
<table>
<tr><th>Management goal</th><th>Term of office</th></tr>
<tr><td>With employee status, no more than 1/3 of the Board shall be held</td><td>Goal achieved</td></tr>
<tr><td>More than 1/3 of the Board are independent directors</td><td>Goal achieved</td></tr>
<tr><td>Different Genders: over 1/3 of the seats are female</td><td>Target not achieved</td></tr>
</table>
Considering the implementation and achievement of the Company's board
</td><td></td></tr>
</table>

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			diversity objectives, 28.57% of board members are employees of the Company, which is under one-third and thus within the target range. Independent directors account for three seats (42.86%), exceeding one-third and meeting the target. The proportion of female members stands at 14%, which has not yet reached the one-third target due to the current lack of suitable candidates. This remains an area for improvement and has been included in future planning priorities.	
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓		(II) In accordance with regulations, the Company established the Remuneration Committee on December 6, 2011, consisting of three members. Meetings are held as required by law or operational needs. As of May 30, 2024, the Committee entered its sixth term, with all three seats held by newly appointed independent directors. The Company also established the Audit Committee in 2018, comprising all three independent directors as statutory members. As of May 30, 2024, the Audit Committee has entered its third term. Additionally, on a voluntary basis, the Company established the Sustainable Development Committee on August 9, 2024. The first term of the Committee includes four members, three of whom are current independent directors. The Company will continue to evaluate the need to establish other functional committees in accordance with legal requirements or practical needs.	No material deviation is found.
(III) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance	✓		(III) The company has established a method for evaluating the performance of the Board of Directors, which was approved by the Board in 2021. The evaluation, based on the company's condition and needs, is to be conducted every three years by an external professional independent institution or a team of external experts and scholars. Whether internal or external, the evaluation should be completed	No material deviation is found.

<table>
<tr><th rowspan="2">Assess criteria</th><th colspan="3">Operation</th><th rowspan="2">(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>evaluation results reported to the board of directors and used as reference for compensation, remuneration, and nomination decisions?</td><td></td><td></td><td>before the first quarter of the following year and reported to the Board of Directors. The implementation is summarized as follows:
1 Self-evaluation targets: the board of directors and directors, as well as functional committees in 2025
2 Evaluation Period: Assessed year: 2025
3 Evaluators: Chairman Su Feng-Cheng, Director Chou Wen-Long, Director Lee Jung-Huan, Director Lee Tsun-Chung, and Independent Directors Yu Tsuei-Jung, Lin Tsung-Yen, and Yeh Sheng-Fa.
4 Assessment Period: January 1, 2025 to December 31, 2025
5 Self-evaluation statistics:
5.1 Board performance evaluation: self-evaluation questionnaire results
<table><tr><th>Measurement items for board performance evaluation</th><th>Average scors of item</th></tr><tr><td>A. Level of participation in the Company's operations.</td><td>5</td></tr><tr><td>B. Improvement of board decision quality.</td><td>5</td></tr><tr><td>C. Composition of the board of directors.</td><td>5</td></tr><tr><td>D. Election and ongoing education of directors.</td><td>5</td></tr><tr><td>E. Internal control.</td><td>5</td></tr></table>The above questionnaire has 45 questions in total, and the average score for each item is 5, the positive opinion of [Excellent (Mostly Agreed]
5.2 Board member performance evaluation: self-evaluation questionnaire results</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Assess criteria</th><th colspan="3">Operation</th><th rowspan="2">(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Measurement items of board member’s self-assessment</th><th>Average scors of item</th></tr>
<tr><td>A. Comprehension of the Company's targets and missions.</td><td>5</td></tr>
<tr><td>B. Directors' duty awareness.</td><td>5</td></tr>
<tr><td>C. Level of participation in the Company's operations.</td><td>5</td></tr>
<tr><td>D. Management and communication of internal relations.</td><td>5</td></tr>
<tr><td>E. Professionalism and ongoing education of directors.</td><td>5</td></tr>
<tr><td>F. Internal control.</td><td>5</td></tr>
</table>
The above questionnaire has 23 questions in total, and the average score is 5, the positive opinion of [Excellent (Mostly Agreed].
5.3 Functional committee performance evaluation: self-evaluation questionnaire results
<table>
<tr><th>Measurement items of board member’s self-assessment</th><th>Average scors of item</th></tr>
<tr><td>A. Level of participation in the Company's operations.</td><td>5</td></tr>
<tr><td>B. Awareness towards duties of the functional committee.</td><td>5</td></tr>
<tr><td>C. Improvements to the quality of decisions made by functional committees.</td><td>5</td></tr>
<tr><td>D. Composition of the functional committee and selection of committee members.</td><td>5</td></tr>
<tr><td>E. Internal control.</td><td>5</td></tr>
</table>
The above includes a total of 24 peer evaluation questions covering the
</td><td></td></tr>
</table>

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			Remuneration Committee, Audit Committee, and Sustainable Development Committee, with an average score of 5, indicating a highly positive opinion of "Excellent (Mostly Agree)". 6 Self performance assessments of the board of directors, functional committees, and individual directors all concluded with an Excellent rating in 2025. Outcome of the assessment was reported during the board of directors meeting held on March 4, 2026. Which also serve as the key reference for selecting nominating directors, and determining their remunerations.	
(IV) Are external auditors' independence assessed on a regular basis?	✓		(IV)The Company's CPAs belongs to one of the four major international accounting firms, and these who have directly or indirectly conflict of interests are avoided, to fully adhere respect the spirit of justice, rigor, honesty and independence. 1 The finance unit evaluates the independence of CPAs every year, obtains the independence statement from the CPAs complying with the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10, “Integrity, Objectivity and Independence,” and the Audit Quality Indicators (AQIs); the Audit Committee also refers to 13 AQIs to review the CPAs’ independence, professionalism, and competence evaluation of CPAs. The evaluation results demonstrated all compliance with the independence criteria; the evaluation items have the following results: (1) No mutual relationship with the Company, no direct or significant indirect financial interest relationship with each other (2) No financing and guarantee activities with the Company	No material deviation is found.

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			(3) No close business relationship or employment relationship with the Company (4) Family members and close relatives of the CPAs and audit team members do not serve as directors, managerial officers of the Company, or positions with direct and significant influence on the audit tasks (5) Not receiving gifts of significant value from the Company (6) No non-audit services provided to the Company 2 Based on the AQI (Audit Quality Indicators) reference information, the Company has confirmed that the engaged accountants and accounting firm possess extensive audit experience and above-average continuing education hours compared to industry peers, which helps ensure a high level of professional competence. Internal evaluations and external inspections over the past two years have shown no non-compliance in quality control. Additionally, the firm is committed to enhancing audit quality and efficiency by adopting cloud-based auditing tools, leveraging digital technologies, and expanding its audit support center. 3 To ensure auditor rotation, the Company has confirmed that no single accountant has continuously provided attestation services for more than seven years. In line with internal rotation mechanisms of Deloitte & Touche, effective from the fourth quarter of 2024, the signing auditors were changed from CPA Fang, Su-Li and CPA Chen, Ming-Hui to CPA Tsai, Mei-Chen and CPA Chen, Ming-Hui.	.

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			4 The latest evaluation of the independence of the attesting CPAs was discussed and approved by the Audit Committee on March 4, 2026, and submitted to the board of directors on March 4, 2026 for the resolution of approval.	
IV. Has the TWSE/TPEX listed company allocated adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	✓		The Company has established the concurrent unit for corporate governance in charge of the corporate governance affairs; and on May 12, 2021, the board of directors approved to appoint the corporate governance officer to the CFO, Mei-Ling Chiu. The primary responsibilities of the Corporate Governance Officer include organizing meetings of the board of directors and shareholders' meetings in accordance with applicable laws, preparing minutes for such meetings, assisting directors with onboarding and ongoing education, providing directors with the necessary information to perform their duties, and ensuring compliance with relevant laws and regulations. The Officer also reports to the board on whether independent director nominees meet regulatory qualifications at the time of nomination and appointment, conducts annual reviews of their qualifications during their term, and handles matters related to changes in directorships. These efforts ensure that the Company's governance-related tasks are carried out properly by the relevant functional units in compliance with laws, regulations, and internal policies.	No material deviation is found.

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company maintains open communication channel with counterparty banks and other creditors, shareholders, employees, customers, and suppliers, and respects their rightful interests. The Company has created a stakeholders section on its website since October 2015 to help suppliers comply with environmental, safety, and health requirements of relevant laws and policies throughout the procurement process. Customers are able to communicate issues of concern and submit annual satisfaction surveys through customer service mailbox and sales representatives. Other stakeholders such as shareholders, banks, local profit-seeking organizations, and government institutions are able to obtain financial information and major announcements from the Company through the corporate website, Market Observation Post System, and industry news reports. http://www.tyntek.com.tw/responsibility.php	No material deviation is found.
VI. Does the Company engage a share transfer agency to handle shareholder meeting affairs?	✓		The Company has engaged the Share Transfer Department of Fubon Securities Co., Ltd., which carries out share transfer services in accordance with laws and the internal control system.	No material deviation is found.
VII. Information disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	✓		VII. Information disclosure (I) The Company has assigned dedicated personnel to maintain and update its website, where financial and corporate governance information is published and made accessible to shareholders and the general public. Company Website / Investor Relations section https://www.tyntek.com.tw/investor.php	No material deviation is found.
(II) Has the Company adopted other means to disclose information (e.g. English	✓		(II) The Company's website (with both Chinese and English versions available for easy switching) is managed by designated personnel responsible for collecting	No material deviation is found.

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, and broadcasting of investor conferences via the company website)?			and disclosing corporate information. A spokesperson system has also been established to ensure that information which may affect the decision-making of shareholders and stakeholders is disclosed in a timely and appropriate manner. Information regarding investor conferences hosted or attended by the Company each year is also disclosed on the Company's official website.	
(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?	✓		(III) The Company announces and reports the annual consolidated and parent-only financial reports within two months from the end of each year, and the quarterly financial reports earlier than the deadline; it also makes monthly announcements on sales revenues, derivative transactions, external party lending/endorsement/guarantee, major transactions with related parties, and financial as well as operation-related information in a timely manner.	No material deviation is found.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee welfare, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management	✓		1 The Company values the interests of employees. In addition to the establishment of the Employee Welfare Committee, various activities are held regularly, and employees are encouraged to participate in various trainings, with regular health checks arranged. For details, please refer to the annual report "Labor Relations." Regarding the rights of investor, supplier, and stakeholders, the implementation are handled pursuant to the internal control and management procedures, and the Company fulfills the corporate social responsibility pursuant to laws and regulations. 2 The Company honestly disclosed the information as required by laws, to protect the basic interests of investors and fulfill the company's responsibilities	No significant deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
policies and risk measurements, implementation of customer policy, and liability insurance for directors and supervisors)?			to shareholders. 3 The Company arranges annual training programs for its directors and independent directors, all of whom actively participate in the courses. Information regarding their training participation is disclosed on the Market Observation Post System (MOPS) under stock code 2426:https://mopsov.twse.com.tw/mops/web/t100sb07 4 The Company established the Sustainable Development Committee in August 2024 under the board of directors to assist in overseeing the implementation of sustainability and risk management initiatives. The Committee reports annually to the board. For more details, please refer to the Company's official website (Sustainability section). https://www.tyntek.com.tw/sustainability.php?cs=68&sn=69 5 The Company maintains open and effective communication channels with customers and suppliers, fostering strong interactions. For more details, please refer to the Company's official website (Sustainability/Stakeholder Section/Stakeholder Engagement)https://www.tyntek.com.tw/sustainability.php?cs=1&sn=71 6 All directors and managerial officers of the Company uphold the principle of ethical business conduct and strive to avoid non-operational negligence that may cause significant harm to the Company and its shareholders. In accordance with regulations, the Company purchases directors and officers liability insurance annually for all directors and independent directors. The details are reported to the board of directors in the first quarter each year. The most recent report was presented on March 4, 2026. Relevant information is available on the Market	

Assess criteria	Operation			(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			Observation Post System (MOPS) under stock code 2426: https://mopsov.twse.com.tw/mops/web/t135sb03	

IX. Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for the items not yet improved

1. In August 2023, the Company implemented an Information Security Management System (ISMS) and obtained international certification for ISO 27001:2022 in June 2024. The certification is valid for three years, from June 25, 2024, to June 25, 2027.
2. The Company has disclosed the specific management objectives and implementation status of its board diversity policy on the Company’s website and in the annual report.
3. The Company has announced that it will hold a regular shareholders’ meeting on May 22, 2026, before the end of May, and expects to upload the English version of the meeting notice 30 days prior to the meeting.
4. In August 2024, the Company established the Sustainable Development Committee as a functional committee directly under the board of directors. The committee consists of four members, including three incumbent independent directors.
5. In the same year, the Company formulated and obtained board approval for its Risk Management Policy. The implementation status of risk management was reported to the board in the fourth quarter of 2024. Additionally, the Company’s dedicated sustainability unit publishes an annual sustainability report in both Chinese and English, prepared in accordance with the Global Reporting Initiative (GRI) Standards. The report is third-party verified and disclosed on the Market Observation Post System (MOPS) as well as the Company’s official website.
6. The Company has referred to the International Bill of Human Rights, to formulate policies to protect human rights and specific management program, and disclose such on the Company's website.
7. In the future, the Company will set up functional committees other than the statutory ones depending on laws or practical needs.
8. The Company will adopt board diversity objectives to broaden the scope of director selection strategies and succession planning for key management positions. The implementation status will be disclosed on the Company’s website or in the annual report.

(IV) Composition, responsibilities, and functionality of the Remuneration Committee:

The Company first assembled its Remuneration Committee on December 6, 2011 according to Paragraph 29, Article 14-6 of the Securities and Exchange Act as a means to enforce corporate governance and support board functions. Service of the 6th term committee began May 30, 2024 and ends May 29, 2027; the Committee has convened a total of 8meetings up until the publication date of annual report.

The Remuneration Committee Charter can be found on Market Observation Post System, under Corporate Governance section.

Information of Remuneration Committee members

Designation	Criteria Name	Professional qualifications and experience	Independence status	Number of positions as Remuneration Committee member in other public companies
Independent Director and Convener	Tsung-Yen Lin	Pleaser refer to this annual report. Two. Corporate Governance Report (1) Directors' and independents' background (2) Information disclosure for directors' qualifications and independent directors' independence		0
Independent Director	Tsui-Jung Yu,			0
Independent Director	Sheng-Fa Yeh,			1

Functionality of the Remuneration Committee

I. The Company's Remuneration Committee consists of 3 members.

II. The 6th term Remuneration Committee had a three-year term from May 30, 2024, to May 29, 2027, held 3 meetings during 2025.

III. A total of five Remuneration Committee meetings were held in 2025. The attendance of committee members is as follows:

Title	Name	No. of in-person attendance (B)	Proxy attendance	Percentage of in-person attendance (%) (B/A)	Remarks
Convener	Tsung-Yen Lin	3	0	100 %	
Committee member	Tsui-Jung Yu	3	0	100 %	
Committee member	Sheng-Fa Yeh	3	0	100 %	

IV. Other mandatory disclosures:

(I). In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the motion, the board's resolution, and how the Company had handled the Remuneration Committee's opinions (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.

(II). Should any committee member object or express reservations to the resolution made by the Remuneration Committee, whether on-record or in writing, please state the date and session of the meeting, details of the motion, the entire members' opinions, and how their opinions were addressed: None.

(III). Discussions and resolutions of the Remuneration Committee in 2025:

Remuneration Committee	Motion	Resolution	Company's response to Remuneration Committee's opinions
The 5th meeting of the 6 term 2025.05.06	1.Proposal for the 2025 annual continuing service bonus for the Company's elite talents 2.Proposal for adjusting 2025 remunerations for the Company's managerial officers 3.Proposal for the Company’s managerial personnel to participate in the Employee Stock Ownership Trust Plan. 4.Proposal on the allocation of company vehicles to the Company’s managerial personnel.	Passed as proposed without objection from attending members when inquired by the chairperson.	Passed as proposed without objection from attending directors.
The 6th meeting of the 6 term 2025.08.11	1.Proposal to amend the Company’s “Principles to Manage Directors’ Remuneration.” 2.The distribution of 2024 director and manager remuneration	Passed as proposed without objection from attending members when inquired by the chairperson.	Passed as proposed without objection from attending directors.
The 7st meeting of the 6 term 2025.12.17	1.Payment of the year-end bonus for the Company's 2025 managerial officers. 2.Proposal on the appointment of the Company’s managerial officer (Chief Executive Officer).	Passed as proposed without objection from attending members when inquired by the chairperson.	Passed as proposed without objection from attending directors.

(IV). Duties of the Remuneration Committee:

The Committee shall exercise the care of a prudent manager to fulfill the following duties, and offer recommendations for discussion by the board of directors. However, issues concerning directors' compensation are to be resolved by the board of directors according to Article 15 of the Articles of Incorporation. ①Regular review of the Charter and offering of amendment recommendations. ② Establishment and regular review of annual and long-term performance targets for directors and managers of the Company, as well as their salary/compensation policy, system, standard, and structure. ③Regular assessment on the accomplishment of performance targets by the Company's directors and managers, and to determine details and amounts of individual compensation.

In performing its duties as described above, the Committee shall adhere to the following principles:① Ensure that the Company's compensation arrangements comply with all relevant laws and are capable of attracting top talents. ②Directors' and managers' performance shall be evaluated and compensated in comparison to industry peers after taking into consideration a number of factors including the time committed by each individual, the responsibilities borne, accomplishment of individual targets, performance in other job roles, level of compensation the Company had paid for roles of equivalent grade in recent years, accomplishment of the Company's short-term and long-term targets, the Company's financial position, effect of individual performance on corporate performance, and association with future risks. ③The compensation should not entice directors and managers into seeking high returns by acting outside the Company's risk appetite. ④Short-term performance incentives to directors and senior executives and the timing of variable salary payments/compensations shall be set according to industry characteristics and the Company's business nature. ⑤Committee members can not discuss or vote on their own salary/compensation packages.

The term "compensation" mentioned in the two paragraphs above includes cash compensations, warrants, share-based profit sharing, retirement benefits, severance pay, allowances of all kinds, and any substantive incentives. This definition should be consistent with the scope of directors' and managers' compensation stated in "Regulations Governing Information to be Published in Annual Reports of Public Companies."

In the event that salary/compensation to a subsidiary's directors and managers is subject to the subsidiary's approval and resolution by the Company's board of directors, the compensation proposal will have to be recommended by the Committee first and then presented to the board of directors for discussion.

(V) Promotion of sustainable development, and variance from the Sustainable Development Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
I. Does the company establish an exclusively (or concurrently) dedicated unit to promote sustainable development have executives appointed by the board of directors to handle the promotion under the board of directors' supervision?	✓		1. The Company established the "Sustainable Development Committee (ESG Committee)" in July 2022. To further strengthen governance at the board level, a "Sustainable Development Committee" was established under the Board of Directors in August 2024, operating in accordance with the "Organizational Charter of the Sustainable Development Committee of TYNTEK Corporation" 2. Members of the Committee are appointed by resolution of the Board of Directors. The Committee consists of four members, including three independent directors and one non-independent director. The composition of the members is shown in the table below. The Committee has elected Chairman Su, Feng-Cheng as the convener and chairperson of the first term. 3. The Committee's primary responsibilities include formulating, promoting, and strengthening the Company's sustainability policies, annual plans, and strategies; reviewing and tracking the implementation and effectiveness of sustainable development initiatives; overseeing compliance with Sustainable Development Best Practice Principles; managing sustainability-related disclosures; and reviewing the sustainability report. The Committee convenes at least twice a year to perform its supervisory duties and reports regularly to the Board of Directors. 4. The first-term Committee members serve from August 9, 2024 to May 29, 2027. In 2025, the Committee held a total of three meetings. The members' professional expertise and competencies in corporate sustainability, as well as their attendance records, are as follows:	No material deviation is found.

Title	Name	Professional expertise	No. of in-person attendance	Proxy attendance	Percentage of in-person attendance

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	

Director (Convener)	Su, Feng-Cheng	Sustainable operation and corporate governance	3	0	100%
Independent Director (member)	Yeh, Sheng-Fa	Marketing, operational management, industry knowledge and risk management	3	0	100%
Independent Director (member)	Lin, Tsung-Yen	Finance, accounting, law and risk management	3	0	100%
Independent Director (member)	Yu, Tsui-Jung	Industry knowledge and information technology	3	0	100%

Meeting date	Motion	Discussion and resolutions
The 3rd meeting of the 1 term 2025.02.19	1. Proposal on the approval of sustainable development goals	All attending committee members approved the proposal without objection and resolved to submit it to the Board of Directors for approval.
The 4th meeting of the 1 term 2025.08.11	1. Proposal on the approval of the 2024 sustainability report	All attending committee members approved the proposal without objection and resolved to submit it to the Board of Directors for approval.
The 5th meeting of the 1 term 2025.11.10	1. Proposal on the amendment to sustainable development goals for 2025–2029	All attending committee members approved the proposal without objection and resolved

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			2. Amendment to Sustainable Development Best-Practice Principles to submit it to the Board of Directors for approval. 5. To ensure the effective implementation of policies, the Committee has established a Sustainable Development Task Force and designated the President as the convener of the execution team, a role equivalent to Chief Sustainability Officer, responsible for overseeing the execution of sustainability-related matters and personally attending Committee and Board meetings. In addition, a Project Manager has been appointed as the Executive Secretary to coordinate the operations of the task force and the Committee, and to report regularly to the Board of Directors. In 2025, a total of four reports were presented on February 19, May 6, August 11, and November 10. The content covered quarterly progress on sustainability plans, results of materiality assessments, and the status of greenhouse gas inventory and verification. 6. The Board of Directors regularly evaluates the likelihood of successful strategy execution through reports from the Sustainable Development Committee and the management team, and, when necessary, urges the management team to adjust execution strategies to ensure the effective implementation of the Company’s sustainability management policies.	
II. Does the Company follow the materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy	✓		1. The disclosed information covers the Company’s sustainability performance at its primary sites from January 1 to December 31, 2025. The boundary for risk assessment is centered on the Company and includes its existing sites in Taiwan. 2. The Company monitors the development of standards related to sustainable development and changes in the corporate environment domestically and internationally, to review and improve the Company's established sustainable development system; meanwhile, pursuant to the principle of materiality, the Company conducts risk assessments on environmental, social and corporate governance issues related to the Company's operations. In 2025, each department completed the identification of a total of 141 key risks. After ranking based on risk scores, eight	No material deviation is found.

<table>
<tr><th rowspan="2">Assess criteria</th><th colspan="3">Execution progress</th><th rowspan="2">Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>risk issues with scores exceeding 12 were selected for improvement. Relevant departments proposed response measures for these eight major risk issues and conducted regular follow-ups. The results were consolidated and submitted to the President for approval, and then presented at management review meetings to confirm the effectiveness of risk mitigation. The overall implementation status of risk management in 2025 was also reported to the Sustainable Development Committee and the Board of Directors in November 2025.
3. For the eight material risk issues mentioned above, concrete response strategies were formulated to reduce their potential impact. For a detailed report on risk issues (including environmental, social and corporate governance issues) and corresponding strategies, please visit:
● Note 1: Description of material risk items and risk management policies or response strategies in 2025</td><td></td></tr>
<tr><td>III. Environmental issues
(I) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?</td><td>✓</td><td></td><td>The Company has obtained certification for international quality standards (ISO9001, IATF16949), information security management system (ISO 27001), environmental management system (ISO14001), occupational safety and health systems ISO45001, IECQ QC 080000:2017, and SONY Green. It implements practices strictly in accordance with the abovementioned quality and environmental management systems to comply with the international regulations and customers' requirement.
<table>
<tr><th>Name of certification</th><th>Date acquired (year/month/day)</th><th>Expiry (year/month/day)</th></tr>
<tr><td>ISO 9001:2015 Quality Management System</td><td>Renai Plant:114/11/27
Kejung Plant:114/12/08</td><td>Renai Plant:117/11/26
Kejung Plant:115/10/16</td></tr>
<tr><td>IATF 16949: 2016 Quality Management System for the Automotive Industry</td><td>Renai Plant:114/11/27
Kejung Plant:112/10/17</td><td>Renai Plant:117/11/26
Kejung Plant:115/10/16</td></tr>
<tr><td>QC 080000 Hazardous Substances Process Management System</td><td>114/7/26</td><td>117/7/25</td></tr>
</table></td><td>No material deviation is found.</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>ISO27001 2022 Information Security Management System</td><td>2024/6/25</td><td>2027/6/25</td></tr>
<tr><td>ISO 14001:2015 Environmental Management System</td><td>2023/1/6
2026/1/6</td><td>2026/1/6
2029/1/6</td></tr>
<tr><td>ISO 45001:2018 Occupational Safety and Health Management System</td><td>2022/12/15
2025/12/15</td><td>2025/12/14
2028/12/14</td></tr>
<tr><td>CNS 45001:2018 Occupational Safety and Health Management System</td><td>2022/12/15
2025/12/15</td><td>2025/12/14
2028/12/14</td></tr>
<tr><td>SONY Green Partner</td><td>2024/11/1</td><td>2027/9/30</td></tr>
</table>
The Company continues to maintain and obtain certification under the ISO 14001 Environmental Management System. The previous certificate was valid from January 6, 2023 to January 6, 2026, and the latest certificate is valid from January 6, 2026 to January 6, 2029. In line with the Company’s environmental, health, and safety policy, efforts are focused on industrial waste reduction, injury and illness prevention, pollution control, and the establishment of an environmental, health, and safety management system. Regular assessments of implementation effectiveness are conducted to drive continuous improvement. To support these efforts, the Company has established relevant environmental protection measures and performance indicators, including electricity and water conservation, waste reduction, and greenhouse gas emissions reduction. In 2025, these initiatives achieved solid results, and ongoing tracking and improvement efforts are in place.</td><td></td></tr>
<tr><td>(II) Does the Company dedicate in promoting energy utilization efficiency, and use renewable materials that have low impact to the environment.</td><td>✓</td><td></td><td>[Energy management]
1 Management policies and commitments
The Company enforces waste reduction, waste sorting, waste recycling, and solar energy collection policies as means to increase resource utilization and mitigate environmental impacts, and thereby preserve Earth's resources. The energy management policies and plans formulated internally include:</td><td>No material deviation is found.</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>I. Comply with energy laws and regulations and implement energy management. II. Improve energy efficiency and reduce energy consumption.
III. Implement energy management systems to reduce greenhouse emissions. IV. Promote the participation of all employees in establishing an energy-saving culture.
2 2025 Energy Management Plan, Targets, and Achievements:
Continue to introduce various energy-saving technologies and carry out energy-saving improvement programs for related facilities to enhance energy efficiency. Set up an energy conservation program, coordinated by the plant affairs unit to integrate the energy conservation and carbon reduction strategies and programs of each department, and conduct performance reviews.
<table>
<tr><th>2025 Management plan and targets</th><th>2025 Achievements</th></tr>
<tr><td>Electricity consumption reduction ratio per unit of production
(Baseline year: 2024; 1.0428 kWh/m^2.layer)</td><td>Electricity consumption reduction ratio per unit of production: 9.6567%
(✓ achieved)</td></tr>
<tr><td>Planned establishment of an e-platform for electricity</td><td>Completed planning an e-platform for electricity.</td></tr>
<tr><td>Renewable energy deployment: Evaluate options for self-built solar power, self-consumption of existing solar power, and green electricity purchase</td><td>Currently, the electricity from the self-constructed solar power system is sold to Taipower. The system continues to be maintained and serviced to achieve the best possible efficiency, generating a total of 284,812 kWh of electricity in 2025. In the future, we will continue to evaluate and purchase green power contracts or relevant green power</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
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<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>certificates in order to achieve the goal of RE 100 green power.</td></tr>
</table>
3 Energy Consumption for 2024 and 2025 (Unit: GJ)
<table>
<tr><th>Type of energy</th><th>Type of fuel</th><th>2024</th><th>2025</th></tr>
<tr><td rowspan="2">Non-renewable energy</td><td>Natural gas</td><td>6,070.2</td><td>6,303.85</td></tr>
<tr><td>Purchased electricity</td><td>126,099.6</td><td>121,217.3</td></tr>
<tr><td rowspan="2">Renewable energy</td><td>Self-generated for self-consumption</td><td>0</td><td>0</td></tr>
<tr><td>Procurement</td><td>0</td><td>0</td></tr>
<tr><td colspan="2">Total energy consumption (GJ)</td><td>132,169.8</td><td>127,521.15</td></tr>
<tr><td colspan="2">Renewable energy percentage (%)</td><td>0</td><td>0</td></tr>
</table>
Note: The information covers all factories of TYNTEK excluding subsidiaries
4 Energy conservation and carbon reduction projects and implementation performance in 2025: The Company actively promotes internal energy conservation and carbon reduction initiatives to enhance energy efficiency within its facilities. In 2025, key projects included: installing four additional cooling towers to reduce air-conditioning load; adjusting air-conditioning start-up and shutdown schedules; replacing system motors with high-efficiency IE3 energy-saving motors; improving CDA leakage; enhancing pure water system efficiency to reduce operating electricity costs; and continuing the replacement of LED energy-saving lighting and lighting optimization across two plant sites. Through optimized energy management and control, total
</td><td></td></tr>
</table>

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>electricity savings reached approximately 349,500 kWh, equivalent to a reduction of 165.68 metric tons of CO2e in Scope 2 greenhouse gas emissions.
5 Energy conservation or green energy investments in 2025:
A summary of investments in machinery and equipment related to energy conservation or green energy, along with electricity-saving results in 2025, is presented below:
<table>
<tr><th>2025 investment</th><th>Investment amount (NTD thousand)</th><th>Power conservation results(kWh)</th></tr>
<tr><td>1. Lighting improvement in public areas of the FAB building</td><td>420</td><td>27,653.00</td></tr>
<tr><td>2. Duct connection for the cutting zone air handling unit</td><td>490</td><td>66,514.00</td></tr>
<tr><td>3. Cutting/grinding wastewater recycling system</td><td>7300</td><td>28,590.00</td></tr>
<tr><td>4. Replacement of wastewater raw water pump D</td><td>60</td><td>3,296.58</td></tr>
<tr><td>5. Replacement of yellow lighting fixtures (3F)</td><td>146</td><td>5,056.80</td></tr>
<tr><td>6. Energy savings from CDA leakage improvement</td><td>43</td><td>4,363.55</td></tr>
</table>
[Product and Raw Material Management]
To ensure that all products of the Company do not pose concerns regarding user health and environmental safety, and to meet customer requirements and comply with international regulations and trends on controlled substances, our company has established a hazardous substances management policy and standards since 2008. We have integrated various</td><td></td></tr>
</table>

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			management systems, providing necessary resources for the required processes and objectives. Each month, applicable regulations are identified, and product compliance is reviewed before the formal announcement of regulations, which are then incorporated into our standards management upon official release. Annually, we assess the effectiveness of compliance with regulations related to hazardous substances and customer requirements for Hazardous Substance Free (HSF) from product development, manufacturing, production, storage, shipment, to raw material suppliers, ensuring that our products meet both regulatory and customer requirements for banned and restricted use of environmentally hazardous substances.	
(III) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	✓		The Company recognizes the potential impacts of climate change on its operations and financial performance, and therefore makes disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the requirements of International Financial Reporting Standard IFRS S2. We adopt the four core pillars of Governance, Strategy, Risk Management, and Indicators and Targets to identify the material impacts of climate-related risks and opportunities on our financial and operational performance, and to implement corresponding response measures and financial resilience planning. The scope of this disclosure primarily covers the Company (parent company only). For detailed information on governance, strategy, risk management, and indicators and targets, please refer to the section "Climate-Related Information for Listed Companies" in this annual report.	No material deviation is found.
(IV) Does the Company maintain statistics on greenhouse gas emission, water usage, and total waste volume in the last two years, and implement policies	✓		[Greenhouse gas (GHG) emissions] 1 Management policy and commitment: According to the ISO_14064-1 standard, the greenhouse gas inventory and verification are conducted, to gradually establish an emission data database, identify, analyze, and formulate emission reduction plans and targets. Based on the concept of life cycle, carbon reduction plans are gradually formulated and implemented; energy and raw materials are purchased in a green manner; manufacturing	No material deviation is found.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>aimed at reducing greenhouse gas, water and waste?</td><td></td><td></td><td>products with high efficiency and low no-load and power consumption eco-friendly, and reducing emissions generated during the product life cycle.
2 The greenhouse gas emissions (tonnes CO_2 / year) inventory results for 2024 and 2025 are as follows:
● The inventory was completed in 2024, and the verification statement was obtained through the third-party ISO_14064-1 verification in March 2025.
● The inventory was completed in 2025, and the verification statement was obtained through the third-party ISO_14064-1 verification in March 2026.
● Third-party certifying institution: Industrial Technology Research Institute, Measurement Technology Development Center
<table>
<tr><td colspan="5">Greenhouse gas emissions unit: metric tons Co_2e; Emission intensity unit: metric tons CO_2e per NT$ million in revenue.</td></tr>
<tr><td>Year</td><td>Scope 1</td><td>Scope 2</td><td>Intensity</td><td>Scope 3</td></tr>
<tr><td>2024</td><td>3,271.802</td><td>17,303.660</td><td>8.7457</td><td>4,008.160</td></tr>
<tr><td>2025</td><td>2,484.234</td><td>15,960.259</td><td>7.9204</td><td>4,292.273</td></tr>
</table>
Note 1: Emission intensity is calculated as the total Scope 1 and Scope 2 greenhouse gas emissions (metric tons CO_2e) divided by annual revenue (NT$ million). The parent company only revenue was NT$2,352.6282 million in 2024 and NT$2,328.727 million in 2025.
Note 2: The information covers all factories of TYNTEK excluding subsidiaries
Note 3: Scope 3 emissions were inventoried in accordance with the ISO 14064:2018 standard and verified through a verification statement. The inventory scope includes emissions from Category 3.3 (employee commuting), Category 4.1 (purchased goods), and Category 4.3 (waste disposal).</td><td></td></tr>
</table>

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			3 Greenhouse gas emission reduction target: In 2027, the greenhouse gas emissions (Scope 1 and Scope 2) of TYNTEK's parent entity per NT$ million turnover will be reduced by 30% compared to the base year (2022). In 2030, the greenhouse gas emissions (Scope 1 and Scope 2) of TYNTEK's parent entity per NT$ million turnover will be reduced by 35% compared to the base year (2022). 4 Achievement status of 2025 greenhouse gas emission reduction target: ● In 2025, the Company's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 18,444.493 metric tons of CO_2e, representing a reduction of approximately 29.0785% compared to the base year 2022 (26,006.910 metric tons). ● The Company's greenhouse gas emission intensity in 2025 was 7.9204 metric tons of CO_2e per NT$1 million in revenue, a decrease of approximately 32.8956% compared to the base year 2022 (11.8031 metric tons of CO_2e per NT$1 million in revenue). 5 Measures related to greenhouse gas emissions and energy management 5.1 RTO system for air pollution control - The Company has switched from using activated carbon-based equipment to using RTO system for more efficient treatment of VOC, which in turn reduces emission of pollutants and lessens impact on the environment. 5.2 Install exhaust gas treatment equipment for HFCs, PFCs, and SF6-related gases. 5.3 To enhance climate change adaptation, the Company has implemented internal energy-saving and carbon reduction initiatives. In 2025, key projects included: installing four additional cooling towers to reduce air-conditioning load; adjusting air-conditioning start-up and shutdown schedules; replacing system motors with high-efficiency IE3 energy-saving motors; improving CDA leakage; enhancing pure water system efficiency to reduce operating electricity costs; and continuing the replacement of LED energy-saving lighting and lighting optimization across two plant sites. Through optimized energy management	

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>and control, total electricity savings reached approximately 349,500 kWh, equivalent to a reduction of 165.68 metric tons of CO2e in Scope 2 greenhouse gas emissions.
5.4 The Company implements energy conservation measures in office and common areas and promotes them through awareness and training campaigns to help employees develop proper awareness and habits toward energy conservation and greenhouse gas reduction.
[Water consumption]
1 Management policy and commitment:
Through water resources risk management, numerous water-saving and recycling efficiency measures have been formulated; meanwhile, waste water and sewage discharge management has been implemented to ensure the compliance with laws and regulations, to reduce the impact of operating water during the process on the environment.
2 Water consumption in 2024 and 2025: (unit: tonnes)
<table>
<tr><td>2024</td><td>2025</td></tr>
<tr><td>734,620</td><td>630,117</td></tr>
</table>
Note: The information covers all factories of TYNTEK excluding subsidiaries
3 Water resource management goals:
● Continue to promote and invest in water conservation measures.
● A baseline for water withdrawal per unit of product at the facility level has been established, using 2024 as the base year.
● The long-term goal is to reduce water withdrawal per unit of product by 15% by 2029 compared to the base year.
4 Achievement of water resource management goals in 2025:
TYNTEK's total water withdrawal and discharge for the year was 630.117 million liters and 504.507 million liters, respectively, and all water withdrawal sources were third-party water</td><td></td></tr>
</table>

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			sources. The Company remains committed to water conservation by setting short-, medium-, and long-term targets and continuously investing in water-saving equipment to reduce water withdrawal per unit of product. One of the key milestones in 2025 was the successful completion of the wastewater recycling system for the cutting and grinding processes at the Kezhong Plant. Through the combined benefits of this system and the optimization of existing recycling measures, the Kezhong plant's annual water savings were increased to 95.9 million liters. 5 Relevant measures to promote water resource management: The Company closely monitors daily water consumption and implements water conservation measures to ensure more effective use of limited water resources. Reuse of water resource also lessens the strain on fresh water supply in Miaoli and Hsinchu areas. The Company has made water conservation, energy conservation, and carbon reduction a part of its environment, safety, and health policies. Plant administration and safety/occupational safety units have been assigned to explore water and energy conservation solutions and outline feasible solutions. Posters, signs, and announcements are used to promote energy and water conservation awareness in production activities as well as office spaces. [Waste and circular economy] The Company is committed to environmental protection and has established waste reduction targets. Performance is reviewed annually, with both internal and external audits conducted. The Company continues to maintain and obtain ISO 14001 Environmental Management System certification. The previous certificate was valid from January 6, 2023 to January 6, 2026, and the latest certificate is valid from January 6, 2026 to January 6, 2029.	

<table>
<tr><th rowspan="2">Assess criteria</th><th colspan="3">Execution progress</th><th rowspan="2">Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
1 Management policy and commitment:
Waste are properly disposed to reduce waste generation and related costs, create revenue value and lower the impact of operations on the environment.
2 Total waste weight for 2024 and 2025 is shown below:
Total waste volume: (unit: tonnes)
<table>
<tr><th>Year</th><th>Hazardous Waste</th><th>Non-hazardous Waste</th></tr>
<tr><td>2024</td><td>496.8250</td><td>150.8906</td></tr>
<tr><td>2025</td><td>367.1675</td><td>107.9705</td></tr>
</table>
Total waste weight: (unit: tonnes)
<table>
<tr><th>Year</th><th>Reused volume</th><th>Reused percentage</th></tr>
<tr><td>2024</td><td>380.6950</td><td>58.7750%</td></tr>
<tr><td>2025</td><td>292.1210</td><td>61.4813%</td></tr>
</table>
Note 1: Reused volumes include the volumes recycled and reused by contractors, the wastes ultimately being reused, or recycled and reused. Note 2: The information covers all factories of TYNTEK excluding subsidiaries
3 Waste reduction goals:
● TYNTEK Renai Plant: The total amount of waste in 2025 will be reduced by 12% from the base year (2022).
● TYNTEK Kezhong Plant: The total amount of waste in 2025 will be reduced by 2% from the base year (2024).
</td><td></td></tr>
</table>

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			4 Status of waste reduction targets in 2025: ● A total of475.1380metric tons of waste has been removed and transported, and the waste recycling rate is 61.4813% ● In 2024, the Renai Plant cleared 236.2330 metric tons of waste, achieving a total reduction of52.0370 metric tons (-18.0515%) compared to the 2025 baseline year. ● In 2025, the Kezhong Plant cleared238.9050 metric tons of waste, achieving a total reduction of 137.9250 metric tons (-36.6014%) compared to the 2024 baseline year. 5 Related promotion measures for waste management: The Company enforces waste management in accordance with the "Waste Disposal Act" and "Businesses Subject to Submission of Industrial Waste Disposal Plan." The Industrial Waste Disposal Plan submitted by the Company is subject to the authority's approval and has to be published according to the government's rules. Furthermore, a dedicated waste disposal unit has been created specifically to handle waste disposal according to relevant laws and rules of the Environmental Protection Bureau, and to make online reports on the volume of waste produced, stored, disposed, and treated. The Company also engages contractors certified by the Environmental Protection Administration to dispose and treat waste in the manners outlined in its disposal plan. In the future, the Company will continue exploring ways to conserve resources, reduce waste, promote recycling/reuse, and thereby lessen its impact on the environment. Through waste reduction and resource recycling and reuse, the Company hopes to contribute its part towards sustainability of the Earth's environment. 6 Circular economy policy and annual implementation status TYNTEK takes "enforcing recycling and reuse of resources to achieve the functions of environmental protection, and carbon reduction" as standard practice, and continues to explore the opportunities of using different raw materials and recycling and reuse of packaging	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>materials. The circular economy initiatives implemented in 2025 and their performance outcomes are as follows:<table>
<tr><th>Recycling and reuse items</th><th>Total recycled weight (kg)</th><th>Process Usage (kg)</th><th>Recycle rate</th></tr>
<tr><td>Precious metals</td><td>90.0</td><td>125.89</td><td>72%</td></tr>
<tr><td>Packaging fillers</td><td>671.6</td><td>-</td><td>-</td></tr>
<tr><td>Cartons</td><td>765.68</td><td>-</td><td>-</td></tr>
<tr><td>Tray</td><td>349.27</td><td>-</td><td>-</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Social issues
(I) Has the Company developed its policies and procedures in accordance with laws and International Bill of Human Rights?</td><td>✓</td><td></td><td>The Company complies with local regulations such as the Labor Standards Act and also makes reference to international human rights instruments, including the United Nations Global Compact and the Universal Declaration of Human Rights, to formulate and disclose its “Human Rights Policy,” taking concrete actions to safeguard labor rights.
This policy applies to the Company and all employees, and is further extended to the standards governing cooperation with suppliers and business partners. In terms of roles and responsibilities, the Human Resources department serves as the primary executive unit, responsible for the implementation and communication of human rights issues. Meanwhile, senior management is responsible for approving policy directions to ensure the investment of resources for human rights protection.
The policy covers key areas including: prohibition of child labor; prohibition of forced labor; establishment of a safe and healthy workplace; respect for workplace human rights; provision of diverse communication channels; implementation of information security; and support for employees’ physical and mental well-being as well as work-life balance. In 2025, the Company did not encounter any material risks related to the use of child labor or forced labor, nor were</td><td>No material deviation is found.</td></tr>
</table>

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			there any complaints involving violations of employee rights or human rights. Information regarding human rights concerns, specific actions taken, and the implementation of related training programs has been fully disclosed in the "Corporate Sustainability" section of the Company's official website. https://www.tyntek.com.tw/sustainability.php	
(II) (II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	✓		[Remuneration policies] The Company values the equal development of its diverse workforce, and the basic salary and remuneration policy does not produce differences based on employee types and genders. The Company compensates each employee for the responsibilities undertaken, their contributions to the Company, and overall performance. Level of compensation is positively correlated with operational performance, and details such as employees' average salary adjustment are disclosed on Market Observation Post System. Employee remuneration is governed by Article 18 of the company's articles of incorporation: the company's annual pre-tax profits, excluding employee and director remuneration, should allocate between five to fifteen percent for employee remuneration and up to five percent for director remuneration. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first. If there is profit in the current year, the employee's remuneration will be distributed to all employees after taking into account their seniority and annual performance evaluation, to motivate all employees to work for the Company's goals. The Articles of Incorporation is disclosed in the "Investor Area" -> "Corporate Governance" -> "Important Regulations" of the Company's website. https://www.tyntek.com.tw/investor.php [Employee Benefits]	No material deviation is found.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The Company has monitored a friendly environment for employees in the workplace for a long time. As of 2025, female employees account for 71.11% of all employees, and the proportion of females in management account for 33.33%. In terms of policies, the Company has “work rules” and personnel management policies in place to outline terms of employment from basic salary, work hours, leave of absence, pension benefits, Labor/National Health Insurance benefits, to occupational hazard remedies. All of which are compliant with the Labor Standards Act. An Employee Welfare Committee has been established to handle various welfare matters.
[Retirement system]
The company’s pension planning includes both new and old systems. The old system, based on the Labor Standards Act and related regulations, has established employee retirement procedures, specifying conditions for retirement, standards for benefits, and application procedures, and has set up a Labor Retirement Reserve Supervisory Committee. A retirement fund equivalent to 5% of the total salary expenses is allocated monthly and stored in a special account under the committee's name at the Bank of Taiwan to protect workers' rights. The new system, effective from July 1, 2005, follows the Labor Pension Act, allocating 6% of monthly wages to the employee's personal retirement account at the Bureau of Labor Insurance. For those who voluntarily contribute additional retirement funds, the contributions are deducted from their monthly wages according to the voluntary contribution rate and deposited into their personal retirement account at the Bureau of Labor Insurance.
<table>
<tr><th>Retirement system</th><th>Old scheme</th><th>New scheme</th></tr>
<tr><td>Governing law</td><td>Labor Standards Act</td><td>Labor Pension Act</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Method of contribution</td><td>The Company makes monthly pension contributions equivalent to 5% of employees' gross salaries. These sums are deposited into a separate account held under Bank of Taiwan in the name of Labor Pension Supervisory Committee.</td><td>The Company makes monthly pension contributions equivalent to 6% of employees' gross salaries to their individual accounts held with the Bureau of Labor Insurance.</td></tr>
<tr><td>Amount of contribution</td><td>The labor pension fund as of December 2025 had a balance of NT$82,603 thousand.</td><td>Pension fund expenses recognized in 2025 amounted to NT$20,405 thousand.</td></tr>
</table></td><td></td></tr>
<tr><td>(III) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?</td><td>✓</td><td></td><td>In addition to providing employees with a safe and healthy work environment complete with protective gears, and conducting the general inspections, irregularity handling, responses or follow-up for the machinery, equipment, tools and operating venues in plants, the Company also organizes unscheduled safety and health training and arranges complimentary checkups on general healthy and special hazards on a regular basis. The Company continues to maintain and obtain ISO 45001 and CNS 45001 certifications. The previous certificates were valid from December 15, 2022 to December 14, 2025, and the latest certificates are valid from December 15, 2025 to December 14, 2028.
Through the "Automatic Inspection Management Standards" and "Hazard Identification and Risk Assessment Procedures", the Company conducts quarterly occupational hazard identification and risk assessment, applies hierarchical controls, implements automatic inspection; and is supplemented with PDCA cycle quality management to continuously improve the occupational safety and health management system. In order to minimize the risk of occupational hazards, we regularly conduct environmental monitoring to evaluate and analyze</td><td>No material deviation is found.</td></tr>
</table>

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	Yes	No	Summary	
			the exposure of chemicals in the workplace. Priority is given to engineering controls, followed by establishing SOP management procedures and issuing protective gear to designated personnel, in accordance with the company's "Preventive Plan Against Illegal Harassment in Duty Execution" to protect workers from threats, intimidation, or termination of employment, thus safeguarding the employees' rights and well-being. The results of environmental monitoring in 2025 showed compliance with legal standards. The Company regularly provides occupational safety and health training for new employees, existing employees, and contractors. In accordance with regulatory requirements, periodic occupational safety and health training is conducted, including respiratory protection training; introduction to and operation of emergency response equipment; fire safety training; emergency response training for chemical splashes; general safety and health training; and general courses on hazardous and harmful substances. In addition, the Company proactively sets annual training targets that "exceed regulatory requirements. " In 2025, six additional courses were originally planned, while 13 were actually completed, achieving a completion rate of 216%, demonstrating the Company’s proactive commitment to enhancing employee safety awareness. Overall, in 2025, new employees received an average of 6 training hours, while contractors received an average of 1 hour. Incumbent employees received job-specific training based on their roles, with a total of 1,096 participant attendances and 1,879.5 total training hours, averaging 1.71 hours per participant. In 2025, the total number of working hours of TYNTEK employees was 1,572,675, and there were no accidental cases of deaths caused by work-related injuries. The total number of recordable occupational injuries for the year was 3, with a recordable injury rate of 1.91, representing a decrease of 0.43 from 2.34 in 2024. An analysis of the types of incidents throughout the year indicates that the primary causes of occupational injuries were falls, crush	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>injuries, and cuts. We reviewed work processes and inspected relevant protective equipment, implemented effective improvements to prevent recurrence, applied tiered control measures to reduce occupational injury risks, and continued to strengthen the safety supervision system.
There were 3 cases of occupational injury in 2025, and 3 cases of commuting occupational injury. For non-commuting occupational accidents, the accident cause analysis, process review and engineering improvement are conducted, and employees are arranged to receive appropriate education and training.
<table><tr><th>Year</th><th>2024</th><th>2025</th></tr><tr><td>People suffered from occupational accidents</td><td>4</td><td>3</td></tr><tr><td>People suffered from commuting occupational accidents</td><td>9</td><td>3</td></tr><tr><td>Total workers</td><td>782</td><td>796</td></tr><tr><td>Disabling Frequency Rate (FR)</td><td>5.89</td><td>2.54</td></tr><tr><td>Disabling Frequency Rate (SR)</td><td>18.86</td><td>3.82</td></tr><tr><td>Frequency-Severity Indicator (FSI)</td><td>0.33</td><td>0.098</td></tr></table>
In 2025, the Kezhong Plant and Renai Plant of our company completed 6 drills, including fire drills and emergency response exercises. There were no fire incidents at the Company in 2025.</td><td></td></tr>
<tr><td>(IV) Has the Company implemented an effective training program that helps employees develop skills over their career?</td><td>✓</td><td></td><td>The Company conducts an annual training needs assessment and, in alignment with corporate strategy and employee development goals, formulates various training plans to promote learning and development activities. These include comprehensive competency-based training programs such as new employee orientation, professional skill enhancement, and managerial training, aimed at helping employees grow through diverse learning methods. Employees can also access their training records directly through the HR system.</td><td>No material deviation is found.</td></tr>
</table>

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	Yes	No	Summary	
			In 2025, the Company provided approximately 7,803 hours of training, with a total of around 3,857 participant enrollments. The total training expenditure amounted to approximately NT$800,595. The results of the training programs are also disclosed on the Company's website.	
(V) Has the Company complied with laws and international standards with respect to customers' health, safety, and privacy, marketing, and labeling in all products and services offered, and implemented consumer protection policies and complaint procedures?	✓		To ensure that products of the company do not pose concerns regarding user health and environmental safety, and to meet customer requirements and comply with international regulations and trends on controlled substances, our company has established a hazardous substances management policy and standards since 2008. We have integrated various management systems, providing necessary resources for the required processes and objectives. Each year, we assess the effectiveness of compliance with regulations related to hazardous substances and customer requirements for Hazardous Substance Free (HSF) from product development, manufacturing, production, storage, shipment, to raw material suppliers, ensuring that our products meet both regulatory and customer requirements for banned and restricted use of environmentally hazardous substances. The Company maintains productive communication with customers, and has a customer service department in place to handle customers' complaints and grievances in a transparent and effective manner, as well as the customer satisfaction survey and customer audit from time to time, in order to protect customers' interests. In addition, stakeholders may also contact the Company through the customer service contact listed in the Stakeholder Section of the Company's website or via the service email: service@serv.tyntek.com.tw.	No material deviation is found.
(VI)Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental	✓		The Company's supplier management policy is to actively focus on the sustainable performance of the Company and promote industrial excellence through product quality system evaluations, environmental safety and health evaluations, and labor and human rights evaluations. With respect to corporate ethical management, labor rights and ethics, employee health and safety, the prohibition of hazardous substances, and information and communication security or privacy	No material deviation is found.

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?			protection, we maintain ongoing focus and implement improvements. We put ESG management into practice, reduce supply chain disruption risks, and work together with our supplier partners to create value for the optoelectronics industry. The Company specifies a number of environment/safety/health management evaluations that have to be performed as part of supply chain management. Details on the implementation progress have been disclosed on the Company's website under the "Investor" -> "Supplier Management Policy" section. 1. The Company selects its business (supply) partners depending on the location of work activity, the raw materials involved for production, and serviceability of the underlying work. Each partner has to pass the Company's review to ensure that they are capable of delivering top-quality products and services to customers. 2. The Company communicates with suppliers and contractors regularly on environmental, safety, and health issues, during which suppliers and contractors are encouraged to take steps toward improving environmental protection, safety, and health performance. The Company adopts a focused and voluntary approach with respect to the management of its contractors. By allowing certain degree of autonomy, the Company hopes to raise contractors' sense of responsibility and promote the safety culture as well as respect for skills and characters across the industry. 3. As described above, the Company requires all contractors involved in high-risk operations to have workers undergo 6 hours of safety and health training in addition to a "hazard awareness" course before commencing work at plant premise. All contractors are required to wear protective gears and take precautionary measures when entering plant premise. 4. The Company makes ongoing efforts to improve supply chain management, and requires/encourages suppliers and contractors to adopt more robust practices with respect to environment, safety, and health. Through regular interaction, self-assessment, management audit, and sharing of experiences between management personnel, the Company strengthens	

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
			its partnership with suppliers and contractors in pursuit of greater contributions to the society through improved environment, safety, and health performance. 5. In accordance with the Supplier Qualification Management Regulations, an evaluation team composed of representatives from the quality, procurement, human resources, and occupational safety units conducts annual assessments of suppliers that have had actual transactions within the past six months, including those providing direct raw materials, indirect materials, and packaging materials. The assessment includes items such as quality, procurement, and sustainability (integrity, human rights and ethics, environmental safety and health management).The Company classifies suppliers into five grades, from A+ to D, based on their overall evaluation scores. For C- and D-rated suppliers with scores below 80, the Company initiates a corrective mechanism: the quality unit issues a Supplier Nonconforming Material Notice, and the procurement unit is responsible for notifying the supplier and requiring the submission of corrective actions and a report within seven working days. In 2025, the Company evaluated a total of 53 raw material and component suppliers, of which 43 were rated A+ and 10 were rated A, with no suppliers rated below B. 6. The Company protects employees' human rights as part of its corporate social responsibilities by adhering to the human rights principles conveyed in "The United Nations Global Compact," "Universal Declaration of Human Rights" and international human rights conventions. The Company requires all business partners to issue declarations not to engage in any action that violates human rights, so that insiders and outsiders are equally entitled to fair and dignified treatment. Outcomes of the 2025 supplier worker human rights assessment have been disclosed on the Company’s website.	
V. Does the Company prepare sustainability report or any report of non-financial	✓		The Company prepared the Tyntek 2025 Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards, including the Universal Standards, Sector Standards, and Topic Standards. The report discloses the Company’s identified material topics and impacts	No material deviation is found.

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	
information based on international reporting standards or guidelines? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?			across economic, environmental, and social (including human rights) dimensions, along with related disclosures and reporting requirements. It also references the Sustainability Accounting Standards Board (SASB) standards to disclose relevant industry-specific metrics and provides a SASB content index aligned with the report. The 2025 Sustainability Report includes a GRI Content Index and has been verified by a third-party assurance provider, TÜV NORD Taiwan Co., Ltd., in accordance with the AA1000 Assurance Standard (AA1000AS v3). The verification was conducted at Type 1 application level with moderate assurance, ensuring that the report aligns with the GRI Standards and the accountability principles of AA1000AP (2018). Past sustainability reports are publicly available on the Company’s website: https://www.tyntek.com.tw/sustainability.php?cs=62&sn=63	

VI. If the Company has established sustainable development principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles:

In November 2023, the Company’s board of directors approved the adoption of the Sustainable Development Best Practice Principles to strengthen the implementation of corporate social responsibility. In accordance with these principles, the Company manages its economic, environmental, and social risks and impacts and makes improvements accordingly. There have been no discrepancies since implementation.

VII. Other information useful to the understanding of sustainable development:

1 Stakeholder communication:

The Company has identified six key stakeholder groups relevant to and influential on its operations, including (1) customers, (2) shareholders/investors, (3) employees, (4) suppliers/contractors, (5) government agencies, and (6) banks. Through various communication platforms, we maintain healthy interactions with all stakeholders, understanding their expectations and suggestions for TYNTEK. We incorporate their concerns into our dedicated platform for immediate discussion by our team, which facilitates effective communication and implementation into routine activities or annual plans. Additionally, this special area allows for real-time communication and response, serving as a crucial reference for the formulation and implementation of our sustainable development policies. We report the status of communications with stakeholders to the Board of Directors annually. For information on stakeholder

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	

concerns, communication channels, and contact points, refer to the https://www.tyntek.com.tw/sustainability.php"Stakeholders' Section" under "Corporate Sustainability" on our company website.

2 External Engagement - Sustainability and Engagement:
In addition to publishing a sustainability report following GRI sustainability principles, our company also promotes the 17 United Nations Sustainable Development Goals and voluntarily adheres to international human rights conventions such as the United Nations Global Compact and the Universal Declaration of Human Rights. We follow the principles and basic principles of human rights protection advocated by these conventions and also comply with the Responsible Minerals Initiative to avoid using conflict minerals.
The Company is currently a member of the Allied Association for Science Park Industry, Zhunan Industrial Zone Manufacturers Association of Miaoli County, Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Miaoli County Industrial Association, and Chinese Institute of Engineers; the Company actively participates in external organizations to promote environment, safety, health and corporate sustainability related activities.

3 Diversity in the workplace or promotion of gender equality:
The Company is committed to providing employees with a dignified and safe workplace in a friendly workplace environment, implementing employment diversity, fairness in remuneration and promotion opportunities, to ensure that employees will not be subject to discrimination, harassment or unequal treatment for any other status protected by statute due to race, gender, religious belief, age, political orientation and other factors or other protection available in applicable regulations.

3.1 2025 Gender diversity indicator (excluding subsidiaries)

Indicators	Percentage (%)
Female to all employees (%)	71.11
Female lead management of all executives	33.33

3.2 2025 No. of employees on unpaid parental leave (excluding subsidiaries)

	Male	Female	Total
Number of employees eligible to apply for unpaid parental leave in 2025 (a)	11	21	32

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	

	0	4	4
Application rate for unpaid parental leave (b/a)	0%	19.05%	12.50%
Number of employees expected to return to work from unpaid parental leave in 2025 (c)	0	1	1
No. of returnees in 2025 after unpaid parental leave (d)	0	1	1
Return-to-work rate from unpaid parental leave (d/c)	-	100%	100%
Number of employees who applied for unpaid parental leave in 2024 and actually returned to work (e)	0	4	4
No. of returnees who stayed in service for one year after applying for unpaid parental leave in 2024[2]（f）	0	4	4
% of returnees staying in service after unpaid parental leave (f/e)	-	100%	100%

Note 1: Based on the number of employees who have applied for maternity leave or paternity leave during the past three years (2023–2025).

Note 2: Date of return is defined as coming back for work in 2024 and staying in service for a full year.

3.3 In addition to setting up breastfeeding rooms, the friendly pregnancy measures provide specific refrigerators, arm-chairs, trash cans with lids, power supply equipment, hand hand-washing facilities; car parking spaces specific to pregnant employees are provided, too.

4 The effectiveness of community development and measures taken in response to risks or opportunities in the community:

Our company's Renai Plant and Kezhong Plant are located in Zhunan Town, Miaoli County. To give back to the local communities and foster communal growth, we actively participate in various charitable activities in Miaoli County and other regions, striving to be an integral part of the community and actively engage in community development.

In 2025, we organized and participated in a number of public welfare activities. These initiatives not only demonstrated our firm commitment to corporate social responsibility, but also strengthened our dedication to local communities and disadvantaged groups. Through these concrete actions, we aim to create a more positive impact on society. Relevant implementation results are as follows:

Assess criteria	Execution progress			Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance
	Yes	No	Summary	

Item	Results	Activity Content
Number of events organized or participated in	5 Sessions	Support provided includes the Miaoli Family Support Center's scholarship and mentorship program, early intervention services for disadvantaged families through the Holy Family program. The Company also sponsored a local campaign to promote the use of liquid straw-decomposing microbes, organized an in-house blood donation drive, and supported various neighborhood and community events.
Number of participants	611 people	
Annual cumulative donations	NT$928,500	

5 Industry-academia collaboration programs and results:

Our company actively participates in talent development programs in collaboration with industry, academia, and government, supporting government agencies and academic institutions in conducting pre-employment and on-the-job training courses to help unemployed workers enhance their employment skills and re-enter the job market, while also introducing diverse talent recruitment and training channels for the company. In addition, our company engages deeply with campuses through activities such as campus lectures, industry-academic seminars, and campus recruitment events, sharing industry experience with students and actively cooperating with local universities and colleges near our plants for industry-academic collaboration, supporting local education and enhancing students' practical work experience.

5.1 2025 implementation plans and results:

Type of event	Number of sessions in attendance	Cumulative number of participants
Participated in university and senior high school campus recruitment events	6	176
Participated in university–industry collaboration briefings	3	106
Total	9	282

<table>
<tr><th rowspan="2">Assess criteria</th><th colspan="3">Execution progress</th><th rowspan="2">Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">5.2 Outcomes of the 2025 industry–academia internship program:
In 2025, we had 20 interns. In order to establish an effective industry-academia matchmaking mechanism to enable universities and colleges to focus on the needs of the industry, the Company integrates theoretical teaching and industrial practice through resources to provide graduates with professional knowledge and skills training, so that they can be utilized by enterprises after graduation, and to bridge the gap between what they learn and what is needed of talents in the science and technology industries.
6 Awards and other special achievements:
6.1 The Company demonstrated outstanding performance in the areas of occupational health and safety as well as social engagement, and was honored with the “Social Responsibility Practice Award” by the Ennostar Group in June 2025.
6.2 To actively implement a cigarette-free workplace at the Company, provide a healthy working environment for employees in the workplace, establish a healthy lifestyle for the people, promote the physical and mental health of workers, the Company have encouraged the workplace to promote a cigarette-free environment and promote workplace health enhancement with plans, and won the award from Ministry of Health and Welfare with the "Healthy Workplace Promotion Label” in 2023–2024.
6.3 In 2025, the Company participated in the 'Workplace Healthy Weight Promotion Initiative' organized by the Miaoli County Health Bureau. We are honored to have received the “Healthy Weight Friendly Workplace” and “Outstanding Promotion Award.” These accolades demonstrate the tangible results of our commitment to implementing comprehensive health management strategies.
7 For information on the Company’s various sustainability practices, please refer to the Company’s official website (https://www.tyntek.com.tw/) and related publications, such as the annual sustainability report.</td></tr>
</table>

Note 1: Description of material risk items and risk management policies or response strategies in 2025

Aspect	Risk source	Type of risk	Number of Risk Items with Scores Over 12	Risk Description	Countermeasures
Economics and governance Environmental Aspect	Sustainable operational risks	Operational risks	5	1. Product quality: product abnormalities and a high rate of production defects 2. Facilities Equipment: Inefficient treatment performance of air pollution control scrubbers 3. Facilities equipment: poor water quality in the pure water pretreatment system 4. Production scheduling: equipment abnormalities causing disruptions to production schedules 5. Production equipment: no substitute available if a single machine fails	1. Implement a combined testing and AOI map integration process to effectively prevent test escapes 2. Monitor process exhaust gas concentrations and adjusted operations; install additional scrubbers to disperse and treat pollution sources 3. Establish pretreatment water quality monitoring and design return water collection or discharge mechanisms at the equipment end 4. Plann equipment replacement programs and continue procurement of fully automated production equipment 5. Prepare spare critical components for single machines to reduce such production risks
		Compliance risk	1	1. Wastewater BOD and COD concentrations may exceed regulatory limits	1. Segregation of process wastewater streams, investment in water recycling equipment, and partial transfer of certain processes to the Kezhong Plant
Environmental Aspect	Climate change opportunities	Energy efficiency	2	1. Facility equipment: The raw water recycling system design is not yet fully developed. 2. Facility equipment: Existing cooling towers have high failure rates, high maintenance costs, and high energy consumption.	1. Establish baseline data in advance and proactively prepare and propose improvement plans. 2. Introduce new high-efficiency, low-drift closed cooling towers or heat exchange systems.
Social Aspect	-	-	0	-	1. Manage risks that should be considered during operations in accordance with organizational management structures and internal control systems at all levels.

Climate Related Information for Listed Companies

1. Implementation of climate-related information

<table>
<tr><th>Item</th><th>Execution progress</th></tr>
<tr><td>1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.</td><td>

Governance

A. Role of the governing body in overseeing climate-related risks and opportunities

The Board of Directors is the highest governing body responsible for addressing climate change. Under the Board, a Sustainable Development Committee has been established, with the Board Chairperson serving as the convener and Committee Chairperson. The Committee convenes regular meetings each year to oversee performance related to ESG and climate change issues, assess impacts, and monitor progress toward sustainability goals. The Committee also reports regularly to the Board on the status of implementation.

B. Management's role in the governance of climate-related risks and opportunities

The Sustainable Development Committee has established a sustainable development task force, convened by the President, with the participation of heads of relevant business units. The Task Force covers topics including water and energy conservation, occupational safety and health, environment, transformation and development projects, and operational analysis. It is responsible for promoting sustainability-related initiatives such as risk management, social responsibility, and climate change adaptation. The Task Force convenes quarterly meetings to formulate action plans in accordance with the objectives approved by the governing body, carry out cross-departmental coordination, oversee implementation and progress tracking, review the execution of key performance indicators, and propose adjustments based on implementation outcomes.

</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities will affect the business, strategy, and finances of the enterprise (short, medium, and long term).</td><td>

Strategy

A. Climate-related risks and opportunities that could reasonably be expected to affect the entity's outlook

For the identified climate-related risks and opportunities, the Company defines the time horizons as short term (1–2 years), medium term (3–4 years), and long term (more than 5 years) in accordance with its climate change risk and opportunity assessment methodology. These are used as the assessment periods for potential impacts. Climate-related risks and opportunities across the short, medium, and long term are identified as shown in the table below.

▼ Climate-related risks and opportunities

<table>
<tr><th>Item</th><th>Type</th><th>Short-term (1-2 years)</th><th>Medium-term (3-4 years)</th><th>Long-term (over 5 years)</th></tr>
<tr><td rowspan="2">Climate change risk</td><td>Transition risks</td><td>• Increase in external regulatory requirements (greenhouse gas disclosure/reduction, carbon tax/carbon fee imposition)</td><td>• Increase in external regulatory requirements
• Increase in customer climate-related response requirements</td><td>• Increase in external regulatory requirements
• Increase in customer climate-related response requirements</td></tr>
<tr><td>Physical risks</td><td>• Climate-related disasters impacting operations</td><td>• Climate-related disasters impacting operations</td><td>• Increase in average temperature</td></tr>
</table>

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

Item	Execution progress

Climate change opportunities	Opportunities created through climate change mitigation and adaptation	- Switch to more efficient electrical equipment. - Reduce water usage and consumption - Implement waste reduction or recycling and reuse measures	- Switch to more energy-efficient electrical equipment - Reduce water usage and consumption - Implement waste reduction or recycling and reuse measures	- Strengthen climate change response capabilities and investment

The Company, in accordance with the guidelines of Task Force on Climate-related Financial Disclosures and IFRS S2, adopts a “severity × likelihood” approach to assess climate-related risks and opportunities, where severity focuses on operational and financial impacts, and likelihood is evaluated based on the probability of occurrence. In 2025, each department conducted SWOT analyses and reviewed market, technology, and application trends. A total of 11 climate-related risks and opportunities were identified, covering 2 transition risks, 2 physical risks, and 7 climate-related opportunities, including 1 resilience-related item and 6 resource efficiency items. Based on quantitative assessment and prioritization, most items fall within the medium-to-low risk range. Only two items have risk scores exceeding 12 and are therefore identified as key issues for priority management and disclosure in the year. The Company has developed response strategies for the two aforementioned material issues, allocated the necessary resources, and continues to monitor and evaluate outcomes and revise actions accordingly. These are reported regularly to support management decision-making. Meanwhile, other risks and opportunities not included in the disclosures are also continuously monitored and assessed internally to respond to potential changes.

▼ Material climate-related risks and opportunities

Item No.	Type	Risk/ opportunity item	Impact timeframe			Description of risks and opportunities	Potential Financial Impacts
			Short	Medium	Long		
1	Energy efficiency	Reduce water usage and consumption	●	●		The design of the raw water recycling system is inadequate, resulting in relatively high raw water consumption.	1. Capital expenditure increases: investment in upgrading the recycling system infrastructure. 2. Operating costs decrease: improving water recycling efficiency, thereby reducing raw water procurement costs and wastewater discharge expenses.
2	Energy efficiency	Switch to more energy-efficient electrical equipment	●	●		The existing cooling towers have a high failure rate and	1. Capital expenditure increases: investment in the procurement of high-efficiency, energy-saving equipment. 2. Operating costs decrease: significantly

Item	Execution progress

						high energy consumption.	reducing electricity expenditure and equipment maintenance expenses. 3. Other income increases: securing government subsidies for energy-efficient equipment replacement.

B. Information on the current and anticipated impacts of climate-related risks and opportunities on the entity's business model and value chain

Item No.	Type	Risk/ opportunity item	Description of risks and opportunities	Impacts on the business model		Impacts on the value chain	
				Current	Anticipated	Current	Anticipated
1	Energy efficiency	Reduce water usage and consumption	The design of the raw water recycling system is inadequate, resulting in relatively high raw water consumption.	Optimize the water recycling system to enhance circulation efficiency	Continuously introduce water-saving technologies to reduce raw water costs and climate resilience risks	Reduce reliance on public water supply to ensure stable production under extreme climate conditions	Comply with international customers' requirements for suppliers' water resource management
2	Energy efficiency	Switch to more efficient electrical equipment.	The existing cooling towers have a high failure rate and high energy consumption.	Replace high energy-consuming cooling systems to reduce electricity consumption	Continue to evaluate emerging energy-saving technologies and introduce green electricity	Reduce greenhouse gas emissions and support customers' Scope 3 emission reduction targets	Address future carbon pricing trends and enhance product price competitiveness

C. Information on the impacts of climate-related risks and opportunities on the entity's strategy and decision-making

Item No.	Type	Risk/ opportunity item	Description of risks and opportunities	Impacts on strategy and decision-making	
				Current	Anticipated
1	Energy efficiency	Reduce water usage and consumption	The design of the raw water recycling system is inadequate, resulting in relatively high raw water consumption.	In 2025, NT$7.3 million was invested in optimizing the recycling system and engineering construction at the Kezhong Plant. The total annual recycled water volume reached 95.9 million liters, with the recycling rate increasing by 34.4%.	Water recycling is incorporated into annual management indicators and serves as a basis for water resource allocation in future plant expansion and process planning.

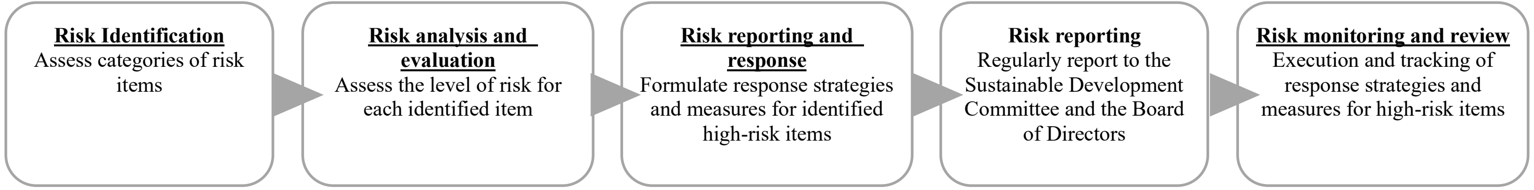
<table>
<tr><th>Item</th><th>Execution progress</th></tr>
<tr><td></td><td>
<table>
<tr><td>2</td><td>Energy efficiency</td><td>Switch to more efficient electrical equipment.</td><td>The existing cooling towers have a high failure rate and high energy consumption.</td><td>In 2025, capital expenditures of NT$4.3 million were invested to introduce a high-efficiency closed-loop cooling tower system, enhancing process stability and reducing electricity consumption. The unit electricity saving rate reached 18.78%, with an annual reduction of approximately 195,847 kWh in power consumption.</td><td>Promote plant-wide energy efficiency upgrades and formulate energy transition strategies, such as green electricity procurement or group-level energy allocation, to achieve annual electricity-saving targets.</td></tr>
</table>
</td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>
Strategy
D. Impacts of climate-related risks and opportunities on the entity’s current and anticipated financial position, financial performance, and cash flows
<table>
<tr><th rowspan="2">Item No.</th><th rowspan="2">Type</th><th rowspan="2">Risk/ opportunity item</th><th rowspan="2">Description of risks and opportunities</th><th colspan="2">Impacts on financial position, financial performance, and cash flows</th></tr>
<tr><th>Current</th><th>Anticipated</th></tr>
<tr><td>1</td><td>Energy efficiency</td><td>Reduce water usage and consumption</td><td>The design of the raw water recycling system is inadequate, resulting in relatively high raw water consumption.</td><td>In 2025, capital expenditures of NT$7.3 million were invested in optimizing water-saving equipment.</td><td>It is estimated that operating costs will be reduced by approximately NT$3.697 million annually, contributing to improved cash flow.</td></tr>
<tr><td>2</td><td>Energy efficiency</td><td>Switch to more efficient electrical equipment.</td><td>The existing cooling towers have a high failure rate and high energy consumption.</td><td>In 2025, capital expenditures of NT$4.3 million were invested in the replacement of energy-saving equipment.</td><td>It is estimated that annual electricity expenses will be reduced by approximately NT$808,800, enhancing operational resilience.</td></tr>
</table>
Note: The reduction in operating costs includes tap water charges, wastewater operating costs, sewage fees, water consumption fees, and electricity costs.
</td></tr>
<tr><td>4. Describe how the process of identifying, evaluating, and</td><td>
Risk management
The Company, in accordance with the guidelines of TCFD and IFRS S2, reviews domestic and international climate-related regulations and initiatives, identifies potential transition and physical risks across its sites, and consolidates key climate-related issues. The integrity governance and risk management team, together with relevant departments, conducts identification and assessment in
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Execution progress</th></tr>
<tr><td>managing climate risks is integrated into the overall risk management system.</td><td>

accordance with the “risk management policy and procedures” and the “operational planning and management guidelines,” and analyzes the impact of climate scenarios on operations.
Risk classification is determined using a “Severity × Likelihood” approach: severity focuses on operational and financial impacts, while likelihood is assessed based on the probability of occurrence, and risks are categorized according to the resulting scores.

Based on this, the Company identifies its key climate-related risks and opportunities, formulates corresponding strategies, continuously monitors and evaluates changes in the results, and regularly reports on the implementation of risk management to the Sustainable Development Committee and the Board of Directors. For 2025, the report was presented to the Board of Directors on November 10, 2025

▼ Climate risk and opportunity assessment process



</td></tr>
<tr><td>5. If scenario analysis is used to evaluate the resilience to climate change risks, the scenarios, parameters, assumptions, analyzing factors, and major financial impacts should be described.</td><td>

Strategy

E. Climate resilience: climate-related scenario analysis and assessment

The Company currently conducts impact assessments using a “Severity × Likelihood” approach and has not yet adopted scenario analysis to assess climate resilience. The Company will continue to monitor global climate trends and evaluate the adoption of appropriate scenario analysis methodologies, such as 1.5°C or 2°C scenarios, to strengthen strategic resilience and the rigor of investment decision-making.

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

<table>
<tr><th>Item</th><th>Execution progress</th></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the contents of the plan, and the indicators and objectives for identifying and managing physical risks and transition risks.</td><td>The Company continues to pay attention to relevant policies and regulations to ensure that enterprises can comply with the new regulatory requirements in a timely manner, and continues to check and plan the reduction of direct emissions (scope 1) and indirect emissions (scope 2) from energy use from operating activities. The related transition plans are being implemented as follows:
<table>
<tr><th>Item</th><th>Transition Plan</th><th>Risk</th><th>Response Actions and Management Objectives</th></tr>
<tr><td>1</td><td>Implement the energy conservation performance guarantee improvement program for the replacement of high energy-consuming plant facilities</td><td>Physical risks</td><td>● Continue to evaluate the effectiveness of various energy-saving measures and equipment to ensure the Company can respond to immediate risks caused by extreme weather events and increased energy consumption resulting from rising average temperatures.
● Evaluate energy-efficient models for future equipment purchases.</td></tr>
<tr><td></td><td></td><td>Transition risks</td><td>● Continue to monitor policy changes.
● Using 2024 as the base year, the Company has set short-, medium-, and long-term targets to reduce electricity consumption per unit of product by 5%, 8%, and 10%, respectively.
● In addition to voluntary carbon reduction efforts, the Company is also evaluating the deployment of renewable energy.</td></tr>
</table></td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.</td><td>The Company has not yet adopted internal carbon pricing (ICP). It will continue to monitor domestic and international carbon tax and carbon fee trends, and assess the feasibility of incorporating them into investment decision-making and decarbonization initiatives, with the aim of improving energy efficiency and reducing potential climate-related financial risks.</td></tr>
<tr><td>8. If climate-related goals are set, information on activities covered, GHG emission scopes, planning period, and annual progress should be provided; if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, the source and amount of carbon reduction</td><td>**Indicators and targets**
B. Information on industry-based indicators
For industry-specific indicators related to the Company’s operating model, activities, and other shared characteristics in the “Semiconductor” industry, please refer to Table 1-3, 1-3 SASB industry standard — semiconductor industry.
C. Disclosure of information on the climate-related risk or opportunity targets set (climate-related targets)
To reduce the impacts and risks arising from climate change and to achieve green energy and carbon reduction objectives, the Company has established various environmental protection measures and management indicators as shown in the table below, covering greenhouse gases, energy and electricity consumption, water resources, and waste. For the annual implementation results, please refer to the disclosures in this Annual Report under “(V) Promotion of sustainable development, and variance from the Sustainable Development Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:”
<table>
<tr><th>Category of indicators</th><th>Base year</th><th>Medium- and long-term reduction targets</th><th>Target year</th><th>For annual implementation results, please refer to this Annual Report</th></tr>
</table></td></tr>
</table>

<table>
<tr><th>Item</th><th>Execution progress</th></tr>
<tr><td>credits or RECs should be provided.</td><td>
<table>
<tr><td rowspan="2">Greenhouse gas</td><td>2022</td><td>Reduction of greenhouse gas emissions per NTD million of revenue (Scope 1 and Scope 2): 30%</td><td>2027</td><td rowspan="6">(V) Promotion of sustainable development, and variance from the Sustainable Development Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:
III. Environmental issues
(IV) Does the Company maintain statistics on greenhouse gas emission, water usage, and total waste volume in the last two years, and implement policies aimed at reducing greenhouse gas, water and waste? Summary of implementation status:</td></tr>
<tr><td>2022</td><td>Reduction of greenhouse gas emissions per NTD million of revenue (Scope 1 and Scope 2): 35%</td><td>2030</td></tr>
<tr><td>Electricity consumption</td><td>2024</td><td>Reduction in electricity consumption per unit of product: 10%</td><td>2029</td></tr>
<tr><td>Water withdrawal</td><td>2024</td><td>Reduction in water withdrawal per unit of product: 15%</td><td>2029</td></tr>
<tr><td>Waste (Renai Plant) Reduction in total weight: 25%</td><td>2022</td><td>Reduction in total weight: 25%</td><td>2029</td></tr>
<tr><td>Waste (Kezhong Plant)</td><td>2024</td><td>Reduction in total weight: 15%</td><td>2029</td></tr>
</table>
The Company currently achieves these targets primarily through energy-saving projects and process optimization. At this stage, carbon offsets or renewable energy certificates (RECs) have not yet been adopted; however, diversified carbon reduction tools will be flexibly incorporated in the future based on progress toward targets and market trends.</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</td><td>**Indicators and targets**
A. Information related to cross-industry indicator categories (climate-related indicators)
The Company’s inventory process is conducted in accordance with the ISO 14064-1:2018 international standard, with organizational boundaries defined using the operational control approach. Factors are referenced from the latest “Greenhouse Gas Emission Factor Table” issued by the Ministry of Environment to ensure the accuracy and comparability of the data. For the reporting period in 2025, the Company’s Scope 1, Scope 2, and Scope 3 greenhouse gas emissions are detailed in Tables 1-1 and 1-2 below.</td></tr>
</table>

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

1. The parent entity shall begin greenhouse gas (GHG) inventory starting in 2025.
2. Subsidiaries included in the consolidated financial statements shall begin GHG inventory starting in 2026.

The Company has established a GHG inventory mechanism based on ISO 14064-1, the standard issued by the International Organization for Standardization (ISO) for greenhouse gas accounting. Since 2021, the Company has conducted annual GHG inventories for the parent entity to fully monitor GHG usage and emissions and to verify the effectiveness of emission reduction actions.

In addition, the GHG inventory data for the most recent two years has been compiled based on the operational control approach and includes the GHG emissions of the Company. The details are as follows:

		2024		2025	
		Emissions (tons CO_2e)	Intensity (tons CO_2e / NT$ million in revenue)	Emissions (tons CO_2e)	Intensity (tons CO_2e / NT$ million in revenue)
The Company	Scope 1 Direct greenhouse gas emissions	3,271.8020		2,484.234	
	Scope 2 Indirect greenhouse gas emissions	17,303.6600		15,960.259	
	Subtotal	20,575.4620		18,444.493	
Total		20,575.4620	8.7457	18,444.493	7.9204

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

1. The parent entity shall begin greenhouse gas (GHG) inventory starting in 2025.
2. Subsidiaries included in the consolidated financial statements shall begin GHG inventory starting in 2026.

The Company's greenhouse gas inventory assurance status for the past two years is described as follows:

Scope of assurance		2024	2025
		Emissions (tons CO_2e)	Emissions (tons CO_2e)
The Company	Scope 1 Direct greenhouse gas emissions	3,271.8020	2,484.234
	Scope 2 Indirect greenhouse gas emissions	17,303.6600	15,960.259
	Total	20,575.4620	18,444.493
	Percentage of the inventory data disclosed in Section 1-1-1	100.00%	100.00%
Assurance provider		Industrial Technology Research Institute (ITRI) Measurement Technology Development Center	Industrial Technology Research Institute (ITRI) Measurement Technology Development Center
Assurance Details		Verification standard: ISO 14064-3:2019, Reasonable Assurance Verification criteria: ISO 14064-1:2018	Verification standard: ISO 14064-3:2019, Reasonable Assurance Verification criteria: ISO 14064-1:2018
Assurance opinion		The verification results revealed no material discrepancies and comply with the reasonable assurance level under the verification agreement.	The verification results revealed no material discrepancies and comply with the reasonable assurance level under the verification agreement.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Reduction target	In 2027, the greenhouse gas emissions (Scope 1 and Scope 2) of TYNTEK's parent entity per NT$ million turnover will be reduced by 30% comparing to the base year (2022). In 2030, the greenhouse gas emissions (Scope 1 and Scope 2) of TYNTEK's parent entity per NT$ million turnover will be reduced by 35% comparing to the base year (2022).
Annual Target Achievement Status	● In 2025, the Company's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 18,444.493 metric tons of CO_2e, representing a reduction of approximately 29.0785% compared to the base year 2022 (26,006.910 metric tons of CO_2e). ● The Company's greenhouse gas emission intensity in 2025 was 7.9204 metric tons of CO_2e per NT$1 million in revenue, a decrease of approximately 32.8956% compared to the base year 2025 (11.8031 metric tons of CO_2e per NT$1 million in revenue).
Related initiatives	● RTO system for air pollution control - The Company has switched from using activated carbon-based equipment to using RTO system for more efficient treatment of VOC, which in turn reduces emission of pollutants and lessens impact on the environment. ● Install exhaust gas treatment equipment for HFCs, PFCs, and SF6-related gases. ● To enhance climate change adaptation, the Company has implemented internal energy-saving and carbon reduction initiatives. In 2025, key projects included: installing four additional cooling towers to reduce air-conditioning load; adjusting air-conditioning start-up and shutdown schedules; replacing system motors with high-efficiency IE3 energy-saving motors; improving CDA leakage; enhancing pure water system efficiency to reduce operating electricity costs; and continuing the replacement of LED energy-saving lighting and lighting optimization across two plant sites. Through optimized energy management and control, total electricity savings reached approximately 349,500 kWh, equivalent to a reduction of 165.68 metric tons of CO2e in Scope 2 greenhouse gas emissions. ● The Company implements energy conservation measures in office and common areas and promotes them through awareness and training campaigns to help employees develop proper awareness and habits toward energy conservation and greenhouse gas reduction.

1-3 SASB industry standard — semiconductor industry

Disclosure topic	Topic code	Accounting Index	Category	Disclosures
Greenhouse gas (GHG) emissions	TC-SC-110a.1.	Total global Scope 1 emissions	Quantitative	2,484.234 metric tons CO2e
		Total emissions from perfluorinated compounds	Quantitative	1,078.067 metric tons CO2e
	TC-SC-110a.2	Discussion of long-term and short-term strategies or plans for managing Scope 1 emissions, emission reduction targets, and performance analysis against those targets	Discussion and analysis	Please refer to Table 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan
Energy management in manufacturing	TC-SC-130a.1	Total energy consumption	Quantitative	127,521.1500 GJ
		Percentage of grid electricity	Quantitative	95.0566%
		Renewable energy percentage	Quantitative	0%

Water management	TC-SC-140a.1	Total water withdrawal and the percentage in areas with high or extremely high baseline water stress	Quantitative	630.117 thousand cubic meters 0%
		Total water withdrawal and the percentage in areas with high or extremely high baseline water stress	Quantitative	125.610 thousand cubic meters 0%
Waste management	TC-SC-150a.1	Weight of hazardous waste generated during the manufacturing process	Quantitative	367. 1675 metric tons
		Recycling percentage	Quantitative	53. 9346%
Labor health and safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce workers' exposure to human health hazards	Discussion and analysis	Refer to the corresponding chapter for details.
	TC-SC-320a.2	Total monetary losses resulting from legal proceedings associated with violations of employee health and safety regulations	Quantitative	In 2025, there were no legal proceedings related to violations of employee health and safety, and the total monetary losses amounted to NT$0.
Recruitment and management of global and technical workforce	TC-SC-330a.1	Percentage of employees requiring work visas	Quantitative	28.89% In 2025, a total of 230 employees required work visas. These were primarily foreign workers essential for maintaining production operations, while key R&D and management positions were held by local talent.
Product lifecycle management	TC-SC-410a.1	Description of the proportion of revenue from products containing IEC 62474 substances	Quantitative	0% Not applicable to TYNTEK. products
	TC-SC-410a.2	(1) Servers, (2) desktop computers, and (3) laptops – processor energy efficiency at the system level Quantitative	Quantitative	TYNTEK does not manufacture relevant products; therefore, this indicator is not applicable.
Materials sourcing	TC-SC-440a.1	Description of risk management related to the use of critical materials	Discussion and analysis	To ensure the stability of critical material supply, the Company continues to establish a multi-dimensional risk management mechanism. In addition to strictly implementing supplier selection, measures such as diversified sourcing, material substitution strategies and technological R&D, safety stock management, and market monitoring are adopted to ensure operational resilience in the face of material supply challenges.
Intellectual property protection and competitive behavior	TC-SC-520a.1	Total monetary losses resulting from legal proceedings related to anti-competitive conduct regulations	Quantitative	$0 (No such situation)
Activity indicators	TC-SC-000.A	Total production volume	Quantitative	Compound semiconductor component production: 6,556,491 thousand pieces Si component production: 15,850,054 thousand units and 133,390 pieces.
	TC-SC-000.B	Percentage of production from owned facilities	Quantitative	100%

(VI)Enforcement of business integrity, deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies:

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Establish the ethical corporate management policies and programs (I) Does the company set the policy of ethical corporate management approved by the board of directors and express its commitment to the policies and practices of ethical corporate management in its regulations and in the external documents, and do the board of directors and the management actively implement the management policies?	✓		I. Establish the ethical corporate management policies and programs (1) The Company's board of directors approved the "Code of Ethical Conduct" in 2014, which clearly sets forth the Company's ethical corporate management policy. The Company shall establish policies based on integrity and establish good corporate governance and risk control mechanisms in order to create an operating environment for sustainable development, based on the business philosophy of integrity, transparency and accountability. The Company's "Procedures for Ethical Management and Guidelines for Conduct" clearly require directors and senior management to issue a statement declaring compliance with the ethical corporate management policy. All directors and senior executives have signed the statement, demonstrating their strong commitment to the implementation of this policy.	No material deviation is found.
(II) Has the company set up a program for the prevention of unethical conducts as well as analyzing and assessing the business activities with high unethical risk, and include conducts specified in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for for TWSE/TPEx Listed Companies"?	✓		(II) The "Integrity Governance and Risk Management Team" under the Company's Sustainable Development Committee serves as the dedicated unit responsible for promoting ethical management. It designs risk assessment mechanisms for business activities with higher risks of unethical conduct within the Company's scope of operations, covering at a minimum the	No material deviation is found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			behaviors listed under Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles." Each unit is assessed annually, and the results are used as a reference for enhancing preventive measures and for formulating the annual audit plan. The implementation status is reported to the board of directors in the first quarter of the following year (most recently on March 4, 2026). To further prevent unethical conduct, in addition to the key conduct items mentioned above, the Company requires all employees to voluntarily declare any conflicts of interest or potential ethical concerns related to their duties. It also requires suppliers/partners to provide written commitments that they will not engage in any illegal business activities and will not provide improper benefits or bribes to Company's personnel. The Company provides an integrity mailbox as a channel for complaints from suppliers, partners and customers, which are handled impartially by the dedicated unit.	
(III) Has the company set up procedures, conduct guidelines and a disciplinary and complaint-filing system for violations for implementation and reviewed and amended such programs periodically?	✓		(III) To prevent unethical conduct in higher-risk areas within its scope of operations, the Company has established clear internal rules and procedures in accordance with key prevention points. These include the "Procedures for Ethical Management and Guidelines for Conduct", the "Regulations for Handling Reports of Illegal, Unethical, or Dishonest Conduct",	No material deviation is found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			and the “Employee Work Rules”. All units are required to follow these procedures and guidelines to uphold the principles of integrity and honesty, and to proactively prevent unethical behavior. Employees are strictly prohibited from accepting any improper gifts or hospitality. Awareness training is provided to all new employees. Any violations are handled in accordance with the Company’s employee reward and discipline regulations. The Company also conducts regular risk assessments, which are used by each unit to review and improve their preventive measures. It also serves as a reference for internal audit in prioritizing the annual audit plan, with audit results and subsequent improvement measures submitted to the board of directors, ensuring the effective implementation of the ethical corporate management policy.	
II. Implementation of ethical corporate management (I) Does the company assess the ethical record of its business partner, and stipulate the terms of ethical conduct in the contract with the business partner?	✓		II. Implementation of ethical corporate management (1) The Company requires all suppliers to sign an Integrity, Anti-Corruption, and Confidentiality Commitment. In the “Procedures for Ethical Management and Guidelines for Conduct,” it is clearly stated that, when entering into contracts with other parties, one should thoroughly understand the counterparty’s ethical conduct and include compliance with integrity principles as part of the contractual terms. The contract should explicitly state: "If either party becomes aware that any personnel have violated	No material deviation is found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			contract terms prohibiting commissions, kickbacks, or other improper benefits, they must promptly and truthfully disclose the identities of such personnel, along with details such as the form, amount, and manner of the offer, promise, solicitation, or acceptance of such benefits. Relevant evidence must be provided and full cooperation given in any investigation conducted by the other party. If damage is incurred as a result, the injured party may claim compensation and deduct the full amount from the contractual payment". "If either party engages in dishonest behavior in the course of business activities, the other party may unconditionally terminate or cancel the contract at any time".	
(II) Has the company set up a dedicated (or concurrent) corporate ethical promotion unit under the board of directors which regularly reports to the board on its work(at least once a year)?	✓		(2) In August 2024, the company established the “Integrity Governance and Risk Management Task Force” under the Sustainable Development Committee, which reports directly to the board of directors. This task force serves as the dedicated unit for promoting integrity governance. The original “Ethical Business Conduct Promotion Team” has been incorporated into this task force. It continues to evaluate and monitor the implementation of prevention programs in departments identified as having higher risk of unethical conduct. The task force is also responsible for reporting to the board of directors at least once annually, with the most recent report presented on March 4, 2026.	No material deviation is found.
(III) Has the company formulated policies to prevent conflicts of	✓		(3) The Company’s “Code of Ethical Conduct” clearly	No material deviation is

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
interest, provided appropriate channels for statements and implemented them?			states its policy on preventing conflicts of interest, which serves as a basis for identifying, supervising, and managing risks that could lead to unethical behavior. It also provides appropriate channels for directors, managers, and other stakeholders attending board meetings to voluntarily disclose any potential conflicts of interest with the Company. In order to avoid damages to the Company's interests, the Employee’s Working Rules and corporate governance principles clearly stipulate the related policies to prevent the transmission of benefits and conflicts of interest. Employees are encouraged to express concerns through their supervisors or relevant departments. The Company also formulates the "Employee’s Code of Conduct" and regularly conducts education and promotion for them to understand the regulations to be followed and prevent unethical conducts. Directors, managers, and other stakeholders with a personal or represented entity interest in matters on the board agenda are required to disclose the key details of the conflict during the board meeting. If there is a risk of harm to the company’s interests, they must not participate in discussions or voting and must recuse themselves from the decision-making process. They are also prohibited from voting on behalf of other directors. Directors must also exercise self-discipline and avoid improper mutual support.	found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate, which is checked by the internal auditing unit on a regular basis or audited by external auditors?	✓		(IV) The company has fully implemented computerized operations for its management functions, which can be systematically cross-checked. The internal audit unit regularly carries out the audit plan to ensure the effective operation of internal systems. The audit plan includes checks for integrity in management (including dishonest behaviors) and adjusts the audit schedule or incorporates specific project audits based on the results of risk assessments, which are then reported to the Board of Directors. To ensure the effectiveness of system design and implementation, through internal control self-assessment and CPAs' annual review of the implementation, the Company conducts review and revisions every year to establish a good ethical management and risk control mechanism.	No material deviation is found.
(V) Does the company hold regular internal and external training on ethical corporate management?	✓		(V) In order to implement ethical corporate management, the Company discloses the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management and Guidelines for Conduct" on its website, and provides internal and external trainings on ethical corporate management issues for directors, managerial officers and employees. 2025 related trainings: "Employee ‘s Code of Conduct/Personal Information Protection" - 142 participants, totaling 71 hours. "Information Security Management Training" – 322 participants, totaling 322 hours "Promotion on Ethics in the Workplace and Legal Risks"	No material deviation is found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			attended by 254 people for totaled 254 hours. "Promotion of Personal Data Protection" –284 participants, totaling 284 hours. “Risk Analysis and Management”–32 participants, totaling 128 hours. “Social Engineering and Information Security Protection”– 80 participants, totaling 120 hours. "Taiwan Cybersecurity Conference" – 4 participants, totaling 32 hours “Implementing Information Security Management and Advancing Toward Information Security Governance”: 1 participant, totaling 4 hours. “Taiwan Anti-Corruption Regulations and Case Study Sharing”– 2 participants, totaling 6 hours. “Board of Directors and Corporate Governance Practices”–1 participant, totaling 3 hours. “Cybersecurity Forum for Listed High-Tech Manufacturing Industry”– 3 participants, totaling 24 hours. “Dual Transformation”: 1 participant, totaling 28 hours. “From the Perspective of Shareholder Activism: Practical Case Analysis of Voting Behavior by Foreign Institutional Investors to Fulfill Directors’ and Supervisors’ Responsibilities with an International Mindset”– 1 participant, totaling 3 hours. “Everything is Connected, Everything Can Be Hacked – IoT Information Security Starts with You and Me!”– 1 participant, totaling 3 hours.	

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
III. The operation status of reporting system (I) Has the company set up specific reporting and reward systems and a convenient reporting channel, and does the company assign appropriate personnel to investigate the person being reported?	✓		III. The operation status of reporting system (1) The company has established the "Regulations for Handling Reports of Illegal, Unethical, or Dishonest Conduct," which includes accessible reporting channels and designated personnel to handle such reports. Details are as follows: 1. Reporting Channels: Reports can be made in person, via telephone, or through an independent reporting mechanism (Company Website > Sustainability > Anti-Corruption Reporting: audit@serv.tyntek.com.tw). In 2025, no reports were received. 2. Handling Units and Designated Personnel: (1) Spokesperson and Independent Directors: Responsible for handling reports from shareholders, investors, and other stakeholders. (2) Ethical Business Conduct Promotion Team and Head of the Audit Office: Responsible for handling reports from internal employees, customers, suppliers, and contractors. 3. Incentives: If a report is verified and involves serious misconduct, in addition to handling the matter in accordance with laws and company policies, a reward may be granted to the whistleblower. According to Article 21 of the company's "Procedures and Guidelines for Ethical Business Conduct," a bonus ranging from NT$1,000 to NT$10,000 may be awarded based on the severity and monetary value of the case.	No material deviation is found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Has the company set up standard investigation procedures and a related confidentiality mechanism for the matter being reported?	✓		(II) Principles for Acceptance, Investigation Procedures, and Processing Timelines: Anonymous Reports: Reports must include a contact address, phone number, or email to be processed. However, if the content indicates a need for investigation, it may still be handled as a case and referenced for internal review. 2. Named (or anonymous) Reports: The receiving unit shall first clarify the intention and evidence provided. If there is sufficient reason to believe that a legal, unethical, or dishonest act has occurred, the case and related evidence shall be submitted to the general manager for handling. 3. Documentation: All reports, investigation processes, and outcomes must be documented and retained for five years. Electronic storage is acceptable. If a lawsuit related to the report arises before the retention period ends, the documents must be preserved until the conclusion of the legal proceedings.	No material deviation is found.
(III) Does the company take measures to protect the informant from improper treatment?			(III) Whistleblower Protection Measures: 1. The company handles all reports confidentially and verifies them through independent channels, ensuring the absolute confidentiality of the whistleblower's identity. 2. If the whistleblower is an employee, the company guarantees that no unfair treatment will result from their report. 3. To protect the rights of the accused and prevent retaliatory actions, the company offers them an	No material deviation is found.

Assess criteria	Operation (Note 1)			(III) Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			opportunity to appeal. A personnel review hearing will be convened if necessary.	
IV. Enhance information disclosure Does the company disclose the contents of its Ethical Corporate Management Best Practice Principles and the effectiveness on its website and MOPS?	✓		The Company discloses the ethical corporate management philosophy, code of conducts, and related principles of corporate governance, the effectiveness of their implementation and operation.	No material deviation is found.
V. If the company has its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between them: The Company has established the Ethical Corporate Management Best Practice Principles, and conducting the operating activities based on the following principles: 1. Avoid engaging in acts that violate unfair competition; 2. Truly fulfill tax obligations; 3. Anti-bribery and corruption, and establish an appropriate management system; 4. Enterprise donations must comply with internal management regulations, as the basis for implementing the ethical corporate management.				
VI. Other important information that helps to understand the company's ethical corporate management operation (such as the company's review and revision of the company's Ethical Corporate Management Best Practice Principles, etc.): 1. Manufacturers in business relationships are required to sign a letter of commitment to ethics, integrity and confidentiality, and the promise note of code of conducts for the Company’s personnel engaged in various businesses, to comply with the Company’s employees’ code of conducts. An unethical conducts by the Company’s personnel may be reported to the dedicated of the Company any time, so that the employees fully understand the Company’s determination to ethical corporate management and to strengthen trainings. 2. To align with actual operational practices, the board of directors approved the amendments to the company’s “Procedures and Guidelines for Ethical Business Conduct” and “Regulations for Handling Reports of Illegal, Unethical, or Dishonest Conduct” on November 8, 2024.				

(VII) Other information material to the understanding of corporate governance within the Company:

1. Directors', supervisors', and managers' participation in corporate governance-related training in 2025:

Title	Name	Name of course/hours	Continuing education organizer
Chairman	Feng-Cheng Su	2025 Global Economic Outlook/3 hours. Post-Merger Integration and Synergy Evaluation/3 hours.	Securities & Futures Institute Securities & Futures Institute
Director	Will Chou	Establishing Sustainable Performance Indicators and Incentive Compensation/3 hours 2025 Global Economic Outlook/3 hours. Post-Merger Integration and Synergy Evaluation/3 hours. NVIDIA’s Trillion-Dollar Miracle: New Perspectives on the Semiconductor Industry Revolution Behind Artificial Intelligence/3 hours	Taiwan Corporate Governance Association Securities & Futures Institute Securities & Futures Institute Taiwan Corporate Governance Association
Director	Rong-Huan Li	2025 Global Economic Outlook/3 hours. Post-Merger Integration and Synergy Evaluation/3 hours.	Securities & Futures Institute Securities & Futures Institute
Director	Cun-Chung Li	2025 Global Economic Outlook/3 hours. Post-Merger Integration and Synergy Evaluation/3 hours.	Securities & Futures Institute Securities & Futures Institute
Independent Director	Tsui-Jung Yu	Circular Economy Benefits and Sustainable Finance Opportunities/3 hours Current Global Economic and Financial Conditions/3 hours Everything is Connected, Everything Can Be Hacked – IoT Information Security Starts with You and Me!/3 hours	Taiwan Corporate Governance Association Taiwan Corporate Governance Association Taiwan Corporate Governance Association
Independent Director	Tsung-Yen Lin	2025 Annual Promotional Seminar for Prevention of Insider Trading / 3 hours 2025 Global Economic Outlook/3 hours Post-Merger Integration and Synergy Evaluation/3 hours	Securities & Futures Institute Securities & Futures Institute Securities & Futures Institute
Independent Director	Sheng-Fa Yeh	2025 Briefing on Legal Compliance for Insider Equity Transactions/3 hours Post-Merger Integration and Synergy Evaluation/3 hours	Securities & Futures Institute Securities & Futures Institute
Corporate Governance	Mei-Ling Chiu	Board of Directors and Corporate Governance Practices/3 hours The 15th Taipei Corporate Governance Forum/ 6 hours	Taiwan Corporate Governance Association Financial Supervisory Commission

Title	Name	Name of course/hours	Continuing education organizer
Manager and Head of Finance		From the Perspective of Shareholder Activism: Practical Case Analysis of Voting Behavior by Foreign Institutional Investors to Fulfill Directors' and Supervisors' Responsibilities with an International Mindset/3 hours	Taiwan Corporate Governance Association
Head of Accounting	Hsiao-Ping Li	Key Updates on Recent Financial Accounting Regulations and Analysis of Standard Development Trends/3 hours Common Deficiencies and Legal Responsibilities in Corporate Labor Law Compliance and Gender Equality Protection/3 hours Analysis of Recent Hot Topics in Financial and Tax Practices/3 hours Analysis of Recent Major Judicial Precedents under the Securities and Exchange Act and Enforcement Cases by Competent Authorities/3 hours	Accounting Research and Development Foundation Accounting Research and Development Foundation Accounting Research and Development Foundation Accounting Research and Development Foundation

2. The liability insurance for directors: purchased by the Company in 2024:

Insured	Insurer	Amount of coverage	Beginning and ending of the coverage
All directors	Fubon Insurance Co., Ltd.	US$5 million	March 1, 2025~March 1, 2026
All directors	Fubon Insurance Co., Ltd.	US$5 million	March 1, 2026~March 1, 2027

Note: The insured amount, coverage and premium rate of the renewed director and supervisor liability insurance were reported to the board of directors on March 4, 2026, and will also be updated and disclosed on the Market Observation Post System after the effective date.

3. Attainment of mandatory certification by personnel involved in financial information transparency:

Name of certification	Count
Certified Internal Auditor (CIA)	2
Certification in Control Self-Assessment (CCSA)	2

(VIII) Implementation status of internal control system:

1. Inquiry for Declaration of Internal Control System: The Company's Statement on Internal Control System was approved by the board of directors on March 4, 2026, and has been disclosed on the Market Observation Post System (MOPS). For details, please refer to the website:https://mops.twse.com.tw/mops/#/web/t06sg20)
2. CPA's review on internal control system: None.

(IX) Major resolutions passed in shareholder meetings and board of directors meetings held in the last year up until the publication date of this annual report:

1. Major resolutions passed in shareholder meetings and the execution progress

Date of meeting	Major resolutions	Execution progress
2025/5/27	1. Recognition of the 2024 Business Report and Financial Statements.	Resolution passed during the 2025 shareholder meeting.
	2. Recognition of the 2024 Earnings Distribution.	Resolution passed during the 2025 shareholder meeting.
	3. Approve the amendment to the "Articles of Incorporation."	Announced on the Company's website in the section of the Corporate Governance Relevant Rules and Regulations on May 27, 2025.

2. Major resolutions of board of directors meetings

Date of meeting	Major resolutions and execution
The 14th term The 6th meeting 2025/5/6	● Approved the Company's consolidated financial statements for Q1 2025 ● Approved the decision to apply for credit facilities with financial institutions ● Approved ex-dividend base date for the Company's 2025 cash dividends ● Approved the Company's proposed Employee Stock Ownership Trust Plan. ● Approved to ratify the engagement in derivative trading ● Approved the ratification of the continuous service bonus for the Company's managerial talents ● Approved the proposal for adjusting 2025 remunerations for the managerial officers ● Approved the proposal on the allocation of company vehicles to the Company's managerial personnel.
The 14th term 7th meeting 2025/8/11	● Approved the 2024 Sustainability Report ● Approved the amendments to the Company's internal control system and internal audit implementation rules ● Approved the Company's consolidated financial statements for Q2 2025 ● Approved the decision to apply for credit facilities with financial institutions ● Approve the amendment of the "Principles to Manage Directors' Remuneration." ● Approved the distribution of 2024 director and manager remuneration

Date of meeting	Major resolutions and execution
The 14th term 8th Meeting 2025/11/10	● Approved the amendment to the Company’s 2025-2029 sustainability development goals ● Approved the proposal for the establishment of the Company’s Sustainable Development Best Practice Principles ● Approved the Company's "2026 internal audit plan" ● Approved the amendments to the Company's internal control system and internal audit implementation rules ● Approved the Company's consolidated financial statements for Q3 2025
The 14th term 9th Meeting 2025/12/17	● Approved the review of the Company's 2025 annual business plan and capital expenditure budget ● Approved the review and disbursement of 2025 year-end performance bonuses for the company’s managerial officer ● Approved the appointment of the managerial officer (Chief Executive Officer).
The 14th term 10th Meeting 2026/03/04	● Approved the 2025 "Internal Control System Effectiveness Review" and proposal for the issuance of the Company's "Declaration of Internal Control System" ● Passed amendments to the Company's internal control system and internal audit implementation rules ● Approved the Company's 2025 financial reports and consolidated financial reports ● Approved the 2025 business report ● Approved the 2025 earnings distribution proposal ● Approved the evaluation and review of CPA’s professional service fees and independence ● Approved the company’s sustainability development goals ● Approved the amendments to the Company's "Regulations Governing the Review of Pre-approved Non-assurance Service Policy" ● Approved the date, time, venue, and agenda of the Company's 2026 shareholder meeting ● Approved matters related to the acceptance of shareholder proposals for the 2026 general shareholders’ meeting ● Approved the additional capital expenditure budget proposal for the Company’s compound semiconductor operations center ● Approved the proposal of discharging managerial officers ● Approved the severance pay to the managerial officers

(X) Documented opinions or declarations made by directors against board resolutions in the most recent year, up until the publication date of annual report: None.

IV. CPAs' Professional Service Fees

Unit: NTD thousands

Name of accounting firm	Name of CPA	Audit period	Auditing fee	Non-auditing fee	Total	Remarks
Deloitte Taiwan	Tsai, Mei-Chen	2025.01.01 ~ 2025.12.31	3,520	240	3,760	Non-auditing fees all were service fees for the preparation of transfer pricing report
	Chen, Ming-Hui					

(I) Disclosure of audit fees, non-audit fees, and details of non-audit services, if the sum of non-audit fees paid to the CPA, accounting firm, and affiliated companies amount to more than one-quarter of total CPA remuneration: None.

(II) Change of accounting firm that resulted in a reduction of audit fee from the previous year; disclose audit fee before and after the change and the amount, percentage, and cause of such change: Not applicable.

(III) Any reduction in audit remuneration by more than 15% compared to the previous year; state the amount, the percentage, and reason of such variation: None.

V. Information on Replacement of CPA: None.

VI. Any of the Company's Chairman, President, or any manager involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company within the most recent year: None.

VII. Details of shares transferred or pledged by directors, managers, and shareholders with more than 10% ownership interest in the last year, up until the publication date of annual report: The Company did not encounter any such circumstances in 2025. Relevant information can also be found on the Market Observation Post System (Company Code: 2426).

VIII. Relationships characterized as spouse or second-degree relatives or closer among top-ten shareholders

: Information on relationships among the top ten shareholders by shareholding ratio: For detailed information, please refer to the Market Observation Post System (enter company code: 2426 and the relevant reporting year). **https://mopsov.twse.com.tw/mops/web/t144sb10_w**

IX. Investments jointly held by the Company's directors, managers, and enterprises directly or indirectly controlled by the Company; disclose shareholding in aggregate of the above parties

Total shareholding percentage

March 31, 2026

Unit: shares, %

Re-invested business	Investment by the Company		Directors, supervisors, managerial officers and investments directly or indirectly controlling the business		Total investment	
	No. of shares	Shares Ratio	No. of shares	Shares Ratio	No. of shares	Shares Ratio
TEK Holding Co., Ltd.	6,700,000	100.00	0	0	6,700,000	100.00
Keeper Technology	2,033,427	16.41	4,044,719	32.65	6,078,146	49.06
Long Benefit Investment Co., Ltd.	28,748,562	100.00	0	0	28,748,562	100.00
Hsinjing Holding Co., Ltd.	17,794,077	22.79	364,238	0.41	18,158,575	23.25
Keyway International L.L.C.	—	—	—	100.00	—	100.00
Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	—	—	—	100.00	—	100.00
Coretech Optical Co., Ltd.	200,000	2.08	2,000,000	20.81	2,200,000	22.89

Note 1: Disposal of long-term investments in equity using equity method.

Three.Capital Overview

I. Capital and shares

(I) Share category

March 31, 2025 Unit: shares

Share category	Authorized capital				Remarks
	Outstanding shares (TWSE-listed shares)	Treasury stock	Unissued shares	Total	
Common shares	300,622,252	0	399,377,748	700,000,000	—

(II) Sources of share capital

Unit: shares; NTD

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
1987.04	10,000	3,600	36,000,000	900	9,000,000	Founded with initial cash capital of NT$9,000,000	-	-
1988.09	10,000	5,000	50,000,000	5,000	50,000,000	Cash issue NT$ 41,000,000	-	-
1989.09	10	10,000,000	100,000,000	7,000,000	70,000,000	Cash issue NT$ 20,000,000	-	-
1992.03	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash issue NT$ 30,000,000	-	-
1992.01	10	20,000,000	200,000,000	13,000,000	130,000,000	Cash issue NT$ 30,000,000	-	-
1995.05	10	20,000,000	200,000,000	18,000,000	180,000,000	Cash issue NT$ 50,000,000	-	-
1996.09	10	32,000,000	320,000,000	30,000,000	300,000,000	Cash issue NT$ 120,000,000	-	Letter No. (85)-Tai-Tsai-Cheng-(I)-39772 dated 1996.6.27
1997.10	10	60,000,000	600,000,000	43,000,000	430,000,000	Cash issue NT$ 100,000,000 Capitalization of earnings NT$ 15,000,000 Capitalization of capital reserves NT$ 15,000,000	-	Letter No. (86)-Tai-Tsai-Cheng-(I)-52245 dated 1997.7.7
1998.06	10	60,000,000	600,000,000	52,410,000	524,100,000	Capitalization of earnings NT$ 51,100,000 Capitalization of capital reserves NT$ 43,000,000	-	Letter No. (87)-Tai-Tsai-Cheng-(I)-44690 dated 1998.5.21
1999.04	10	100,000,000	1,000,000,000	72,410,000	724,100,000	Cash issue NT$ 200,000,000	-	Letter No. (88)-Tai-Tsai-Cheng-(I)-13796

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
								dated 1999.2.44
1999.08	10	100,000,000	1,000,000,000	85,071,600	850,716,000	Capitalization of earnings NT$ 75,929,000 Capitalization of capital reserves NT$ 50,687,000	-	Letter No. (88)-Tai-Tsai-Cheng-(I)-61314 dated 1999.7.6
2000.08	10	200,000,000	2,000,000,000	98,862,340	988,623,400	Capitalization of earnings NT$ 52,835,800 Capitalization of capital reserves NT$ 85,071,600	-	Letter No. (89)-Tai-Tsai-Cheng-(I)-60740 dated 2000.7.13
2001.10	10	200,000,000	2,000,000,000	115,429,691	1,154,296,910	Capitalization of earnings NT$ 76,697,404 Capitalization of capital reserves NT$ 88,976,106	-	Letter No. (90)-Tai-Tsai-Cheng-(I)-142328 dated 2001.7.3
2002.04	10	200,000,000	2,000,000,000	115,861,341	1,158,613,410	Conversion of convertible bond CB1 NT$4,316,500	-	Letter No. Yuan-Shang-0910007392 dated 2002.3.26
2002.10	10	200,000,000	2,000,000,000	129,178,733	1,291,787,330	Capitalization of earnings NT$ 38,168,410 Capitalization of capital reserves NT$ 23,172,270 Conversion of convertible bond CB1 NT$ 71,833,240	-	Letter No. Yuan-Shang-0910023372 dated 2002.10.11
2002.10	10	200,000,000	2,000,000,000	129,728,841	1,297,288,410	Conversion of convertible bond CB1 NT$ 5,501,080	-	Letter No. Yuan-Shang-0910024714 dated 2002.10.17
2002.12	10	200,000,000	2,000,000,000	154,728,841	1,547,288,410	Cash issue NT$ 250,000,000	-	Letter No. Yuan-Shang-0910029230 dated 2002.12.09
2003.01	10	200,000,000	2,000,000,000	154,916,272	1,549,162,720	Conversion of convertible bond CB1 NT$ 1,874,310	-	Letter No. Yuan-Shang-09200011812 dated

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
								2003.01.07
2003.09	10	200,000,000	2,000,000,000	163,705,086	1,637,050,860	Capitalization of earnings NT$ 41,413,250 Capitalization of capital reserves NT$ 46,474,890	-	Letter No. Yuan-Shang-0920025316 dated 2003.09.15
2004.03	10	200,000,000	2,000,000,000	164,116,265	1,641,162,650	Conversion of convertible bond CB2 NT$ 4,111,790	-	Letter No. Yuan-Shang-0930006808 dated 2004.03.19
2004.07	10	200,000,000	2,000,000,000	177,644,181	1,776,441,810	Conversion of convertible bond CB2 NT$ 135,279,160	-	Letter No. Yuan-Shang-0930018916 dated 2004.07.14
2004.08	10	300,000,000	3,000,000,000	188,247,373	1,882,473,730	Capitalization of earnings NT$ 70,623,150 Capitalization of capital reserves NT$ 35,408,770	-	Letter No. Yuan-Shang-0930022125 dated 2004.08.19
2004.10	10	300,000,000	3,000,000,000	188,489,539	1,884,895,390	Conversion of convertible bond CB2 NT$ 2,421,660	-	Letter No. Yuan-Shang-0930028697 dated 2004.10.13
2005.01	10	300,000,000	3,000,000,000	189,547,230	1,895,472,300	Conversion of convertible bond CB2 NT$ 10,576,910	-	Letter No. Yuan-Shang-0940000703 dated 2005.01.11
2005.08	10	300,000,000	3,000,000,000	200,243,069	2,002,430,690	Capitalization of earnings NT$ 106,094,200 Conversion of convertible bond CB1 NT$ 864,190	-	Letter No. Yuan-Shang-0940022258 dated 2005.08.17
2005.10	10	300,000,000	3,000,000,000	231,378,729	2,313,787,290	Conversion of convertible bond CB1 NT$ 588,220 Conversion of convertible bond CB2 NT$ 81,560,810 Conversion of convertible bond CB3 NT$	-	Letter No. Yuan-Shang-0940027948 dated 2005.10.14

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
						229,207,570		
2006.01	10	300,000,000	3,000,000,000	234,974,967	2,349,749,670	Conversion of convertible bond CB1 NT$ 8,300,630 Conversion of convertible bond CB2 NT$ 185,180 Conversion of convertible bond CB3 NT$ 27,476,570	-	Letter No. Yuan-Shang-0950000596 dated 2006.01.11
2006.03	10	300,000,000	3,000,000,000	237,628,159	2,376,281,590	Conversion of convertible bond CB1 NT$ 1,895,410 Conversion of convertible bond CB2 NT$ 13,888,860 Conversion of convertible bond CB3 NT$ 10,747,650	-	Letter No. Yuan-Shang-0950006225 dated 2006.03.17
2006.07	10	300,000,000	3,000,000,000	239,656,020	2,396,560,200	Conversion of convertible bond CB2 NT$ 10,185,170 Conversion of convertible bond CB3 NT$ 10,093,440	-	Letter No. Yuan-Shang-0950018501 dated 2006.07.17
2006.10	10	350,000,000	3,500,000,000	239,665,279	2,396,652,790	Conversion of convertible bond CB2 NT$ 92,590	-	Letter No. Yuan-Shang-0950026886 dated 2006.10.14
2006.11	10	350,000,000	3,500,000,000	254,110,360	2,541,103,600	Capitalization of capital reserves NT$ 33,553,140 Capitalization of earnings NT$ 110,897,670	-	Letter No. Yuan-Shang-0950030189 dated 2006.11.14
2007.08	10	350,000,000	3,500,000,000	272,081,609	2,720,816,090	Capitalization of capital reserves NT$ 50,822,080 Capitalization of earnings NT$ 124,872,590 Conversion of convertible bond CB4 NT$	-	Letter No. Yuan-Shang-0960023280 dated 2007.08.30

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
						4,017,820		
2007.12	10	350,000,000	3,500,000,000	283,557,706	2,835,577,060	Conversion of convertible bond CB4 NT$ 68,340,920 Conversion of convertible bond CB5 NT$ 46,420,050	-	Letter No. Yuan-Shang-0960035258 dated 2007.12.26
2008.03	10	350,000,000	3,500,000,000	283,645,142	2,836,451,420	Conversion of convertible bond CB4 NT$ 635,890 Conversion of convertible bond CB5 NT$ 238,470	-	Letter No. Yuan-Shang-0970005681 dated 2008.03.03
2008.08	10	350,000,000	3,500,000,000	307,856,236	3,078,562,360	Capitalization of capital reserves NT$ 83,593,540 Capitalization of earnings NT$ 151,681,250 Conversion of convertible bond CB4 NT$ 6,677,180 Conversion of convertible bond CB5 NT$ 158,970	-	Letter No. Yuan-Shang-0970023975 dated 2008.08.28
2009.09	10	500,000,000	5,000,000,000	316,791,923	3,167,919,230	Capitalization of capital reserves NT$ 89,356,870	-	Letter No. Yuan-Shang-0980024798 dated 2009.09.07
2009.12	10	500,000,000	5,000,000,000	341,823,741	3,418,237,410	Cash issue NT$ 250,000,000 Conversion of convertible bond CB5 NT$ 318,180	-	Letter No. Yuan-Shang-0980036547 dated 2009.12.29
2010.04	10	500,000,000	5,000,000,000	342,062,264	3,420,622,640	Conversion of convertible bond CB5 NT$ 2,343,290 Conversion of convertible bond CB7 NT$ 41,940	-	Letter No. Yuan-Shang-0990009101 dated 2010.04.08
2010.05	10	500,000,000	5,000,000,000	342,110,472	3,421,104,720	Conversion of convertible bond CB5 NT$ 230,410 Conversion of convertible bond CB6 NT$ 251,670	-	Letter No. Yuan-Shang-0990012293 dated 2010.05.05

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2010.11	10	500,000,000	5,000,000,000	342,408,288	3,424,082,880	Conversion of convertible bond CB6 NT$ 1,719,780 Conversion of convertible bond CB7 NT$ 1,258,380	-	Letter No. Yuan-Shang-0990032936 dated 2010.11.04
2011.03	10	500,000,000	5,000,000,000	342,551,144	3,425,511,440	Conversion of convertible bond CB5 NT$ 1,428,560	-	Letter No. Yuan-Shang-1000008703 dated 2011.03.29
2011.05	10	500,000,000	5,000,000,000	343,826,311	3,438,263,110	Conversion of convertible bond CB6 NT$ 2,265,100 Conversion of convertible bond CB7 NT$ 10,486,570	-	Letter No. Yuan-Shang-1000013650 dated 2011.05.13
2012.08	10	500,000,000	5,000,000,000	361,017,627	3,610,176,270	Capitalization of capital reserves NT$ 171,913,160	-	Letter No. Yuan-Shang-1010027503 dated 2012.08.31
2014.09	10	500,000,000	5,000,000,000	239,245,327	2,392,453,270	Reduction of share capital against cumulative losses NT$ 1,217,723,000	-	Letter No. Zhu-Shang-1030026129 dated 2014.09.09
2014.10	10	500,000,000	5,000,000,000	235,931,842	2,359,318,420	Retirement of treasury stock NT$ 33,134,850	-	Letter No. Zhu-Shang-1030031390 dated 2014.10.28
2015.03	10	500,000,000	5,000,000,000	275,931,842	2,759,318,420	Cash issue NT$ 400,000,000	-	Letter No. Zhu-Shang-1040007390 dated 2015.03.18
2016.04	10	500,000,000	5,000,000,000	290,547,127	2,905,471,270	Conversion of convertible bond CB8 NT$ 146,152,850	-	Letter No. Zhu-Shang-1050009280 dated 2016.4.11
2016.05	10	500,000,000	5,000,000,000	292,783,440	2,927,834,400	Conversion of convertible bond CB8 NT$ 22,363,130	-	Letter No. Zhu-Shang-1050013747 dated 2016.5.20

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2017.05	10	500,000,000	5,000,000,000	293,658,971	2,936,589,710	Conversion of convertible bond CB8 NT$ 8,755,310	-	Letter No. Zhu-Shang-1060013443 dated 2017.5.19
2017.07	10	500,000,000	5,000,000,000	295,238,361	2,952,383,610	Conversion of convertible bond CB8 NT$ 15,793,900		Letter No. Zhu-Shang-1060020109 dated 2017.7.24
2017.11	10	500,000,000	5,000,000,000	299,077,472	2,990,774,720	Conversion of convertible bond CB8 NT$ 38,391,110		Letter No. Zhu-Shang-1060032106 dated 2017.11.24
2018.02	10	500,000,000	5,000,000,000	299,817,868	2,998,178,680	Conversion of convertible bond CB8 NT$ 7,403,960		Letter No. Zhu-Shang-1070005867 dated 2018.2.12
2018.04	10	500,000,000	5,000,000,000	300,622,252	3,006,222,520	Conversion of convertible bond CB8 NT$ 8,043,840		Letter No. Zhu-Shang-1070011201 dated 2018.4.16

Note 1: Face value has been changed from NT$10,000 per share to NT$10 per share since September 1989

Note 2: CB1 converted a total of 9,517,358 shares, CB2 converted a total of 25,830,213 shares, CB3 converted a total of 27,752,523 shares, CB4 converted a total of 7,967,181 shares, CB5 converted a total of 5,113,793 shares, CB6 converted a total of 423,655 shares, CB7 converted a total of 1,178,689 shares, and CB8 converted a total of 24,690,410 shares.

(III) Names of major shareholders

March 24, 2026; Unit: shares

Shares Name of major shareholder	Shares held	Shareholding percentage %
Ennostar Inc.	23,799,000	7.92%
Harvestar Investment Corp.	15,253,000	5.07%
Calystar Investment Corp.	12,857,000	4.28%
Ching-Ho Hsu	5,393,530	1.79%
Hsieh, Chao-Bao	5,282,000	1.76%
Shi-Chiang, Hsiung	4,233,729	1.41%
Bosco Foo	4,100,999	1.36%
Yan-Kang Fu-Li	3,839,997	1.28%
HSBC (Taiwan) Commercial Bank Co., Ltd. entrusted custody	3,816,167	1.27%
Raymond Hsu	3,651,857	1.21%

(IX) Dividend policy and execution:

1. Dividend policy:

Annual surpluses concluded by the Company are first subject taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves; however, no further provision is needed when statutory reserves have accumulated to the same amount as the Company's paid-up capital. Any surpluses remaining shall then be subject to provision or reversal of special reserves, as the laws may require. The residual balance is then added to unappropriated earnings carried from previous years (including adjustments), which the board of directors may propose to distribute or withhold to reimburse losses. Shareholders' resolution is required if the appropriation involves issuance of new shares. The Company adopts a dividend policy that allows the board of directors to propose dividends after taking into consideration the Company's future capital requirements, long-term financial plans, and shareholders' needs for cash inflow. Profit sharing to shareholders can be paid in cash or shares, provided that the cash portion does not amount to less than 10% of total profit sharing.

Any cash distribution of dividends, profits, legal reserves or capital surplus, either in whole or in part, must be resolved in a board meeting with more than two-thirds of the board members present, voted in favor by more than half of the attending directors and reported in the upcoming shareholders' meeting.

2. Earnings distribution proposed to this AGM:

On June 8, 2022, the shareholders' meeting approved the amendment to Article 18-1 of the Company's Articles of Incorporation, authorizing the Board of Directors to resolve the distribution of cash dividends every six months. The cash dividends approved by the Company's Board of Directors for 2024 are shown in the following table.

Dividend year	Date when the board of directors resolved the dividend distribution.	Cash Dividend Per Share	Total amount of earnings distribution (NT$)
2025	2026/3/4	0.1	30,062,225

3. Explanation when the dividend policy is expected to change materially: none

(V) The Impact of Bonus Shares on Business Performance and EPS: not applicable.

(VI) Employees' and directors' remunerations

1. Employees' and directors' remuneration percentage or ranges stated in the Articles of Incorporation:

Pursuant to the Articles of Incorporation, for the current profit before tax for a fiscal year of the Company before deduction of the remuneration of employees and the remuneration of Directors, an amount equivalent to 5% to 15% of such profit before tax shall be appropriated as the remuneration of employees and an amount not greater than 5% of such profit before tax shall be appropriated as the remuneration of the Directors. The Board of Directors resolves to distribute remunerations in shares or cash, and the employee subject to such distribution include employees of subordinate companies who meet certain conditions. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first.

2. The estimation basis of the estimated employees' and directors' remuneration; the share calculation basis for the employees' remuneration distributed in shares, and the accounting treatment if any difference between the actual distributed amount and estimations:

(1) The estimation basis of the estimated employees' and directors' remuneration: The remuneration of employees and directors is based on the amount paid on past experience, and is calculated based on approximately 10% and 1.5% of the net profit before tax.

(2) The share calculation basis for the employees' remuneration distributed in shares: there is no share distribution for the period, so this is not applicable.

(3) The accounting treatment if any difference between the actual distributed amount and estimations: After the end of the year, if there is a material change in the amount of distribution resolved by the Board of Directors, the change shall be adjusted to the expenses at the year of recognition; if the distributed amount resolved by the Board of Directors differs from the actual distributed amount, it shall be treated as accounting estimate changes, and adjusted in the year of distribution.

3. Information regarding the employees' remuneration distribution approved by the Board of Directors:

(1) Employees' and directors' remunerations distributed in cash or shares. Where there is a difference with the estimated amount for the year, in which the expenses are recognized, the amount of difference, reason, and accounting treatment shall be disclosed: a loss is recorded for 2025; pursuant to Article 18 of the Articles of Incorporation, no employee and director profit-sharing compensation will be distributed.

(2) Employee remuneration paid in shares as a percentage of current net profit after tax and the total employee remuneration: not applicable.

(3) Allocation of employee and director remuneration: Not applicable.

4. Actual distribution of employees' and directors' remunerations (including distributed cash, shares, and share prices) in the previous year, and difference, treatments and explanations if any difference from the recognized employees' and directors' remunerations exists:

The Company's 2024 business generated a net profit after tax of NT$62,889 thousand. After a resolution of the Board of Directors in 2024, the employees' remuneration was NT$7,770 thousand, and the directors' remuneration of was NT$1,165 thousand. The actual distribution is consistent with the original resolution adopted by the Board of Directors.

(VII) Shares repurchased by the Company: None

II. Corporate bonds, preferred shares, overseas depository receipts, employee warrants, and merger/acquisition/divestment through exchange of shares

(I) Corporate bonds:

1. Convertible corporate bonds: None
2. Exchangeable corporate bonds: None
3. Corporate bond information relevant to aggregate reporting: None
4. Corporate bonds with warrants: None

(II) Preferred shares: None

(III) Disclosure relating to global depository receipts: None

(IV) Employee warrants: None

(V) New issuance of employee restricted shares: None

(VI) Issuance of new shares for business acquisition or share exchange: None

III. Progress on planned use of capital: Not applicable.

Four.Operational Overview

I. Business description

(I) Business scope

1. Major lines of business:

A. Research, development, production, manufacturing and sale of the following products:

(1) Gallium arsenide, infrared, light emitting diode, laser diode, phototransistor, photodiode, single crystal epitaxy and crystal grain.

(2) Optoelectronic system, software/hardware of computers and peripheral equipment, electronic final products, semi-products, various wireless/wired telecommunication equipment and various wireless anti-burglary equipment. (Limited to business operation by branch offices outside the science park).

(3) Radio transmitter, radio transceiver, radio receiver and other electrical machineries capable of generating radio radiant energy. (Limited to business operation by branch offices outside the science park)

(4) Mechanical installation, retail and wholesale of electronic materials, automobile and scooter parts and lighting accessories, traffic sign equipment and other machinery.

B. Export and import businesses of the aforementioned products.

2. Major product (service) and the business weight

Major products	Key usage or function	Weight of business in 2025
Compound semiconductor components	**Visible LED products** Applications: Small light bulbs, digital displays, dot matrix displays, light source displays for fax machines, home appliances, communications, computers, automobiles and other consumer products indicating components, traffic signs, outdoor display screens, and automotive dashboards. **Infrared LED products** Applications: Transmitting components such as mouse, remote control, electronic toll collection system, wireless transmission products, general OCs and industrial high-speed OCs. **Optical communication products** Applications: optical fiber communication modules, SWIR optical sensing components, Bluetooth true wireless stereo (TWS) headsets, under-display sensing module (UDS).	28.9%
SI component	**Photo-transistor componets (PT)** Applications: Optical coupler, optical interrupter, proximity sensor (non-contact sensor), infrared monitor control, and other components for monitoring. **Photo-Diode (PD)** Applications: Components for remote control reception of consumer products such as home appliances, communications, computers, and automobiles, medical care (oximeter and pregnancy test), fire and smoke detection, mechanical positioning, motor speed measurement, and panel touch.	70.4%

Major products	Key usage or function	Weight of business in 2025
	Zener Diode (ZD) Applications: Application components for LED packaging (stabilization, rectification, electrostatic protection, bridging, leakage detection). Transient voltage suppressors (TVS) Applications: Electrostatic protection components for consumer products (mobile phones, computers, handheld devices, etc.). **Chip resistance (CR)** Applications: LED packaging, application components of various circuit boards (voltage adjustment, and current control).	
Others	Design and manufacture of LED module application	0.7%

3. New products (services) in development in plan

（1） 6” wafer and 2D/3D sensing PD
（2） 6” wafer and high precision and power components
（3） High power AlGaInP light emitting diodes
（4） High speed communication photodiodes
（5） SI power transistor and diode
（6） ACLED
（7） Ambient light source sensing components
（8） Shortwave blue light sensing components
（9） Red light and infrared LED for wearable and medical care
（10） Wearable sensing elements (blood oxygen, heartbeat monitoring)
（11） Si substrate capacitance
（12） Monitor PD for optical communication light source intensity monitoring
（13） Silicon sub-mount
（14） VCSEL/UV/PD integrated components
（15） Polycrystalline photoelectric components
（16） New generation semiconductor material components
（17） Wearable and handheld device distance sensing components
（18） Infrared diodes for high-speed industrial control
（19） Point light source LEDs
（20） SWIR optical sensing components

In the future, the Group will continue to accelerate the development of various new products based on refined R&D technology, and aim to pursue the product quality and cost competitiveness in order to lead the peers.

(II) Industry Overview

1. Industry status and overview

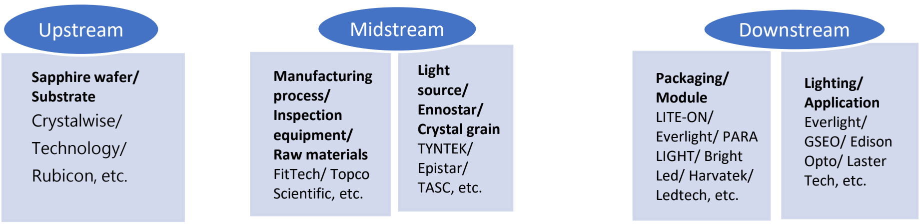
According to data from TrendForce, the global LED component market reached approximately US$12.5–$13 billion in 2025 (including LED epitaxial chips, chips, packages, and modules, but excluding LED lighting bulbs and other application products), this represented a decrease of 1% compared to the market value in 2024. Mainly due to the weak macroeconomic environment and changes in tariffs, demand across markets—including automotive lighting and displays, lighting (general lighting, architectural lighting, and agricultural lighting), LED displays, and ultraviolet/infrared applications—has softened. Although global economic uncertainty remains high in 2026, the overall trend is one of steady growth. Based on the low base in 2025, an increase of approximately 5% to 13% is expected.

The global LED component industry is showing a trend where leading players continue to grow stronger. Based on statistics for 2024–2025, the Asia-Pacific region—driven by rapid urbanization and infrastructure development—accounts for approximately 40% (including China, Japan, South Korea, Taiwan, and India), making it the primary production, consumption, and supply base for LED components. China holds the largest share in LED manufacturing and packaging, with the Asia-Pacific region alone accounting for approximately 70% of global LED component output value. North America, including the United States and Canada, accounts for around 28 percent of the market. Europe, led by countries such as Germany and the United Kingdom, represents about 20 percent. Other markets, including the Middle East, Africa, and Latin America, make up roughly 12 percent of the global share.

2. Linkages among the industry's up-, mid-, and downstream

LED is a kind of semiconductor electronic component; the current drives the conversion of electric energy into light output. It is one of the main modern light sources and is commonly used in lightings, screen backlighting or display purposes.

The links of LED lighting industry are summarized as follows:



The key upstream materials of LEDs are sapphire wafers and substrates, and sapphire (Al2O3) is the main substrate material for the gallium nitride (GaN) crystal light-emitting layer. Because sapphires meet the high temperature resistance requirements of the epitaxy process, the sapphire substrate has become a key material for the production of ultra-high brightness blue, green, blue-green and white LED grains. Currently, 4-inch/6-inch specifications are the mainstream in the market, and most suppliers are oriented towards 6-inch or differentiated directions. The future demand for Micro/Mini LED will be the main driving force for LED chip manufacturers to expand production. Therefore, except for Chinese manufacturers, manufacturers in Taiwan, Europe, America, Japan, South Korea and other countries are also in need of production expansion. The additional production capacity mainly comes from the demand for Micro/Mini LEDs; hence it is estimated that the proportion of 6-inch/8-inch wafer production will increase year by year. In recent years, price of sapphire substrates have continued to fall due to price-cutting competition from suppliers in China. In the future, it is estimated that Chinese manufacturers will account for 80% of the global sapphire substrate market.

The key products of LED midstream are single chip/crystal grain and epitaxial wafer/crystal grain. A single-wafer is a substrate of raw materials, using III-V compounds such as arsenic, germanium, phosphorus to make substrates for wafer growth, and make the wafers into epitaxial wafer through the epitaxy method. The commonly used epitaxy techniques include liquid phase epitaxy (LPE), vapor phase epitaxy (VPE), and metal-organic chemical vapor deposition (MOCVD). Depending on the needs of different LED components, LED epitaxial wafer electrodes are produced through processes such as diffusion, metal film deposition, etching, and heat treatment, and then the epitaxial substrate is thinned and polished and then diced into single crystal grains. In the past few years, Chinese manufacturers have actively expanded their factories, causing product prices to fall, and some application markets are saturated. Therefore, the wavelength and electrical characteristics of LED epitaxy are highly discrete. Hence, the reliance on detection and sorting is required, and the market scale growth is limted, leading to global overcapacity. Consequently, the global epitaxy companies have been moving towards consolidation or strengthening R&D of niche products, in order to reduce costs and enhance product competitiveness.

The downstream of LED is the crystal grain packaging, modules, and lights and lighting application industries. According to different packaging technologies, there are various types of components such as lamp, digit display, dot matrix, SMD, among various component formats. LED packaging components are used in a wide range of fields, including alternative light source lighting, plant lights, indicator lights, outdoor billboards, automotive lights, and backlight modules. Invisible light is optical coupler components, infrared emitters, photointerrupter components, security control equipment, among other things.

3. Various development trends and competitive situations of products

4. According to statistics from the Industrial Technology Research Institute's Industrial Economics and Knowledge Center (IEK), the production value of Taiwan’s LED components industry (including LED epitaxial wafers, chips, packaging, and modules) is estimated to reach NT$82 billion in 2025, representing a 5.3 percent increase compared to NT$77.9 billion in 2024. The increase was mainly driven by rising demand for Taiwan’s LED components in international brand automotive lighting, optocouplers, Micro/Mini LEDs, and AI-related sensing applications. However, due to ongoing volatility from tariffs, geopolitics, and conflicts across multiple regions from 2025–2026, there may be continued coordinated reductions in oil and mineral supply or upward pressure on industrial raw material prices, potentially leading to secondary inflation. Economic uncertainty therefore remains high. Meanwhile, Taiwan continues to face price competition from China’s “red supply chain” and Korean manufacturers, with general backlight and lighting applications successively entering an oversupplied “red ocean” market. Generally speaking, the LED component industry primarily targets the backlight and indicator applications of products such as smartphones, laptops, and monitors as its main sales markets. Although the backlight module market is saturated and showing signs of decline in market size, the application of backlight modules remains the largest market for the LED component industry in our country due to the numerous downstream application manufacturers and the deep cultivation of the backlight module market by past LED component manufacturers .

According to statistics from the Industrial Technology Research Institute's Industr

Most of Taiwanese LED epitaxial wafer and grain manufacturers have already started strategic deployment, by extending their business to other compound semiconductors, such as VCSEL, which are applied in 3D sensors, VR/AR and other markets, as well as wide bandgap semiconductors, such as Gallium Nitride (GaN) and Silicon Carbide (SiC), applied in power or radio frequency components. It is sought to provide customers with comprehensive solutions through diversified positioning. Meanwhile, the proportion of LED-related revenue is declining year by year. The Company has been actively expanding into non-LED fields including sensors as a means to satisfy demand for applications such as wearable device, automotive, consumer electronics, and Niche application markets such as medicine and AI communications.

Although LED packaging and module manufacturers have more diversified application fields, a larger number of them are also profitable. With the COB method gradually replacing the traditional LED backlight module, LED packaging component manufacturers in Taiwan are gradually fading out of the LED backlight market, and continue to shift to automotive, biomedical, or invisible light applications. market.

The automotive display market is one of the most promising growth areas this year. In particular, automotive lighting and display segments are benefiting from the rising sales of new energy vehicles. Key applications include LED smart headlights (ADB headlights), brake lights (including blind spot detection indicators), Mini LED taillights, and full-width taillights. In addition, advancements in in-vehicle technologies, such as interior backlight modules, (intelligent) ambient lighting, Mini LED backlight displays, and head-up displays (HUDs), are expected to drive further growth. As these technologies continue to evolve, the automotive LED market value is forecast to grow by 2026.

In 2025, Mini LED backlighting and display panels have started to recover. The global penetration rate of Mini LED in TVs and monitor panels has increased from 7 percent to 10 percent and is still on the rise. AR/VR and newly launched Micro LED smartwatches are also gradually driving demand for Micro LED technology. General LED lighting has also formed a stable consumer market. Driven by energy saving and green energy, LED lights will continue to penetrate. In the invisible light market, infrared LED and UV LED applications have not only the niche markets in the biomedical field, but also the wearable products including watches, bracelets, TWS and other supporting applications which will also be a field with stable growth. Later, there are applications and issues related to Micro LED and AI to be developed. It is expected that the LED industry will be optimistic in terms of market growth in the next few years.

In addition to the development of LED-related products, the Company will focus on market-driven applications, concentrating on four key areas: sensing components, power components, light source components, and OEM services. In the sensing component business, most applications are paired with light sources, particularly specialized light sources such as infrared. We have already secured a leading position in the medical application market and will next expand into AI optical communication and industrial robotics to further extend our market share. In the highly competitive optoelectronics market, we will focus on high-value specialized light sources, enhancing competitiveness through technological innovation and differentiation strategies. For consumer electronics sensors, we are actively developing new applications. Demand for optical blood oxygen sensors has grown significantly, and this demand is spilling over into consumer needs for real-time and continuous physiological monitoring, including blood oxygen, heart rate, blood pressure, and blood glucose. As a result, various types of wearable devices are emerging rapidly, driving a wave of growth. The demand for related wearable devices is expected to remain strong in 2026.

Secondly, in addition to the application of sensing components for wearable devices, with the development of the Internet of Things, the need for fast and less interference transmission will also be another long-term momentum, especially for the sensing of wavelengths 1310nm and 1550nm suitable for long-distance transmission, and 850nm sensing with relatively low cost and adopted in short-distance transmission; these are also expected to contribute to the Company's future revenue. It is estimated that the compound growth rate of global IoT connected devices will reach 17% from 2018 to 2025.

In the era of everything to be smart, sensing devices are even more indispensable. For example, robotic vacuum cleaners have gradually entered households and become an critical demand in for households. Taking Mainland China as an example, the household penetration rate of the above three items has reached approximately 90%, while robot vacuum cleaners have gradually penetrated to around 20%. Meanwhile, drones and automated guided vehicles are widely used in transportation and warehousing, and demand in these areas is also expected to contribute to future revenue. Another future application is in autonomous driving. As Level 2 has been widely adopted in new vehicles, safety considerations will receive more attentions. The monitoring of face, eyeballs, and driving heart rate to prevent safety problems caused by fatigue will also make optical sensing components and specialized light sources more widely used.

Generally larger industries adopt photo couplers and photo interrupters. Due to the characteristic of excellent anti-interference , the relevant sensing components are basically used for the adapters. The photo transistors and photo triac adopted in the high-voltage controlling unit also sees increasing proportion. In antistatic protection components, the Company is also actively developing electrostatic protection components suitable for high and low voltage and flip-chip Zener diodes. In addition, the transient voltage suppressors (TVS) that prevent surges and transient high-power voltage impacts are also developed with corresponding products.

In addition to the aforementioned sensor components, we will continue to develop high-voltage, high-power protection devices in the field of power semiconductor components. While maintaining a strong presence in the consumer market, we also aim to actively expand into automotive and industrial applications, and strengthen collaboration with major international clients. Starting from the end of 2024, the Company has been promoting the development of various power components, including photo triacs, power diodes, and TVS devices. To date, shipment volumes have remained stable and are approaching full capacity utilization, in response to the increasing demand from power management applications. Industrial control, new energy, inverter-based home appliances, data centers, 5G, and IoT are also expected to be key sectors driving the rapid growth of power semiconductor devices. Customers are widely used the products in new energy - solar junction boxes, chargers; power supply - power conversion (AC-DC or DC-DC); as well as protection components and other fields.

In terms of foundry services, the Company is actively pursuing partnerships with major brands from the United States and Japan to expand the scale and influence of our OEM business, thereby establishing a more robust presence in the international market.

(III)Technologies and R&D:

1. Technical level of the business operated

The consolidated entity continuously develops new products and new technologies, and improves manufacturing processes in III-V compound semiconductors and Si sensing components. Currently, the Company has the R&D and manufacturing capabilities of high-speed optocoupler infrared LED, patented LED point light source, SWIR sensing components (InGaAs), high-speed (100G~400Gbits) optical communication products, Si photo thyristor, and Si photo voltage generator. In addition, the Company has numerous patents for key components in terms of Si components. Since infrared LEDs, Si components, and SWIR sensing components (InGaAs) are the future development trend of security surveillance, automation, and various bio-medical smart sensing, the Group will have more competitive edges due to its multiple patents on gallium arsenide (GaAs) infrared crystal grain patented process technology and Si components, and extend the technology to high-speed optical communication components.

2. Research and development

The Group has engaged in the R&D capability for compound semiconductor and Si high-voltage components, and with the continuous efforts over the past years, we have been able to develop and launch numerous outstanding new products, and have also been able to gain support from the public sector and government agencies, All of such achievements demonstrate the Group's commitment and dedication in R&D technologies. After the Group has completed the development and mass production of VCSEL surface emitting laser diodes, SWIR sensing components (InGaAs), Si photo thyristor, Si photo voltage generator, and our production line becomes more complete. To develop products of greater retrospectivity and marketability, in recent years, the Group is fully dedicated in the research and development of third-generation GaN on Si (high-voltage power electronics) and the fourth generation of (gallium oxide) semiconductors, and Si high-voltage transistors applied on mobile phone and wearable device, and sensors for the fields of automobile, medical care and precision control. We have received orders from various international major manufacturers in Europe, Americas, Japan and Taiwan. In addition, the Group is also active in the investment of relevant product application fields. With the rapid growth of the optoelectronic market, the application scope of various products continues to expand, and the market demand is increasing. To satisfy the market demand, the Group will continue to focus on the development of the following products:

A. High density 2D/3D semiconductor passive components
B. High sensitive avalanche photodiode (APD)
C. High power AlGaInP light emitting diodes
D. High speed optical communication laser diodes
E. Multiband photo detectors
F. Dark violet (DUV/UVC) sensors
G. Silicon substrates with built-in electrostatic protection components
H. Flip-chip Zener diodes
I. Flip-chip optical diodes
J. Surface roughened high-sensitivity photodiode
K. Sensing components for medium and high-end optocoupler applications (Hi Volt PTR, Darlington, Triac)
L. sensing components for photoelectric relay application (Power MOS, PVG)
M. New automotive silicon substrate integrated Zener Components (ZPEC)
N. Photo diode integrated circuit (PDIC)
O. Low-capacitance transient voltage suppressors (TVS)
P. High speed optical communication laser diodes
Q. Vertical cavity surface emitting laser (VCSEL) diodes
R. D-mode GaN on Si MIS-HEMT
S. E-mode GaN on Si HEMT
T. MEMS analogue signal sensor
U. Chip Scale Package (CSP)
V. New generation semiconductor material components
W. Long wavelength sensing components
X. Infrared diodes for high-speed industrial control
Y. Point light source infrared diode

3. R&D expenditures input in the recent year and up to the publication date of the annual report:
(1) 2024: NT$121,235 thousand.
(2) March 31, 2026: NT$33,403 thousand.

4. Recently developed technologies or products in the last year and up until the publication date of annual report:

Year	Project	Main benefits
2018	Development of high-speed, thin-type IR products	Customers need not replace other components and can achieve product upgrade simply by replacing the IC.
	SI high-speed, small-size, and multi-wave length light-sensitive diode	Used for smartphone 3D TOF applications such as facial recognition and smart headphone, and as sensors for automobile applications such as automated windshield wiping and automated head lamp.
	Side photodiode components for COB packaging	A side photodiode design unlike conventional TO-Can packaging that can be applied to COB packaging for high-

Year	Project	Main benefits
		speed transmission; awarded patents in multiple countries.
	Development of VCSEL packaging and laser packaging	Used for face, object, and package detection.
2019	Development of long wavelength IR LED	Used in next-generation under-display fingerprint scanner and proximity switch
	High/low CAF, 4-color LED components	Used in smart medical lighting systems
	Smart ergonomic lighting equipment	
	Multi-crystal wide-color light source	High image resolution, enhanced product identification
2020	Wearable sensing component	Monitoring application for blood oxgen and heart beats
	Ambient light source sensing components	Applied to detect the ambient light sources for switch on/off.
2021	Industrial high-speed opticalcoupler 850nm light source	High-speed opticalcoupler infrared light source for industrial use maintains a stable luminous power at different ambient temperatures
2022	Flip PD	Reduce package height, volume and shading of electrodes themselves
	IR ONLY Flip PD	No coating is required, and the IR only effect can be achieved through its own physical characteristics.
	Surface roughened PD	Through granulation, the light-receiving area is enlarged and the sensitivity is improved
	PD Array crosstalk cancellation Design	There is no need to use coating to achieve the purpose of shading
	High Voltage type PTR	Increase the photoelectric control components used under high voltage
	Rbe photoelectric crystal	Optocoupler application receiver components to expand product application
	Flip Zener	ESD protection application of automotive LEDs, expanding product applications.
	CRD design optimization	By shorting the N-JFET source & gate, to use only a single component to achieve the characteristic of constant current.
	Low side light and high power point light source products	The low-side light point light source provides a better signal-to-noise ratio solution for encoders, interrupters, and low-speed fiber optic light sources
	High voltage depletion gallium nitride high electron mobility transistor	Consumer fast chargers and DC/DC power conversion applications
	MEMS analogue signal sensor	Pressure sensor application
	Silicon photo thyristor	High voltage circuit load switching control
	Silicon photovoltaic voltage generator	Automotive relay applications
2023	Indium phosphide (InP) sensing products	True wireless Bluetooth headset TWS
	GaN HEMT	Power fast charging, electric vehicle, AI server power supply
2024	Sapphire Substrate Series HEMT Foundry Platform	Consumer power supply market, server power supplies.
2025	Micro PD	Applied in ultra-high-speed optical transmission CPO solutions in combination with Micro LED and optical array interconnect technologies.

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

1. Short-term Business Development Plan:
   - (1) Based on the currently existing business, continue to dedicate in the development of high frequency/high power products and various Si sensors and protection components. In addition, for different markets, develop sales methods suitable to the local markets.
   - (2)Continue to promote the rationalization and flexibility of production process, in order to achieve harmony between production and sales, as well as to achieve most optimal operating economic scale; implement quality management thoroughly and achieve the goal of Quality First with best effort. Increase automatic production efficiency and product yield rate, engineering research and development process systematization, thereby improving overall management quality.
   - (3) To respond to market demands in new application fields, the Company continues to expand 5” and 6” wafer production capacities and efficiency.
   - (4) Coping with the tariff changes, geopolitics, and information security issues, we will improve the control and responsive strategies for various emerging risks, with flexible adjustments.
2. Long-term Business Development Plan:
   - (1) In addition to continue to improve quality and to maintain excellent cooperation relationship with domestic and foreign giants in the industry, the Company aims to expand the market share as well as to establish complete sales channels globally and diverse business strategies.
   - (2) Integrate various products of the Company and subsidiaries, and establish the operational development model with horizontal expansion and vertical integration, thereby increasing the overall competitiveness of the Company.
   - (3) Continue research and development, maintain the leading position in manufacturing technologies, and improve OEM capability, thereby exploiting the Company’s advantage in the mass production economic scale.

II. Market, production and sales overview

(I) Market analysis:

1. Table of geographic areas where the main products sold in the recent two years

Unit: NTD thousand

year Product		2024		2025	
		Amount	%	Amount	%
Domestic sale		561,608	23.45	453,233	19.40
Export	1,771,104	73.98	1,772,232	75.87	73.98
	60,463	2.53	110,115	4.72	2.53
	956	0.04	279	0.01	0.04
	0	0	0	0	0
Total		2,394,131	100.00	2,335,859	100.00

2. Market share:

Unit: NTD thousand

Item Year	Parent-only domestic sales income of TYNTEK	Sales value of the LED (crystal grain) (Note 1)	Market share
2025	453,234	41,568,272	1.09%

Note 1: source: Department of Statistics, MOEA

3. Demand and supply conditions for the market in the future and the market's growth potential

(1) Market demands

For visible light LED products, the traditional manufacturing process is based on binary or ternary intermetallic compounds gallium phosphide (GaP), gallium arsenide phosphide (GaAsP) and aluminum gallium arsenide (AlGaAs) grown and composited on epitaxy wafers. Given the relatively low brightness of output, it is usually used as indicator light. As the LED technology advances, the brightness and efficiency is gradually enhanced. The number of use cases expands given the small size of components and multiple colors for indicator lights.

The subsequently developed AlInGaP, a quaternary intermetallic compound, provides significantly higher luminance for red and yellow lights when grown on epitaxy wafers in MOCVD (metal organic chemical vapor deposition) chambers, along with metal bonding technology. This is widely used in outdoor signage, displays and lighting in automotive, for decoration and plant growth.

For high-brightness blue and green LEDs, InGaN is used as the luminescent material. Blue LED dies converted by phosphor into white light are packaged into display backlights or used in lighting products for the mass consumer market.

Mini LED and Micro LED are visible light products in the spotlight during the past few years. Mini LED is as small as 50 to 100 micrometers. This small size allows fine tuning and local adjustment of luminescence as display backlight. There will be no light spots amid blackness and the gray scales become shaper and brighter. Electricity to each LED is also more efficient than traditional backlight, which requires electricity on the entire backplane. The adoption of Mini LED by a leading brand from the U.S. for tablets resulted in significant growth in demand for Mini LED and many manufacturers jumped on the bandwagon by producing Mini LED. This also promoted the Mini LED display market. In addition to its use in the well-established panel sector, Mini LED applications have expanded to notebook computers, automotive displays, and even large-size TV panels for both commercial and household use. For example, in 2025, Mini LED TVs are expected to drive continued growth in backlight TV shipments. By 2027, shipments are forecast to reach 25 million units, accounting for approximately 12.1 percent of the total TV market. The compound annual growth rate (CAGR) from 2025 to 2027 is estimated at around 28.3 percent.

Micro LEDs are smaller than Mini LEDs and offer better color performance and resolution. They are applicable in smartwatches, virtual reality (VR), augmented reality (AR), mixed reality (MR), transparent and commercial displays, and also in high-brightness AR micro-projection devices, automotive HUDs, and other applications that require high brightness. To date, its development has enabled fundamental panel characteristics, such as size and resolution, to reach levels comparable to existing technologies (such as OLED and TFT-LCD). However, due to its inherent technical features—where LEDs directly emit light as subpixels rather than using a backlight module—it is expected to deliver superior performance in brightness, contrast, energy efficiency, and reliability. It has therefore been regarded by the industry as the "ultimate display," with high expectations placed on its future development.

Visible light LED products are ubiquitous in the day-to-day life, widely used in consumer electronics such as mobile devices and wearables, home or industrial electronics equipment, commercial outdoor signage, in-vehicle atmosphere light, directional lights and brake lights for automobiles, general lighting, decorative lighting, backlighting for computers and tablets, traffic signs and projector light sources.

Invisible light LED products are mainly infrared LED and UVA/UVB/UVC LED. The luminescent material of infrared LED is primarily AlGaAs, GaAs and InGaAsP, at a wavelength from 700nm to 1000nm. It is used in remote controls, wireless mouses, communications modules, IrDA, optical couplers, short-range optic fibers and infrared lighting. The main applications on mobile devices are distance sensors, digital medicare (heart rates, blood oxygen and blood glucose sensing). In the auto market, it is used for in-vehicle sensing (facial recognition and gesture recognition) and LIDAR. In the surveillance market, it is used as 850nm IR LED for pedestrian protection, lane detection, apron inspections and night vision. It enables remote control for TV, music systems and lighting equipment in the smart home setting. The emergence of use cases for drones and automatic guided vehicles will create a huge growth opportunity over the next few years. Another market for infrared LED based on InP material is for light emitting devices at wavelengths above 1000nm, mainly 1050/1150/1350nm. The market for consumer electronics, mobile phones and TWS applications continued to grow in 2022. The demand for infrared LEDs as the emitter above 1000nm increased for proximity sensors as an UDS (under displayer sensor), due the popularity of OLED panels and full-screen mobile phones. In addition, the development of TWS application in health management with blood glucose detection at 1350nm will create a new use case for above 1000nm LED.

Ultraviolet LEDs based on AlGaN and AlInGaN materials are used for banknote recognition, photoresin hardening, insect trapping and printing. Further technical development is towards deep ultraviolet sterilization, 3D printing and other applications. The wavelengths ranging between 100nm and 280nm are defined as UVC (Ultraviolet-C), known for disinfection capability. This function served well at the outbreak of COVID-19 and drove the demand of disinfection products. As the pandemic eased off in different countries, the UVC disinfection market slowed down. However, the base demand remains unchanged.

Finally, infrared laser (VCSEL/EEL) has been gaining traction in the market over recent years. Known for advantages in narrow bean divergence, high photon-to-electron conversion efficiency and fast data transmission, it is gradually used for the consumer market. This includes distance sensing, PDAF (Phase Detection Auto Focus), 3D facial recognition, LiDAR and iris recognition for smartphones, air and quality inspection, high-resolution night vision systems for cars.

In 2025, the demand continues to grow from new markets and use cases such as new energy vehicles, autonomous driving and optical communications. Meanwhile, biomedicine, wearables and AI continue to develop and the growth momentum remains strong for auto LEDs and sensors. All these factors are positives to the LED demand.

(2) Supplies

As far as the supply of visible light LEDs is concerned, the conventional production technology has matured over the past 20+ years. Taiwanese and Chinese manufacturers continue to add capacities in LED dies, price competition is intensifying with ample supply of visible light LEDs. The demand for traditional LEDs is stabilizing and saturating due to lower brightness and limited use cases; restriction in materials sourcing due to dominance of Japanese suppliers; and the crowding-out effects from high-brightness LEDs. The high-brightness LED chip market has been expanding rapidly during recent years due to technological development by Taiwanese manufacturers in epitaxial growth and the MOCVD equipment procurement subsidies by Chinese local governments. The market was trapped in the red ocean in 2025 due to oversupply and price reduction. That said, the adoption of Mini LED in tables can significantly absorb MOVCD capacities. As a result, high-brightness LED products were once in the blue ocean. Nonetheless, the consumer market is easily affected by the rapid fluctuations of the economy. Moreover, the long-term potential of Mini LED and Micro LED has attracted LED companies from different countries over recent years. Numerous Taiwanese companies have ramped up. The Mini LED capacities in China gradually coming online will become competitive pressure on Taiwanese players. The overheating supply of high-luminance LED products produced by MOCVD will still be challenging in 2026.

Meanwhile, as the wide adoption of LED lighting products and the maturing of industry clusters, many countries joined the competition of the lighting market. Despite the growing demand for LED chips, lighting product prices continue to fall due to oversupply. The serious imbalance in demand supply continued in 2025.

The competition in the supply of invisible light LEDs is intensifying. Price competition is severe in the infrared market such as surveillance & security, remote control and electronic whiteboards, as manufactures continue to expand capacities. In the niche market for specific wavelengths such as aesthetic medicine, plant (cannabis) growing lamps, iris recognition, optical communication and consumer products above 1000nm, the competition is not only about pricing but also product brightness and stability. The expected rapid market growth has attracted new entrants.

China remains the world’s largest LED supplier supported by its government resources and sizable domestic market. Japan is the world’s second largest supplier given its global leadership in technological development in high-brightness LED. Korea and Taiwan are both the global No. 3. LED manufacturers from Europe and the U.S. are leading brands with certain market shares.

4. Competition niches

The Group maintains its competitiveness and market share in a highly competitive market primarily for the following reasons:

(1)Industry aspect

As governments worldwide expand communication infrastructure, they are also driving the rapid development of ICT technology. The global industry has entered the AIoT era, combining multiple technologies such as artificial intelligence, the metaverse, cybersecurity, Low Power Wide Area Networks (LPWAN), and edge computing to continuously advance the industry. Topics like AI computing and the Internet of Things continue to be viewed positively. Additionally, with the ongoing increase in demand for automotive cameras and Industry 4.0, these related industries are expected to boost demand for various sensing layers, including terminal innovations and specific sensors, semiconductors, and related fields. Future strategies will focus on AI high-speed optical communications, integration of multisensory technologies, and energy-saving technologies.

The establishment of data centers and the demand for high-speed wireless communications will drive the growth of the optical communications and optical storage industries. Additionally, the emerging opportunities in low-earth orbit satellites will further enhance the demand for optical communications and storage products, leading to continued stable growth in the optical communication and power component industries.

Under the ongoing global trend of energy conservation and carbon reduction, aimed at achieving net-zero emissions, the demand for green energy by businesses has been steadily increasing. This has, in turn, driven growth in the solar photovoltaic and wind power markets. Through various sensors, businesses can promptly monitor energy usage and losses, effectively detecting waste occurrences. AI can predict future carbon emissions based on operational processes, emission reduction methods, and needs, aiding in the formulation, adjustment, and achievement of carbon emission targets. The integration of AI, 5G, cloud computing, and IoT solutions can assist enterprises in effectively conserving energy and reducing carbon emissions, which is expected to continue to drive positive outlooks in related industries.

(2) Company aspect

A. The capacity has reached the economic scale

The Group is among the top ten semiconductor manufacturers in Taiwan. Besides the existing 5-inch production capacity in mass production, the new 6-inch wafer factory has reached economic scale. The company has two fabs for Si component products that can provide support and allocation, simultaneously meeting international customers' demands for capacity and quality.

B. High production efficiency

With its production capacity, the merged company can immediately supply various product series to meet customers' delivery and quantity requirements. Due to efficient production capacity, the company can shorten production cycles, reduce manufacturing costs, and achieve effective output. The company has been honored with international quality certifications including ISO9001, IATF16949, ISO14001, ISO45001, and CNS45001, earning the trust of customers.

C. Technology innovation

i. Strong R&D and manufacturing capacity of IR LED and Si components

The company has the capability to produce and manufacture both infrared LEDs and Si components. Through continuous research and development of new products, new technologies, and process improvements, we have successfully developed and started selling high-speed infrared LEDs and high-speed detection components for wireless data transmission modules. We have also developed low-interference point-source infrared diodes, which can be widely used in industrial encoders and other applications.

When it comes to Si components, we have developed photodiodes on flip-chip technology and filtering functionality. We also have patents for low-noise components. Both infrared LEDs and Si components are the future of control components. The Group will be even more competitive given our patents on gallium arsenide (GaAs) infrared epitaxial growing technology and low-noise Si components.

ii. Development of optical communications products

The current mainstream photodiodes for optical communications are 2.5G to 50G single chips and 40G to 400G array chips, to meet the variety of use cases (EPON; XGPON). Laser power photodiodes for analog or digital communications have been on the market in steady volumes. We have also successfully developed diode components for side-detection on COB (chip on board) packaging. Given the advancement of communications systems and increasing adoption of 5G, higher transmission speeds and bandwidth services are in order for next generation communications systems to meet user needs. The outlook is bright for optical communications components industry.

Applications for long-wavelength light sources are growing significantly, particularly with the introduction of new generation wearable products for blood oxygen detection and the use of sensors for detecting special gases, moisture, sugar content, and agricultural product quality between 1100nm and 1900nm. In 2024, there has been a substantial increase in demand for shipments for wearable devices and under-display detection.

iii. Development of power components

The development of planar TVS and Power Zener series products has been completed. These products are primarily used for protecting circuits from transient high-voltage spikes and for voltage stabilization, with ongoing development towards low-voltage and high-power components. Additionally, in 2023, the company successfully developed high-frequency III-V family GaN on Silicon products, which have been certified by clients. Mass production is expected to start in 2024. This product is widely used in power conversion applications, with end-use areas including new energy, satellite communications, data centers, 5G, and IoT.

iv. Development of photocoupler components

In optocouplers, LEDs (visible and infrared) and photodiodes are our company's main mass-produced items. In 2023, we developed a series of phototransistor products that have passed customer validation. As technology advances, these components will be layered into multiple transistors and developed into optically controlled devices for specific applications, such as AC-110V and 220V, and high-voltage DC applications for PVG products. Optocouplers are extensively used in electrical isolation, level shifting, driving circuits, and industrial communication fields.

D. Comprehensive product lines and high-value added products

As LEDs and Si components are often used together, the merged company, with its wide range of visible and infrared LEDs and Si components, can match and provide optocoupler components to meet diverse customer needs. The company also develops high value-added power components that can be paired with optocouplers, offering complete solutions to customers and striving to expand into international markets and high-end application areas.

5. Positive and negative factors for future development, and the company's response to such factors

(1) Positive factors

A. The products have many advantages and a wide range of applications

LEDs have the advantages of low heat generation, low power consumption, compact size, long life, and fast response rate. They have been widely used in consumer electronics, signs, communications, information, automotive, medical, and plant lighting. Since the new products and new usages are developed continuously, the demand continues to expand and the market outlook is very good.

B. Good quality and diversified products

The merged company possesses manufacturing and development capabilities in visible LEDs, infrared LEDs, indium phosphide (InP) sensing components, gallium nitride (GaN) power components, and silicon components, fully meeting customer demands. The products of the merged company are of high quality, have received positive feedback from customers, and have passed multiple international quality certifications, including ISO 9001, IATF16949, ISO14001, ISO45001, and CNS45001.

C.Strong R&D and manufacturing capabilities of C.CS (compound semiconductor) components and Si components

The Group has the manufacturing capacity of CS components and Si components, and has the low-noise component patent in the aspect of Si components, which makes the Group more competitive in the control component market.

D. With a history of over 40 years since 1972, the Taiwanese LED industry boasts mature and reliable technical capabilities from midstream to downstream. The industrial and business environment is high competitive due to the comprehensive division of labor from up, mid to downstream and the integration with IT, electronics and semiconductor industries. The Group has been expanding capacities during recent years and is now among the top ten largest die manufacturers in Taiwan. The ramp-up by all the fabs further reduces cost, boosts competitiveness and the ability to meet bulk orders from international customers.

(2) Negative factors and responses

A. The source of raw materials for LED products is mainly concentrated in Japan, to which the dependence is high.

At present, in the regard of LED upstream raw materials, especially epitaxial wafers, Japan has the advanced technologies and economic scale, and thus domestic LED midstream chip manufacturers mostly imported the raw materials from Japan with the consideration of quality and costs; which leads the risk of concentration of raw material sources.

Countermeasures:

i. Japan's Shin-Etsu Semiconductor has cooperated with Taiwan to set up a factory in Hsinchu Science Industrial Park in 1996 to manufacture gallium phosphide (GaP) epitaxial wafers. The direct supply from here may satisfy part of the company's demand for raw materials, thereby reducing its dependence on Japan.

ii. Actively purchase epitaxial wafers from regions other than Japan to diversify the risk of procurement concentration.
iii. Cooperate with domestic GaP wafer fabs to reduce dependence on Japan.
iv. Establish long-term cooperative relations with major raw material suppliers to stabilize the source of raw materials.
v. Continue to develop and improve the production technology capabilities of epitaxial wafers on our own, such as the quality and quantity of GaAs epitaxial wafers, to reduce dependence on foreign epitaxial wafers.

B. Risk of exchange rate changes

Most of the main raw materials of the Group are imported from abroad, leading to the risk of exchange rate fluctuations. Faced with exchange rate risks, the countermeasures of the Group are as follows:

i. Sale or purchase of forward foreign exchange in advance.
ii. Strengthen procurement capabilities, reduce costs of raw material purchase, and negotiate sharing exchange rate risks with suppliers. If the magnitude exchange rate changes increases, transaction price will be renegotiated with the supplier.
iii. Strengthen the ability to develop sources of incoming materials and avoid excessive influence from a single currency exchange rate.
iv. The quotation system with customers include the consideration of selling price adjustment due to exchange rate changes to protect the Company's existing profits.
v. Pay the expenditure in foreign currency generated from importation with the export revenue in same currency, to shift partial FX risks.
vi. Adjust foreign currency positions based on exchange rate changes.

(II) Key usages and manufacturing processes for main products

1. Key usages of main products

The products of the combined company are mainly divided into two categories: compound semiconductor(CS) devices and silicon (SI) devices according to their functions. The important uses of the main products are as follows:

(1) Compound semiconductor components

● Visible LED products

Key usages: Small light bulbs, digital displays, dot matrix displays, light source displays for fax machines, home appliances, communications, computers, automobiles and other consumer products indicating components, traffic signs, outdoor display screens, and automotive dashboards, encoder, interrupter, and low-speed fiber optic light source.

● Infrared light LED products

Key usages: Transmitting components such as mouse, remote control, electronic toll collection system, wireless transmission products, encoder, interrupter, and low-speed fiber optic light source.

Indium phosphide (InP) sensing products

Key usages: optical fiber communication modules, SWIR optical sensing components, Bluetooth true wireless stereo (TWS) headsets, under-display sensing module (UDS).

(2) SI components

- Photo-transistor components (PT)

  Key usages: Optical coupler, optical interrupter, proximity sensor (non-contact sensor), infrared monitor control, and other components for monitoring.

- Photo-Diode (PD)

  Key usages: Components for remote control reception of consumer products such as home appliances, communications, computers, and automobiles, medical care (oximeter and pregnancy test), fire and smoke detection, mechanical positioning, motor speed measurement, and panel touch.

- Zener Diode (ZD)

  Key usages: Application components for LED packaging (stabilization, rectification, electrostatic protection, bridging, leakage detection).

- Transient voltage suppressors (TVS)

  Key usages: Electrostatic protection components for consumer products (mobile phones, computers, handheld devices, etc.).

- Chip resistance (CR)

  Key usages: LED packaging, application components of various circuit boards (voltage adjustment, and current control)

Optical cassette fluid (TCN **)**

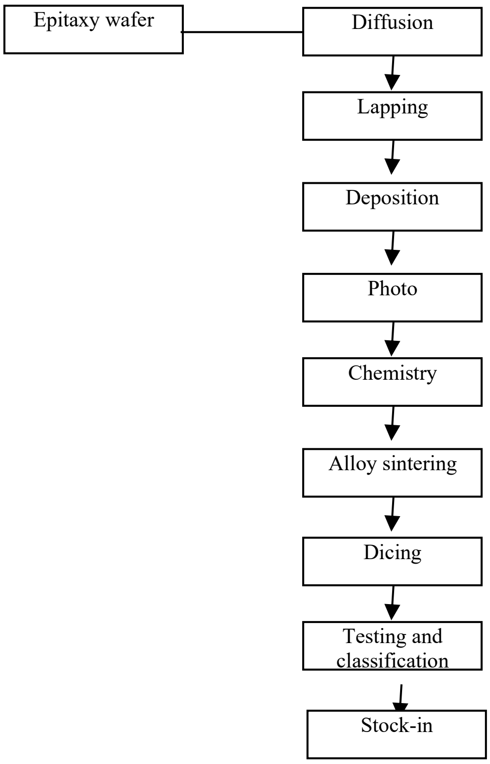
Key usages: Application components (control of speed and power) of various small home appliances such as instant pots and hair dryers.

Pressure sensor (MPS **)**

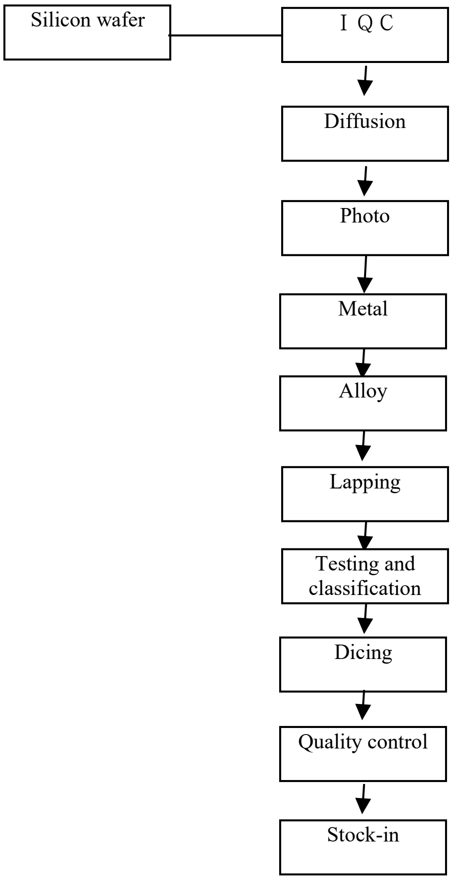
Key usages: Application components (pressure monitoring, flow control) in medical and industrial applications.

2. Production process

(1) Compound semiconductor (CS) components



(2) SI components



(III) Supplies of key materials

The main raw material of the Group is epitaxy wafers (mainly containing GaP, GaP/GaAsP, InGaAs, InP, Epi wafer and Si wafer). As the upstream manufacturers of LEDs in Japan, Taiwan, China, Germany, Europe and Americas have almost covered the world's upstream raw material market for LEDs with their advanced technology and economic scale, based on product quality and cost considerations and industry characteristics, and the effects of industrial natures, the source of raw materials of the Group is concentrated in a few large factories. The Group has long-term relationship with the aforementioned big company and is a strategic partner, so it can continue to deliver goods steadily

(IV) Major customers and suppliers in the latest 2 years

1. Major clients (accounted for 10% or more of the net sales amount)

Unit: NTD thousands; %

Year	2024				2025				Q1 2025			
Item	Name	Amount	Percentage to the whole-year net sales amount (%)	Relationship with the issuer	Name	Amount	Percentage to the whole-year net sales amount (%)	Relationship with the issuer	Name	Amount	Percentage to net sales amount of the current year up to the previous quarter (%)	Relationship with the issuer
1	Customer A	387,118	16.17	None	Customer C	498,116	21.39	無	Customer C	94,114	17.26	Customer C
2	Customer B	352,998	14.74	None	Customer A	384,637	16.52	無	Customer A	91,421	16.77	Customer A
	Customer C	248,541	10.38	None	-	-	-	無	-	-	-	-
3	Others	1,405,474	58.71	-	Others	1,405,474	62.09	-	Others	359,612	65.97	Others
		2,394,131	100.00			2,335,859	100.00			545,147	100.00	

Reason of changes: In the first quarter of 2015, order demand from customers C and D increased.

2. Major suppliers (accounted for 10% or more of the net purchase amount)

Unit: NTD thousands; %

Year	2024				2025				Q1 2025			
Item	Name	Amount	Percentage to the whole-year net purchase amount (%)	Relationship with the issuer	Name	Amount	Percentage to the whole-year net purchase amount (%)	Relationship with the issuer	Name	Amount	Percentage to net purchase amount of the current year up to the previous quarter (%)	Relationship with the issuer
1	Company A	193,227	20.23	None	Company A	94,619	11.21	None	Company A	28,567	13.05	None
2	Others	761,853	79.77	—	Others	749,790	88.79	—	Others	190,419	86.95	—
	Purchase Net Amount	955,080	100.00	—	Purchase Net Amount	844,409	100.00	—	Purchase Net Amount	218,986	100.00	—

Reason of changes: There have been no major changes.

III. Number of Employees, Average Years of Service, Average Age, and Education Background Distribution in the Two Most Recent Fiscal Years

Employees' Information in the Two Most Recent Fiscal Years up to the Date of Publication of the Annual Report

Year		2024	2025	Current year up to March 31, 2026
Number of employees	Technicians	194	204	205
	Administrative clerk	142	142	142
	Operators	563	566	564
	Total	899	912	911
Average age		39.06	39.88	40.15
Average years of service		8.62	9.53	9.68
Educational background distribution	Doctoral Degree	0.23	0.22	0.22
	Master degree	7.23	7.23	7.36
	College	58.17	59.10	58.83
	Senior high school	25.47	24.56	24.70
	Below senior high school	8.90	8.89	8.89

IV. Information on environmental protection expenditure

(I) Losses (including damage compensations) and fines incurred due to pollution of environment in the last year up till the publication date of this annual report:

The Renai plant was fined NT$60,000 for violating Article 36-1-7-2 of the Waste Disposal Act. However, the violation did not involve any suspension of operations or revocation of permits. There were no major violations throughout the year, and the incident had no significant impact on the company's finances and operations.

(II) Response strategies, improvements and possible expenses:

The Company has strengthened contract management with partner companies by enhancing the review of validity periods, ensuring that permits remain seamlessly effective throughout the waste transportation period. Contract reviews are conducted six months prior to expiration to ensure all waste is cleared within the prescribed timeframe. This improvement measure is solely to ensure continuity of validity and does not incur any additional costs.

(III) Environmental monitoring fees:

In 2024, the regular environmental monitoring expenses for air pollution, waste water and waste are as follows:

Waste water: NT$615.78 thousand

Fixed amount for air pollution: NT$1,503.80 thousand

Waste: NT$50.00 thousand

Total: NT$2,169.58 thousand

V. Labor-management relations

(I) Availability and execution of employee welfare, education, training and retirement policies; elaborate on the agreements between employers and employees, and protection of employees' rights:

<u>Employee welfare measures</u>

1. Employees are entitled to Labor Insurance, National Health Insurance, group insurance, and dependents' group insurance coverage.
2. Employees may receive rewards for successful registration of patents; the Company pays quarterly bonuses depending on operational performance.
3. The Company offers facilities such as canteen, massage room, carpark, and nursery room for its employees. Employees are also entitled to rental subsidies.
4. Employees may enjoy benefits such as wedding subsidy, funeral subsidy, childbirth subsidy, festive vouchers, and birthday vouchers.
5. Domestic/foreign trip subsidies, year-end banquet, and lottery draw. Gathering events (Family Day, Mid-autumn barbecue etc.)
6. Through an employee stock ownership trust, the Company provides a 100% matching contribution, sharing the Company’s operating performance with employees, encouraging savings, enhancing their quality of life after retirement, and creating a win-win outcome.
7. Discount at partnered merchants (about 100 merchants covering every lifestyle aspect)
8. The Company subsidizes inter-department gatherings as a means to unite employees, promote open communication, and build up productive working relationship across departments.
9. The Employee Welfare Committee arranges welfare measures and organizes labor-management meetings on a quarterly basis to promote productive working relationship and improve employment terms as well as workers' living and working environment. By promoting assistance and co-dependence, the committee helps ensure mutual benefit and harmony between labor and the management.
10. In addition to offering statutory minimum protections, the Company contributes 0.115% of monthly revenues and 40% of scrap income to employee welfare fund.
11. The Company is dedicated to promoting healthy workplace, and has been awarded "Badge of Accredited Healthy Workplace" by the Health Promotion Administration, Ministry of Health and Welfare, since 2022. The Company organizes employee health checkup, special hazard checkup, and new recruit checkup on a regular basis, and adopts a risk-based approach towards managing and promoting employees' health.
12. Health promotion and fitness events such as: weight loss challenge, eye sight protection, vaccination, healthy diet course, and massage service are organized on a yearly basis.
13. Specialized practices are adopted to control sudden outbreaks of diseases such as: COVID-19, seasonal flu, dengue fever, and tuberculosis.
14. Workplace health risk assessment: workload assessment and management, ergonomic hazard prevention, feminine health assessment and protection, and violence prevention and control.
15. The Company has stationed physicians available to provide employees with health information, consultation, assessment, and recommendation at plant premise.

Continuing education and trainings of employees

For talent cultivation, the Group upholds the concept of training for career development, and strives to improve the quality of human resources and future management talents, in order to shape a good culture and create higher operating performance of the Company. In order to cultivate the talents needed for the company's business development, the annual training planning is formulated based on the business conditions, to strengthen talent development and professional skills through the talent cultivation system.

After the employees of the Group report to onboard, the orientation will be conducted for new recruits. New recruits will be given quality concepts and company quality policy courses in accordance with the new recruits' orientation regulations, so that they will have quality awareness during the work process and always monitor the quality of work. The general health and safety and hazard awareness classes are arranged, to protect the heal and safety of employees, while preventing the occupational disasters. Certain employees need to be certified and regularly assessed to ensure that their abilities meet the qualifications.

New recruits will be given quality concepts and company quality policy courses in accordance with the new recruits' orientation regulations, so that they will have quality awareness during the work process and always monitor the quality of work.

Certain employees need to be certified and regularly assessed to ensure that their abilities meet the qualifications.

The number of hours of training held in 2025 was about 7,803 hours, the total number of attendees was about 3,857, and the total training expense was about NT$800,595. The training results are as follows:

Category	Attendees	Training hours	Training expense
Management courses	119	714.0	800,595
General knowledge courses	147	477.0	
Quality courses	113	327.5	
Information security course	410	502.0	
Ethical management	841	972.0	
Environmental, safety, and health courses	1,747	3,171.5	
Professional courses specific to segments	84	358.0	
Sustainable courses	262	276.0	
Orientation for new recruits	134	1,005.0	
Total	3,857	7,803	

Retirement system

The consolidated entity has implemented an employee retirement policy in accordance with the Labor Standards Act that outlines the retirement condition, pension payment standards, and application procedures. A Labor Pension Supervisory Committee has been assembled to oversee uses of the labor pension fund. The Company makes monthly pension contributions equivalent to 5% of employees' gross salaries. These sums are deposited into a separate account held under Bank of Taiwan in the name of Labor Pension Supervisory Committee to protect workers' interests. Since July 1, 2005, the Company has been complying with the Labor Pension Act and making contributions equal to 6% of employees' monthly salary into their individual pension accounts held under the Bureau of Labor Insurance. For employees who opt to make voluntary contributions, the Company deducts voluntary contributions from their monthly salaries and credits these amounts into their individual pension accounts held under the Bureau of Labor Insurance.

Applicable laws	Labor Standards Act	Labor Pension Act
Method of contribution	The Company makes monthly pension contributions equivalent to 5% of employees' gross salaries. These sums are deposited into a separate account held under Bank of Taiwan in the name of Labor Pension Supervisory Committee.	The Company makes monthly pension contributions equivalent to 6% of employees' gross salaries to their individual accounts held with the Bureau of Labor Insurance.
Amount of contribution	The labor pension fund as of December 2025 had a balance of NT$82,603 thousand	Pension fund expenses recognized in 2025 amounted to NT$20,405 thousand.

The consolidated entity is subject to the following rules of Labor Pension Act:

1. Voluntary retirement:

   Workers that meet any of the following conditions may apply for voluntary retirement: (for employees who have opted for the Labor Pension Act, the corresponding rules shall apply)

   (1) Where the worker attains the age of fifty-five and has worked for fifteen years.

   (2) Where the worker has worked for more than twenty-five years.

   (3) Where the worker attains the age of sixty and has worked for ten years.

2. Mandatory retirement:

   The consolidated entity many not force employees to retire except in any of the following circumstances:

   (1) Aged 65 or above.

   (2) Physical or mental disability that renders the employee unfit to work.

   The age criteria mentioned in Subparagraph 1 of the preceding Paragraph can be adjusted for positions that involve danger, physical strength, or special requirements, subject to the authority's approval. However, the age criteria must be no less than 55.

3. Pension payment standards:

   (1) For employees who opted to continue adopting pension rules of the Labor

Standards Act after the Labor Pension Act came into effect and those who opted to have years of service carried forward from the Labor Standards Act to the Labor Pension Act, pension benefits are calculated according to the rules and standards outlined in Articles 84-2 and 55 of the Labor Standards Act.

(2) Employees who have accumulated years of service in the manner described in the preceding Paragraph and are subject to the mandatory retirement rules specified in Subparagraph 2, Paragraph 1, Article 54 of the Labor Standards Act are entitled to 20% additional benefits under Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act if the physical/mental disability is caused as a result of the duties performed.

(3) For employees who are subject to the pension scheme specified under the Labor Pension Act, the consolidated entity makes contributions equal to 6% of their monthly salary to their personal pension accounts.

4. Pension benefit payment: The amount of pension benefits payable to employees shall be paid within 30 days after the day of employee's retirement.

<u>Enforcement of labor agreements and employee rights</u>

1. 1. Labor agreement: The consolidated entity is governed by the Labor Standards Act and all labor-related policies and employee work rules are established in compliance with the Labor Standards Act. The consolidated entity places great emphasis on employees' benefits and communication, and therefore has been able to maintain harmonic employment relations. Nevertheless, the consolidated entity will continue promoting communication and eliminate possible disputes for more harmonic employment relations.
2. Protection of employees' interests: The consolidated entity has an employee opinion box in place to collect complaints and opinions from employees, which provide reference for future improvements. Furthermore, a "Illegal Infringement" hotline, 037-582997#10503, has been set up for employees to report misconducts.
3. Employees' conducts and moral principles

   The consolidated entity has outlined employee code of conduct as part of its work rules, which requires employees to comply with the following principles over the course of service:

   (1) Obey all rules of the Company.
   (2) Follow the command and supervision of managers.
   (3) Devote full attention to the tasks assigned.
   (4) Be loyal and act in the Company’s best interests.
   (5) Refrain from revealing or inquiring salary package of other employees.
   (6) Refrain from exploiting the vested authority for acceptance of gift, fraud, or any other action against the Company’s interests.
   (7) Wear and maintain proper custody of ID badges according to the Company's policies.
   (8) Maintain appropriate appearance and treat customers and colleagues with respect.
   (9) Act and speak with discretion, and accomplish the work duties assigned.

(10) Refrain from bringing firearms, blades, hazardous items, contrabands, or items unrelated to work activities into the workplace; refrain from removing Company properties off plant premise without permission.

(11) The labor safety and health laws and regulations shall be observed, to ensure the workers' safety and health0

(12) Refrain from downloading or copying software without permission, and refrain from transmitting data and information via e-mail or the Internet that may cause harm to others.

(13) Employees are bound by their duty of loyalty and integrity to maintain confidentiality of all business or technological secrets gained from work, whether during or after their employment, and shall refrain from revealing, informing, handing, transferring, publishing, or releasing the above information to others.

Work environment and employees' safety

The consolidated entity recognizes employees as the pillar that supports a business, and is therefore dedicated to creating a safe, healthy, and comfortable work environment and encourages employees to participate actively in work safety programs and emergency response drills for improved work safety awareness. Environment, health and safety tests and inspections are conducted regularly. As the world enters a green era, pollution prevention has emerged to become a key issue in business management. Through introduction of various initiatives and improvement measures, the Company aims to effectively reduce industrial waste, reuse resources, raise occupational safety awareness, promote safety and comfort of the operating environment, and contribute to environmental protection as part of its corporate social responsibilities.

1. The Company makes plans, takes samples, conducts monitoring and tests, and performs analyses to gain full understanding of the state and condition of workers' work environment. These actions are taken to protect workers from the harm of hazardous substances present in the workplace, and to provide workers with a safety and comfortable work environment. The Company tests its operating environment twice a year to gather information on the work condition that employees are exposed to, so that effective precautionary measures can be taken.
2. Based on the nature of the operation and the graded management of chemicals, the information are collected and tested; it is plan to commission a qualified organization to conduct the operation environment at least twice a year, and gradually the actual exposure status of the employees and workplace becomes known, and to be used as the basis of physical examinations and effective response and preventive measures.
3. The Company has established its auto-inspection management regulations to serve as guidance for self-inspection tasks. Through division of responsibility, total participation, regular inspection, key area inspection, operational inspection, and security patrol, the Company ensures that safety and health self-inspections are duly performed to keep machinery and equipment operating at a safe state, and that the operating environment is maintained properly to be free of hazard. These practices help secure safety of personnel and integrity of the Company's equipment and property. Execute pursuant to the auto inspection management regulations (SW-ESH-05).

4. All dangerous machinery and equipment used are being managed in a manner that complies with laws. All equipment that have been designated to be highly dangerous, whether by law or by the Company, are subjected to inspections before, during, and after use. Establishment (amendment) of safety/health self-inspection policies and equipment self-inspection checklists for all machinery, equipment, tools, operating environment, and personnel within plant premise.
   (1) Inspection and reporting of new machinery, equipment, tools, and workplace within plant premise.
   (2) General inspection of machinery, equipment, tools, and workplace within plant premise, and the handling, response, and follow up of abnormal findings.

Item	Regular inspection	Key area inspection	Operational inspection
Category II pressure vessel	Yearly	--	--
High-pressure gas designated equipment (hazardous equipment)	Monthly	--	--
High and low voltage electrical equipment	Monthly	--	Daily
Forklift	Monthly	Yearly	Before operation
Specific chemical equipment	Every two years	--	--
High-pressurized gas container	Daily	--	Daily
local exhaust, Blow-suction ventilation device	Daily	--	--
Dehydration equipment	Yearly	--	--
Powered centrifugal machinery	Yearly	--	--
Organic solvent	Monthly	--	--
Specific chemical substances	Monthly	--	--
Personal protective equipment	Monthly	--	--
Explosion-proof electrical equipment	Monthly	--	--
Emergency shower	Monthly	--	--
Maintenance of lift equipment and freight-passenger elevators	Monthly	According to the supplier’s inspection report	--
Drinking water test report	Quarterly	--	--
Fire protection equipment inspection checklist	Yearly	--	--
Diesel emergency generator	Monthly	--	--
Hexaflumuron and Fipronil/Calcium Gluconate	Monthly	--	--

Ointment			
First-aid kit	half a year	--	--

5. Various education and trainings related to safety and health.
   Refer to all employees, specific operations, self-defense firefighting team and other job description, appropriate courses or trainings are arranged to strengthen their concept and familiarity with safety and health, to promote employees' safety awareness, make the working environment safer and more comfortable, as the fulfillment of the corporate responsibility for safety and health.

Item	Frequency (re-training)	Attendees
General health and safety education	Three hours for every three years	All employee
General education of hazard	Three hours for every three years	All employee
Supervisor of Organic Solvent Operation	Six hours every three years	Chemical operation
Supervisor of Specialized Chemical Substance Operation	Six hours every three years	Chemical operation
Training of radiative protection	Three years and three hours	Operation of radiative equipment
Training of first aid personnel	Three hours for every three years	Self-guard and firefighting
Breath protection	Two hours every year	Chemical operation
Self-guard and firefighting training	Four hours every six months	Self-guard and firefighting
Emergency contingency	Once per year	Self-guard and firefighting
ISO 45001	Once per year	ISO auditor
Civil defense corp	Twice a year	Self-guard and firefighting

Below are more detailed descriptions of the consolidated entity’s management goals, measures, and solutions regarding the work environment, personnel safety, and protection:

Serial No.	Management goal	Description of issues or requirements	Solutions executed
1	The developer solution discharge pipelines of equipment CRS-1, CRS-2, and ELS-2 were modified to connect to the plant utilities’ general acid/alkali AWD treatment system discharge pipeline, thereby reducing leakage risk.	Organic waste liquid has been reduced by 12.02 tonnes compared to the same period last year, resulting in cost savings of NT$468,780. Regular water sampling and testing confirm that the effluent quality complies with the discharge standards set by the Science Park Bureau. In addition, pipeline inspections were conducted during the rerouting process to reduce the risk of leakage.	1F yellow-light area equipment drainage pipeline modification project

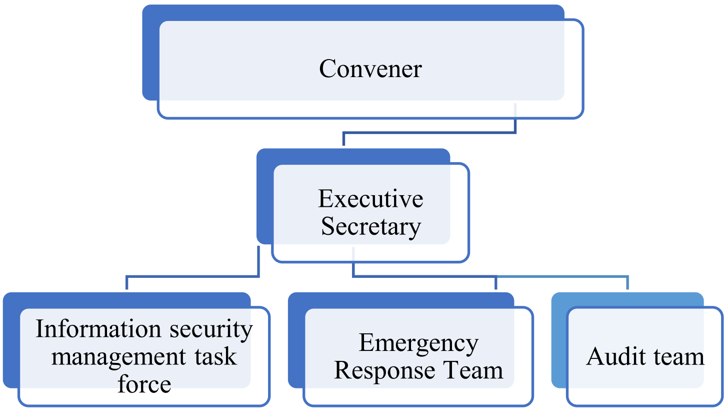
Serial No.	Management goal	Description of issues or requirements	Solutions executed
2	Generator maintenance is carried out to prevent and reduce abnormal failures.	Generator-related abnormalities, including failure to start, should be reduced to no more than five occurrences per year.	Generator maintenance
3	Increase general ventilation to reduce odors (acetic acid) generated during acid replacement in the B15 area	Exhaust from the B15 acid supply cabinet should be enhanced to reduce the concentration of total volatile organic compounds to below 0.56 ppm.	The exhaust system of the acid supply cabinet has been modified (by adding general ventilation).
4	Additional power outlets should be installed to enable proper equipment operation without the use of extension cords, thereby preventing or reducing occupational safety and health risks.	To reduce risks such as overload and fire hazards caused by the use of extension cords, the target is to reduce the number of such risk cases to zero.	Additional power outlets should be installed in the 1F metal etching area to improve operations.
5	Side protection will be installed on one side of the stairs first (as double-sided installation would affect wafer loading operations), to reduce occupational safety and health risks.	Personnel should work in a safe operating environment, with the risk of injury reduced to zero.	The handrails on the stairs for the high-temperature furnace tubes in the 1F cleanroom have been improved.

6. Actual or estimated losses arising as a result of employment dispute in the last year up until the publication date of annual report, and any response measures taken: None.

VI. Cyber security management

To strengthen information security management, ensure the security of corporate data, systems, equipment and network, prevent the unauthorized access, use, control, leakage, compromise, alteration, destruction, or other infringement suffered by the information or cyber system, and ensure the confidentiality, integrity and availability of core business-related information assets, so as to provide an information security environment for the continuous operation of information systems, and comply with requirements of relevant laws and regulations, for avoiding the risks of deliberately internal or external threats or improper management and use by the internal personnel, resulting in tampering, disclosure, destruction or loss of data, the Group regulates the specific information security policy. This policy is evaluated at least once a year, to comply with the latest developments in relevant laws, technology and business, for ensuring the effectiveness of information security practices, and implementing the following management policies to prevent the possibility of information security risks.

1. Information Security Promotion Team



Information security promotion team organization description:
Convener: The President serves as the convener
Responsibilities: Administering the affairs of the IT Security Promotion Team.
Executive Secretary: To be appointed by the convener of the information security promotion team
Responsibilities: Responsible for information security management operations, serves as the administrator of the ISMS, and assists in arranging information security and assist in coordinating the meetings of the Information Security Promotion Team.
Information security management team: composed of the heads of the information units and their designated representatives.
Responsibilities: Plan, establish, implement, maintain, review and continuously improve the Company's information security management system, and escalate information security-related topics to the information security management review meeting. Coordinate the internal audit schedule, supervise the audit implementation and corrective/preventive improvement measures. Advocate and educate colleagues to follow the resolutions of the information security promotion team and communicate and coordinate with related units.
Emergency management team: To be served by the person in charge of each key operation.
Responsibilities: When a major information security incident occurs, take charge of developing, maintaining, updating and executing various disaster relief measures.
Recovery Procedures.
Audit team: It consists of representatives appointed by the head of the President’s Office and the head of the information unit.

Responsibilities: Responsible for formulating information security related audit plans, executing audit operations, and tracking non-conformance incidents.
corrective/preventive measures.

2. Information security management policy

(1) Ensure the data security, availability, data integrity and service continuity of the core business.

(2) Implement management measures and standard operating procedures for user platform development and maintenance, computer room management, and outsourcing management.

(3) The panorama and scope of information security should correspond to the requirements of the Company's important business processes and continuous operations.

(4) Regularly implement information security education and promotion, to enhance the concept of information security among employees and the awareness of related information security responsibilities.

(5) Employees conduct business pursuant to various management measures and operational procedures, to maintain the normal operation of the Company.

(6) The execution of information business activities must comply with the requirements of relevant laws or regulations.

(7) Implement regular monitoring and information security internal audit system, to ensure that information security management is implemented in daily maintenance, operation and business activities.

(8) This policy is evaluated by the "Information Security Committee" at least once a year to comply with the latest developments in relevant laws, technology, and business, for ensuring the effectiveness of information security practices.

3. Concrete management program

(1) The executives of the Company actively participate in information security management activities and provide support and commitment to information security.

(2) Provide employee with information security training courses to enhance employees' information security awareness.

(3) When outsourcing information business operations, the information security needs should be researched in advance, and the information security responsibilities and confidentiality requirements for contractors should be clearly defined and included in the contract, requiring contractors to comply with, and be audited regularly.

(4) All employees shall comply with the Company's information security incident reporting mechanism, and report information security incidents or information security vulnerabilities discovered.

(5) Protect the Company's business activity information from unauthorized access and alteration, to ensure its accuracy and integrity.

(6) Any conduct that endangers information security will be sued for civil, criminal, and/or administrative responsibilities, or punished based the relevant regulations of the Company depending the materiality.

(7) To ensure the Company's information security, the intrusion prevention services are installed at the internet side to block network viruses and intrusion attacks; additionally, through the

establishment of a corporate firewall, viruses and intrusion attacks are blocked before the Company's internal network.

(8) To prevent the invasion of computer viruses, the computer devices used by the enterprise shall install anti-virus programs, and the relevant virus patterns and virus scanning engines are regularly updated, and update the vulnerability fixing programs for the operating systems.

(9) Implement the data backup, preservation and backup data availability test for the enterprise operation system.

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

5. Total number of hours of information security meetings and total number of key executives in 2025

(1) Total number of personnel involved in the execution of information security: 3

(2) Number of information security meetings: 3 meetings

VII. Major contracts

Contract nature	Parties involved	Contract start/end date	Main contents	Restrictive clauses
Procurement contract	Yeu Chern Environment Technology Co., Ltd.	2020.05.06-2021.05.06	Kejung Plant - construction of underground tank for recycling of organic waste fluid	None
Joint development contract	Advanced Analog Technology, Inc.	2020.06.18-2023-06.18	Outsourcing contract for development of special integrated circuitry	None
Joint development contract	PlayNitride Display Co., Ltd.	2020.07.01-2023.07.01	Confidentiality agreement for collaborative development of micro photodiode sensor technology	None
Joint development contract	National Chiao Tung University	2020.11.01-2021.10.31	Industry-academia collaboration for development of UV sensor using gallium(III) oxide materials	None
Joint development contract	National Chiao Tung University	2021.01.21~2022.01.21	National Chiao Tung University industry-academic cooperation research program supplementary contract	None
Constrution contract	CHANG HUA WATER REFINER CO., LTD.	2021.10.15~2022.10.15	Kejung Plant - expansion construction for cutting water	None
Construction contract	Shine Passion Engineering Co., Ltd.	2021.11.01~2022.11.01	3F, Kejung Plant - new construction for clean room	None
Procurement contract	Tempress Systems B.V.	2022.01.07~2023.01.07	New Furnace system TS61004 LH-BM (OX+Sipos)	None
Construction contract	Shine Passion Engineering Co., Ltd.	2022.01.20~2023.01.20	Secondary distribution project of clean room on the third floor of Kejung Plant	None
Joint development contract	Taiwan Semiconductor Research Institute	2022.03.24~2025.03.23	Non-closure agreement between the Taiwan Semiconductor Research Institute for sensor-related research projects	None

Contract nature	Parties involved	Contract start/end date	Main contents	Restrictive clauses
Constrution contract	Superior Air Treatment Tec., Inc.	2022.09.08~2023.09.08	VOCs waste disposal system	None
Procurement contract	Long Lake (a subsidiary of LiMeiDe Group)	2023.06.01~2024.05.31	Procurement contract (sale of GaP EOL materials)	None
Constrution contract	SSC	2023.09.15~2028.09.17	SSC_VMI contract (continued) and new terms	None
Construction contract	SSV	2023.09.15~2028.09.17	SSV_VMI contract	None
Constrution contract	Chipwell Tech Corporation	2023.07.31~2026.07.31	Wafer processing contract	None
Procurement contract	Distributor	2023.10.01~2025.09.30	Distributor authorization contract	None
Procurement contract	F.S.E Corporation	2024.04.03~2025.06.30	Procurement of production equipment –E-beam evaporator	None
Procurement contract	ELS System Technology Co., Ltd.	2024.06.30~2026.02.27	Procurement of production equipment –Backside etching machine	None
Procurement contract	Chroma ATE Inc.	2024.04.17~2026.03.31	Wafer Chip Inspection System	None
Procurement contract	SHINSHOU AUTOMATION CO., LTD.	2024.03.15~2025.11.30	Chip appearance inspection machine	None
Procurement contract	CHUEN MAU ENVIRONMENTAL PROTECTION CO., LTD.	2024.12.01~2025.12.31	Wastewater treatment contract for the Kezhong Plant	None
Procurement contract	CHIAH LUNG ENTERPRISE CO., LTD.	2024.01.01~2029.12.31	Bulk gases for the Zhunan Plant	None
Procurement contract	CHANG HUA WATER REFINER TECHNOLOGY CO.,LTD.	2024.12.18~2026.09.30	Mixed-bed ultrapure water system efficiency enhancement project for the Ren-Ai Plant	None
Procurement contract	Chiao Tai Gas Co., Ltd.	2025 .01.01–2029.12.31	Bulk gas	None
Procurement contract	Fittech Co., Ltd.	2025.04.24–2026.09.30	Sorters	None
Procurement contract	MPI Corporation Ltd.	2025.05.07–2026/11/ 30	Fully automated high-voltage probe testers	None
Procurement contract	Wulong Precision Co., Ltd.	2025.08.25–2027.01.31	Construction and improvement works for the exhaust system	
Procurement contract	Lian Her Electric Technique Consulting Co., Ltd.	2025.09.04–2027.01.31	Kezhong Plant – power digitalization system project	None
Procurement contract	Highlight Tech Corp.	2025.10.29–2027.08.31	Sputter HTC Tandem PVD System	None

Five.Review of and Analysis of Financial Position, Financial Performance, and Listing of Risks

I. Financial position:

Comparative statement of financial position

Unit: NT$ thousand

Year / Item	Dec. 31, 2025	Dec. 31, 2024	Difference	
			Amount	%
Current assets	2,591,456	2,756,147	(164,691)	(5.98)
Financial assets	54,861	70,213	(15,352)	(21.86)
Financial assets at amortized cost - non-current	—	—	—	—
Investments accounted for using equity method	240,355	235,060	5,295	2.25
Property, plant, and equipment	1,622,957	1,751,993	(129,036)	(7.37)
Other intangible assets	14,370	13,272	1,098	8.27
Other assets	110,325	132,835	(22,510)	(16.95)
Total assets	4,634,324	4,959,520	(325,196)	(6.56)
Current liabilities	782,298	831,018	(48,720)	(5.86)
Long-term liabilities	11,585	173,309	(161,724)	(93.32)
Other liabilities	70,724	95,699	(24,975)	(26.10)
Total liabilities	864,607	1,100,026	(235,419)	(21.40)
Share capital	3,006,223	3,006,223	0	-
Capital reserve	266,729	245,685	21,044	8.57
Retained earnings	532,250	631,052	(98,802)	(15.66)
Other equities	-35,485	(23,466)	(12,019)	51.22
Treasury stock	—	—	—	—
Non-controlling interests	—	—	—	—
Total shareholders' equity	3,769,717	3,859,494	(89,777)	(2.33)

Reasons for increased/decreased proportion analysis: explanation provided for these changes of NT$100 million or 20% or more.

1. Current assets: Decreased mainly due to inventory reduction and collection of accounts receivable.
2. Property, plant and equipment: Decreased mainly due to depreciation and amortization.
3. Long-term liabilities: Decreased mainly due to the continued monthly repayment of borrowings.

II. Financial performance

(I) Key reasons of material changes in the operating revenue, operating net income, and net income before tax during the recent two years

Unit: NTD thousand

Year / Account	2025	2024	Increased/decreased amount	Percentage of change (%)
	Total	Total		
Operating revenue, net	2,335,859	2,394,131	(58,272)	(2.43)
Operating costs	2,046,751	2,075,712	(28,961)	(1.40)
Gross income from operations	289,108	318,419	(29,311)	(9.21)
Operating expenses	327,225	374,286	(47,061)	(12.57)
Other income and expenses, net	0	(8)	8	(100.00)
Operating income (loss)	(38,117)	(55,875)	17,758	(31.78)
Non-operating income and expense	(12,937)	139,243	(152,180)	(109.29)
Net (loss) income before tax for the current period	(51,054)	83,368	(134,422)	(161.24)
Income tax expense	25,182	18,214	6,968	38.26
Net (loss) income for the period	(76,236)	65,154	(141,390)	(217.01)

Analysis of changes in proportion: the key reasons of changes of NT$100 million and 20% or more between two consecutive period, and their impact, as following:

1. Operating expenses: Decreased due to no recognition of employee remuneration and directors’ remuneration for the pre-tax loss in 2025.
2. Non-operating income and expenses: Attributable to gains from the valuation and disposal of financial assets in 2024.
3. Income tax expense: Increased mainly due to a decrease in deferred tax assets.

(II) Sales forecast and basis

The Group anticipates that sales volumes in 2026 will increase compared to 2024. This expectation is based on changes in the overall economic environment, industry trends, and the company's future development direction, and takes into consideration the operational objectives set by the company based on its operating conditions.

(III) Possible financial impacts and response plans

The Company builds on its foundation in the Asian market and continues to expand into European and American markets to increase its global market share. In the fields of medical and wearable devices, demand for sensing components is expected to continue its growth trend. The Company will continue to focus on the North American and Northeast Asian markets, accelerating business expansion and deepening customer collaboration. In the area of automotive protection components, in response to the trends of electric vehicles and automotive electrification, the Company will expand its application scope, deepen its presence in the European and Southeast Asian markets, and further increase market penetration. In the industrial control market, optical transmitters and high-voltage receivers are going to maintain robust growth momentum, continuing to provide growing contributions to revenue. Furthermore, as demand for optical communication applications grows rapidly, the Company will make every effort to increase its market share in this field and strengthen its technological leadership and market competitiveness.

III. Cash flow

(I) Liquidity analysis in the recent two years

Year item	2025	2024	Percentage of increase (decrease) %
Cash flow ratio	34.11	19.64	73.68
Cash flow adequacy ratio	90.11	77.88	15.70
Cash reinvestment ratio	3.33	1.45	129.66
Analysis of changes in proportion: (analysis of these changes of 20% or more) Cash Flow Ratio: Primarily due to a decrease in current liabilities from short-term borrowings and long-term borrowings due within one year. Cash Reinvestment Ratio: The decrease in the ratio was mainly due to the distribution of cash dividends totaling NT$30,062 thousand.			

(II) Improvement plans for illiquidity: The funds of the Group are adequately filled through financing activities and available for use flexibly, without the problem of insufficient liquidity.

(III) Liquidity analysis for the next year

Unit: NTD thousand

Beginning cash balance 1	Expected net cash flows from operating activities 2	Expected net cash flows from investing and financing activities 3	Anticipated cash surplus (deficit) amount 1+2-3	Remedies for cash deficits	
				Investment plan	Financing plan
428,518	272,983	(250,010)	451,491	-	-
Changes of cash flows for the next year are analyzed as following: Operating Activities: Cash inflows during the year are primarily due to an expected decrease in accounts payable payments in 2026. Investing Activities: Cash outflows during the year are mainly attributable to capital expenditures for new equipment, system improvements, and expansion of Si product investments in 2026. Financing activities: Cash inflows during the year are expected to result from an increase in material procurement loans in 2026.					

IV. Material capital expenditures in the last year and impacts on financial position and business performance:

(I) Utilization of major capital expenditures and source of funds, and nature of capital expenditure expected to be invested in the future:

Unit: NTD thousand

Project	Actual or expected source of funds	Actual or expected date of completion	Total required fund	Actual or expected utilization of funds
				2025
Expansion of Si component product business, capacity enhancement, and process improvement	Equity capital/bank borrowings	2026 Q1 - Q4	329,635	329,635
Add and optimize cooling water system, air conditioning system, power system and pure water system performance	Self-owned fund	2026 Q1 - Q4	58,009	58,009

Utilize testing equipment to enhance quality analysis.	Self-owned fund	2026 Q1 - Q3	2,734	2,734
Connect equipment to networks, optimize the production management system, and enhance cybersecurity protection	Self-owned fund	2026 Q1 - Q4	36,929	36,929
Optimize occupational safety application software and alarm systems.	Self-owned fund	2026 Q2-Q3	6,389	6,389

(II) Expected effects generated:

1 Purchase of machines and equipment:

In 2026, It is estimated that the total benefits that may be generated by purchasing machinery and equipment with the self-owned funds are as follows:

Unit: million pieces/PCS; NT$ thousand

Year	Item	Sales Volume	Sales Value
2026	Compound Semiconductor	6,680	712,000
	Si component	16,200	1,835,000
	Si components (PCS)	183,560	

2 Add and optimize cooling water system, air conditioning system, power system and pure water system performance:

2.1 The smart energy management system is integrated with the variable-frequency photovoltaic (PV) system, effectively enhancing energy utilization efficiency.

2.2 Electricity consumption is reduced and temperature and humidity control requirements are met, thereby enhancing energy-saving efficiency and maintaining cleanroom cleanliness.

2.3 Integrate new and existing cutting water systems to enhance overall system functionality. Cooperate with the corporate sustainable development and improve the efficiency of water recycling.

2.4 Integrate new smart meters with the power monitoring system.

2.5 Reduce the consumption of water and electricity for mixed-bed regeneration, as well as expenses for maintenance, repair, wastewater treatment, and wastewater pollution control.

3 Upgrade quality inspection equipment and documentation software to enhance testing of electrostatic discharge resistance, improve appearance inspection and reliability testing efficiency, and maintain production traceability to strengthen analysis and data accuracy.

4 Connect equipment to networks, optimize the production management system, and enhance cybersecurity protection:

4.1 The networking of measuring equipment is a technology that connects measuring devices through the internet, enabling real-time data collection, analysis, and management.

4.2 Integrating communication standards of disparate devices and standardizing frameworks enable machines to connect to networks, complement systems, enhance mass production management, reduce rework and abnormal production, lower material wastage, and increase machine utilization rates.

4.3 Help enterprises increase production efficiency, reduce costs, and achieve higher quality control.

4.4 Detect emerging malicious attacks in real time, respond promptly to cybersecurity incidents, and handle them remotely to reduce vulnerabilities and mitigate information security risks.

5 Optimize safety application software and alert systems to enhance efficiency, centralize data management, improve data quality, and increase the accuracy of alert detection.

V. Investment policy in the most recent year, causes of profit or loss incurred, and any improvements or investments planned for the next year:

Re-invested business	Main Businesses	Original invested amount	Book value	Investment policy	Main reason of profit or loss	Improvement plans	Investment plans in the next year
TEK Holding Co., Ltd.	Investment in various overseas businesses	258,290	272,035	In order to enhance the Group's overall market competitiveness and take into account of the domestic market demand grow in Mainland China, the reinvestment is made to Yuanmao in China.	An increase in OEM revenue led to improved capacity utilization.	Continuous cost and expense control.	None
Long Benefit Investment Co., Ltd.	General investment	185,000	302,377	Profit is obtained from underlying investments.	Primarily attributable to valuation gains from the increase in fair value of equity investments and gains from the disposal of stocks.resulting in losses of valuation.	Pay attention to the investment industry status.	None
Hsinjing Holding Co., Ltd. (Note 1)	General investment	591,378	156,031	The future prospects of the solar industry are promising and the climate change in recent years has led to the active development of green power around the world, as well as the promotion of green energy policies by various governments vigorously.	In order to improve operational performance and industrial competitiveness, it has transformed into a solar system provide	Pay attention to the industry status.	None

Re-invested business	Main Businesses	Original invested amount	Book value	Investment policy	Main reason of profit or loss	Improvement plans	Investment plans in the next year
Coretech Optical Co., Ltd.	Machinery, electronic components, power generation, transmission, and distribution machinery, as well as precision equipment manufacturing	30,228	23,393	Expand the business scope of the Group and use resources more effectively	Cost control is appropriate and profits increase.	Continuous cost and expense control.	None
Keeper Technology Co. Ltd.	Mechanical installation, retail and wholesale of electronic materials, automobile and scooter parts and accessories, traffic sign equipment and other machinery, as well as manufacturing of lighting equipment and other machinery.	78,977	60,931	Expand the business scope of the Group and use resources more effectively	Revenue growth and reversal of inventory valuation losses.	Obtain monthly financial reports and make continuous analysis.	None

Note 1:On September 2025, HShin-Jing Corporation issued 10,000 ordinary shares in cash capital increase, with a subscription price of NT$18 per share and a total paid-in capital of NT$180,000. The merged company did not increase its investment in accordance with its shareholding ratio, resulting in a decrease in its shareholding ratio from 22.79% to 20.20%.

Whether the investments in China conform to the required limit

Unit: NTD thousand

Item	Amount
Net value up to March 31, 2026	3,760,922
Limit of investments in China (60% of net value) (1)	2,256,553
Cumulative investments in China as of March 2026 (2)	258,290
Investment amount expected to be executed (3)	0
Forecasted total amount of investments in China (4) = (2)+(3)	258,290

Tyntek Corporation’s book value was NT$3,760,922 thousand as of March 31, 2026 based on its audited financial statements. The limit on its investment in China was NT$2,256,553 thousand according to the stipulations by the Investment Commission, Ministry of Economic Affairs. As of March 2026, the company’s cumulative investment in China was NT$258,290 thousand, within the limit on outbound investments to China.

VI. Risks in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(I) The impact of interest and exchange rate changes and inflation on the Company's profit and loss and future countermeasures

1 The impacts of interest collection/payment and foreign exchange gains/losses on the Company's profit and loss

Unit: NTD thousands; %

Item	2025		
	Interest income	Interest expense	Foreign exchange gains (losses)
Amount	15,590	8,059	(7,174)
Percentage to the net operating revenue	0.67	0.35	0.31
Percentage to the net profit before tax	30.54	15.79	14.05

In 2025, the Group's interest income, interest expense, and foreign exchange gains or losses accounted for approximately 0.67 percent, 0.35 percent, and 0.31 percent of operating revenue, respectively. The net interest income accounted for approximately 14.75 percent of profit before tax. A sensitivity analysis was conducted on interest rate risk for both derivative and non-derivative instruments as of December 31, 2025. Assuming all other variables remain constant, a one percent increase or decrease in market interest rates would result in an increase or decrease of NT$1,821 thousand in the Group's consolidated profit before tax for 2025. This impact is not considered significant to the Group's financial performance. The exchange gains and losses are affected to a certain extent by the appreciation/depreciation of the US dollar and CNY exchange rate, and thus impact the Group's export revenue.

2 Specific measures of the Group in response to changes in interest rates and exchange rates

The Group always monitor the fluctuation of interest rate and exchange rate, and formulate the "Procedure for Acquiring or Disposing Assets" as a control, to avoid interest rate and foreign exchange risks arising from operations, with pairing spot exchange and forward foreign exchange contracts.

2.1 Interest rate:

In addition to the company's own profits and shareholder capital contributions, the working capital of the Group also comes from bank financing, and the interest expense mainly comes from bank financing for material procurement, self loans, project loan for returned Taiwanese companies, and short-term borrowings. The Group continues to maintain good relations with banks, proactively apply for the Taiwanese Companies Returned Investment Action Program, and the approved has be granted. The Group also monitors changes in market interest rates to obtain more favorable interest rates and reduce interest expenses. Therefore, the changes in market interest rates have no material impact on the Group.

2.2 Foreign exchange rate:

76% of sales of the Group are exportation, leading to the risk of exchange rate fluctuations. Faced with exchange rate risks, the countermeasures of the Group are as follows:

2.2.1 Continuously gather information on exchange rate fluctuations to stay informed of international currency trends and developments. This information serves as a reference for forward exchange transactions and foreign exchange settlements, and is reported to the Company's management to support informed decisions on appropriate hedging strategies.

2.2.2 Strengthen procurement capabilities, reduce costs of raw material purchase, and negotiate sharing exchange rate risks with suppliers. If the magnitude exchange rate changes increases, transaction price will be renegotiated with the supplier.

2.2.3 Strengthen the ability to develop sources of incoming materials and avoid excessive influence from a single currency exchange rate.

2.2.4 Before quoting to customers, the Group shall consider and evaluate potential future exchange rate trends and related factors to adjust pricing accordingly, in order to safeguard existing profit margins

2.2.5 Pay the expenditure in foreign currency generated from importation with the export revenue in same currency, to shift partial FX risks.

2.2.6 Adjust foreign currency positions based on exchange rate changes.

2.3 Inflation:

Inflation has led to rising raw material prices, increasing operational costs for businesses and putting pressure on profitability. However, the high inflation of the past two years has shown signs of easing, and the global economy is in a state of weak recovery. As of the printing date of this annual report, the merged company has not yet experienced significant impacts on its profits and losses due to inflation. Going forward, we will continue to actively negotiate with suppliers and maintain close and positive interactions with customers, keeping an eye on market price fluctuations. We will adjust our buying and selling prices as market conditions change and continue to strengthen cost control and adjust inventory levels in a timely manner to mitigate the impact of inflationary changes.

(II) Policies of engagement in high-risk and highly leveraged investments, loans to others, endorsements and guarantees and derivative trading, main reasons for profit or loss and future countermeasures:

1 Engagement in high-risk and highly leveraged investments: none.

2 Loans to Others and Endorsements/Guarantees: As of December 31, 2024, the Group had not engaged in any loans to external parties or provided any external endorsements or guarantees.

3 Policy, and gains or loss of derivative transactions, and the response in the future:

The Group engages in forward foreign exchange transactions primarily to hedge risks arising from exchange rate fluctuations on foreign currency-denominated assets or liabilities. All transactions are conducted in accordance with the “Procedures for the Acquisition or Disposal of Assets”, are subject to regular evaluations, and are disclosed and reported in compliance with applicable regulations.

(III) Future R&D projects and estimated R&D expenses

1 Future R&D projects

The Company has always focused on the product R&D capability and with the continuous efforts over the past years, we have been able to develop and launch numerous outstanding new products, and have also been able to gain support from government agencies. In addition to stabilizing the existing Asian market, it is also actively expanding the European and North American markets to further extend the market share. To have better forward-looking and marketable products, the Company has been sparing no efforts in optical communication sensing components, the long wavelength sensing used in display components and consumer products, development of avalanche diodes, and automotive optical coupling components (for the high speed industrial control of new energies), medical (blood oxygen), wearables and sensing components of precision control, and certain outcomes have been fruited. In addition, the Company is also active in the investment of relevant product application fields. With the rapid growth of the optoelectronic market, the application scope of various products continues to expand. To satisfy the market demand, the Company will continue to focus on the development of the following products:

A. High density semiconductor passive components
B. 6” wafer and high-sensitivity sensing PD
C. 6” wafer and high precision and power components
D. High power AlGaInP light emitting diodes
E. High speed communication photodiodes
F. Multiband photo detectors
G. DUV sensors
H. Substrates with electrostatic protection components
I. Flip-chip Zener diodes
J. Photo diode integrated circuit (PDIC)
K. Low-capacitance transient voltage suppressors (TVS)
L. High speed optical communication laser diodes
M. Vertical cavity surface emitting laser (VCSEL) diodes
N. New generation semiconductor material components

O. Long wavelength sensing components
P. Infrared diodes for high-speed industrial control
Q. Point light source infrared diode
R. SWIR optical sensing components

2 Expected R&D expenses: NT$ 135,820 thousand.

(IV) The impact of important domestic and overseas policy and regulation changes on the financial status of the Company and countermeasures:

The Group has been aware of important domestic and foreign policy and legal changes in the most recent years through various information channels, to ensure the compliance of business activities with the related policies and regulations, with establishment of corresponding management procedures and proper countermeasures adopted; therefore, as of the publication date of the annual report, there has been no material impact on the Group's financial or business operations.

(V) The impact of technological (cyber security risk included) and industrial changes on the financial status of the Company and countermeasures:

The Group will improve product quality and develop new products in response to changes in technology. The Group will maintain good cooperative relations with upstream and downstream suppliers and customers, grasp the pulse of the market, and engage in research and development and improvement processes related to cope with customers' needs and market changes, with continuous expansion of production, to enhance the competitiveness of the Group.

With the development of technology, current LED lighting has developed to the late stage of maturity, and it is inevitable to develop new applications, such as the cross-industry integration of smart lighting, e.g. the combination of lighting systems and big data in different application scenarios.

In response to technological advancements, the Group began implementing an Information Security Management System (ISMS) in the second half of 2023 and obtained ISO 27001:2022 international certification in June 2024. This certification is also disclosed on the Company's website (https://www.tyntek.com.tw/fckimages/20250306_001.pdf) and is valid for three years (from June 25, 2024 to June 25, 2027). The implementation further strengthens the Company's information security management policies and related procedures. In the future, the deployment of the information security defense system will focus on the management and control of machines at the production lines, and the administrative personnel will strengthen endpoint detection and response, monitoring of network abnormal traffic, intrusion detection and protection, complete system off-site backup, and the information security monitoring platform, to increase the depth of defense for management and technical aspects, for reducing information security risks.

In terms of industry, based on the social trend of declining employment population and the demand for green energy, the Company considers global development trends, respond to government industrial policies, and review its own existing technological capabilities and growths of the corresponding industries. On top of continuously strengthening its own technical advantages, the Company also introduces innovative methodologies. To cope with the social trend of declining employment population, plan the long-term technological development blueprint for machine automation, and complete the strategy and timetable for the accomplishment of the plan.

As of the publication date of the annual report, the Group has not had a significant adverse effect on the company's finance and business due to technological changes, any cyber security incident, and industrial changes.

(VI) The impact of corporate image change on the Company's crisis management and countermeasures:

The Group has been committed to maintaining its corporate image for many years and complying with laws and regulations. If there is a situation that affects the corporate image or violates laws and regulations, a special team will be formed to formulate countermeasures. However, once a corporate crisis occurs, it may cause considerable damage to the Company. Therefore, the Group will continue to comply with and mak the best efforts to implement various corporate governance requirements, while consulting relevant experts in a timely manner, to reduce the occurrence of such risks and the impact of these risks on the finance and business of the Group. As of the publication date of the annual report, there has not been anything that could affect the corporate image.

(VII) Expected benefits and possible risks of M&A: none.

(VIII) Expected benefits and possible risks of plant expansion: As of the publication date of the annual report, the Group has no plans for plant expansion.

(IX) The impact of concentration of purchase or sales:

In 2025, aside from increased purchases of silicon wafers due to rising demand and long-term partnerships, the Group continued to maintain strong relationships with a diverse range of suppliers to avoid purchase concentration. On the sales side, the Group remained focused on strengthening relationships with existing customers while actively developing new ones. As a result, the risk of purchase or sales concentration was minimal.

(X) The impact of mass share transfer or change of Directors, Supervisors or shareholders holding more than 10% of the Company's shares, the risks and countermeasures: none.

(XI) The impact of the change of management on the Company, the risks and countermeasures: none.

(XII) List major litigious or non-litigious matters that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None

(XIII) Other important risks and countermeasures: None

VII. Other material issues: None

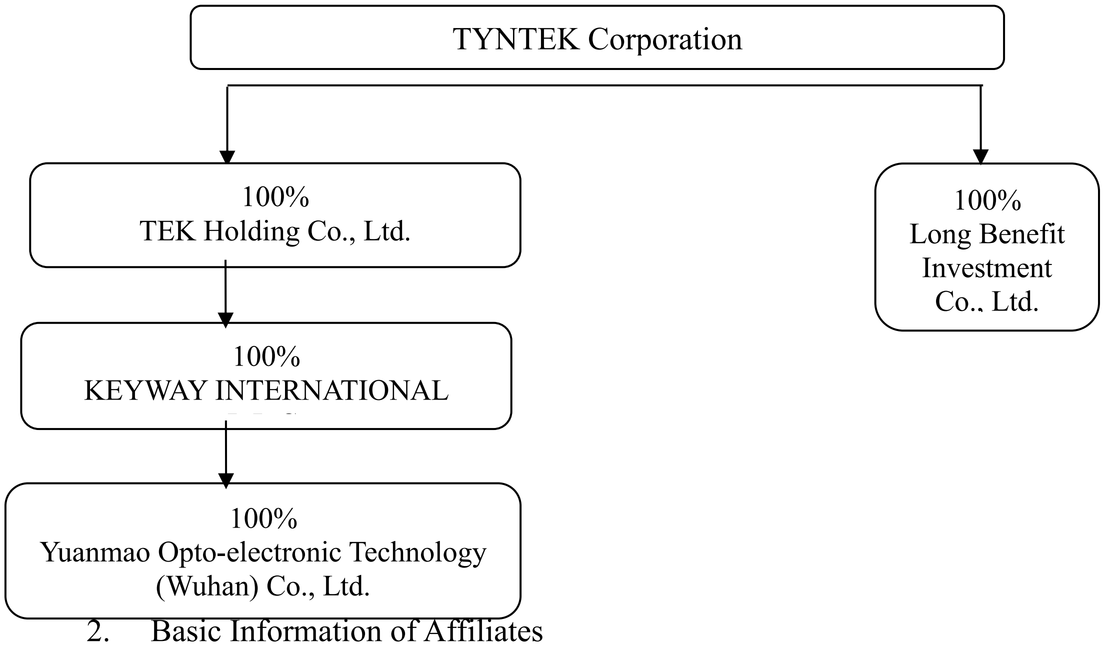
Six. Special Disclosure

I. Affiliated companies

（一）Consolidated Business Report of Affiliates:

1. Organization Chart of Affiliates

Dec. 31, 2025



2. Basic Information of Affiliates

Dec. 31, 2025 Unit: NTD thousands

Name of Affiliate	Date of Establishment	Address	Paid-in Capital	Major Business or Production
TEK Holding Co., Ltd.	89.04	3RD FLOOR, YAMRAJ BUILDING, MARKET SQUARE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS.	258,290	International investment
Long Benefit Investment Co., Ltd.	94.05	No. 1387, Renai Road, Zhunan Township, Miaoli County	287,486	Domestic investment
KEYWAY INTERNATIONAL L.L.C.	89.07	3500 South Dupont Highway,Dover,Delaware 19901,U.S.A.	258,768	International investment
Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	94.12	No. 17, Binhu Road, Donghu New Technology Development Zone, Wuhan	258,290	Other light-emitting diode production and sales business

3. Information on those presumed to be controlling and controlled companies: none.
4. The industries covered by the business operated by the overall affiliated enterprises: including the optoelectronic industry, LED module application design and lighting manufacturing, and investment industries.

5. Information of Directors, Supervisors, and Presidents of Each Affiliate

December 24, 2026 Unit: thousand shares

Name of Affiliate	Title	Name or Representative	Shares	Shares Ratio
TEK Holding Co., Ltd.	Chairman	TYNTEK Corporation - Su, Feng-Cheng	6,700	100.00%
Long Benefit Investment Co., Ltd.	Chairman	TYNTEK Corporation - Su, Feng-Cheng	28,749	100.00%
	Director	TYNTEK Corporation- Will Chou	28,749	100.00%
	Director	TYNTEK Corporation- Li, Rong-Huan	28,749	100.00%
	Supervisor	TYNTEK Corporation- Mei-Ling Chiu	28,749	100.00%
KEYWAY INTERNATIONAL L.L.C.	President	TEK Holding Co., Ltd.- Will Chou	—	100.00%
Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	Chairman	KEYWAY INTERNATIONAL L.L.C.-Will Chou	—	100.00%
	Director	KEYWAY INTERNATIONAL L.L.C.-Larry Lee		
	Director	KEYWAY INTERNATIONAL L.L.C.-Mei-Ling Chiu		
	Supervisor	KEYWAY INTERNATIONAL L.L.C.-Hsiao-Ping Li		

6. Operation Overview of Each Affiliate

Dec. 31, 2025 Unit: NTD thousands

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Value	Operating income	Operating profit	Income of the Period	Earnings per share (EPS)
TEK Holding Co., Ltd.	258,290	269,404	0	269,404	0	0	11,989	1.79
Long Benefit Investment Co., Ltd.	287,486	300,223	0	300,223	0	(225)	3,115	0.11
KEYWAY INTERNATIONAL L.L.C.	258,768	269,118	0	269,118	0	0	11,996	-
Yuanmao Opto-electronic Technology (Wuhan) Co., Ltd.	258,290	279,734	10,636	269,098	116,207	15,856	11,997	-

(II) Consolidated Financial Statements of Affiliates: Please refer to the following path for access.
Market Observation Post System/Listed Companies /Electronic Document Download/Affiliated Enterprises Reports Section

(III) Affiliation report: Please refer to the following path for access.
Market Observation Post System/Listed Companies /Electronic Document Download/Affiliated Enterprises Reports Section

II. Private placement of securities in the last year up until the publication date of annual report: None.

III. Other supplementary information: None.

IV. Occurrences Significant to Shareholders' Interests or Securities Price, as Defined in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, in the Last Year up Until the Publication Date of Annual Report: None.