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Polytronics Technology Corporation

2025 Annual Report

Publication Date: April 30, 2026

I. Name, Title, Contact Number and Email of the Spokesperson & Deputy Spokesperson:

Spokesman: Dennis Ho	Title: Vice President
TEL.: (03)564-3931	E-mail: ir@pttc.com.tw
Deputy Spokesperson: Carol Chiu	Title: Manager
TEL.: (03)564-3931	E-mail: ir@pttc.com.tw

II. Address and Contact Number of the Headquarters, Branches and Plants:

Headquarters address: No. 24-1, Industry E. 4th Road, East District, Hsinchu City, Hsinchu Science Park

Headquarters TEL.:(03)564-3931

Plant Address: 1 F, No. 23, Industrial E. 9th Road, Baoshan Township, Hsinchu County, Hsinchu Science Park

Plant TEL. (03)577-5355

Toufen Plant Address: No. 81, Industrial Road, Neighborhood 4, Luzhuli, Toufen City, Miaoli County

Toufen Plant TEL.: (037)613-376

Plant Address: 1-4F, No. 5, Industrial E. 7th Road, East District, Hsinchu City, Hsinchu Science Park

Plant TEL.: (03)564-3931

III. Name, Address, Website and Contact Number of the Stock Transfer Agent:

Name: KGI Securities Co., Ltd., Stock Agency Department

Address: 4F, No. 2, Section 1, Chongqing South Road, Taipei City

Address: https://www.kgi.com.tw

TEL.: (02)2314-8800

IV. Name, Accounting Firm, Address, Website and Contact Number of Independent Auditors in the Most Recent Year:

Names of CPAs: Li Dian-Yi, Hsieh Chih-Cheng

Accounting Firm: PwC Taiwan

Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City

Website: http://www.pwc.tw

TEL.: (02)2729-6666

V. Name of Overseas Exchanges Where Securities are Listed, and Method of Inquiry: None.

VI. Website: http://www.pttc.com.tw

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Chapter 1 Letter to Shareholders

Dear Shareholders,

The Comptroller's Office of the Executive Yuan released its latest economic forecast in February 2026. The preliminary statistics show an economic growth rate of 12.65% in the fourth quarter of 2025, with a full-year growth rate of 8.68% for 2025. The forecast for 2026 predicts an economic growth rate of 7.71%, revised up by 4.17 percentage points from the 3.54% forecast in November 2025.

On a global scale, driven by a surge in technology-related investments and the support of more aggressive fiscal and monetary policies by major countries, the global economy has demonstrated a certain level of resilience in the face of tariff impacts. However, geopolitical risks and uncertainty surrounding U.S.A tariff policies still persist. According to the latest forecast data from S&P Global in January, the global economic growth rate is expected to slow from 2.9% in 2025 to 2.7% in 2026. Among these, the growth rate for advanced economies in 2026 is projected to be 1.8%, while for emerging economies, it is expected to be 4.0%. For the U.S.A and Europe, the economic growth rate in 2026 is forecasted to be 2.3% for the U.S.A; for Germany, France, and the United Kingdom, the growth rates are 0.8%, 0.8%, and 0.8%, respectively. In Asia, the economic growth rate in 2026 is predicted to be 4.6% for Mainland China, 2.1% for South Korea, 2.9% for Singapore, 2.5% for Hong Kong, and 0.9% for Japan.

Implementation Result of Business Plans for The Company in 2025 shows that the full-year consolidated operating income is NT$2,852,424 thousand, a decline of approximately 2.5% from 2024; the consolidated after-tax net profit attributable to the parent company is 57,020 thousand dollars, a decrease of 70% from 2024. The after-tax earnings per share (EPS) is approximately NT$0.67.

In the future, we will strive to focus on the management of our core business, strengthen the Company's competitiveness, and accelerate the development of new products and the expansion of both new markets and applications to pursue the continuous growth of turnover and profit to thank our shareholders for their long-term support.

I. 2025 Business Results

(I) Implementation Result of Business Plans

The annual consolidated turnover amounted to NT$2,852,424 thousand, a decline of approximately 2.5% from the previous year; consolidated net income amounted to NT$57,020 thousand, a decline of 70% from the previous year with earnings approximately NT$0.67 per share.

(II) Budget Implementation Status: The financial forecast for the Year 2025 has not been disclosed, so it is not applicable.

(III) Analysis of Financial Income, Expenditure, and Profitability

Item		2025	2024
Financial Structure (%)	Debt to assets ratio	45.22	44.65
	Long Term Funds to Property, Plant and Equipment Ratio	198.13	211.23
Solvency (%)	Current Ratio	171.94	206.99
Profitability (%)	Return on Assets	1.85	4.80
	Return on Equity (%)	2.52	7.74
	Gross Margin	28.20	31.21
	Net Margin	(0.22)	4.21
	Net Margin (attributable to owners of parent)	2	6.53
	Basic Earnings Per Share (dollar)	0.67	2.23

(IV) Research & Development (R&D)

1. Continue with the development of new generation low resistance materials and various types of components.
2. Accelerate the R&D in markets relating to mobile communication devices.
3. Expand the development of heat dissipation materials and application technologies in the market.
4. AI power drives new product design and applications.
5. The rise of new energy vehicles is driving the expansion of the protective devices market.

II. 2026 Business Plan Overview

(I) Management Policy

1. Commit to develop new products, applications and markets.
2. Deepen the process development of core materials and technology of product designs.
3. Continue to streamline the cost plan.
4. Increase the revenue and profit of the subsidiary TCLAD Technology Corp. and TCLAD Inc. regarding the heat dissipation substrate business.
5. Technology and product upgrades: Seize the trend of high voltage and high current, and develop a new product platform.

(II) Expected Market Growth and its basis

With a variety of mobile devices and electronic information products becoming more and more popular and diverse over the year, it is expected that the related end product market (e.g. mobile phones, products relating to various types of batteries) will maintain its substantial growth as the Company's important driving force to the continuous performance development. The increase of automotive lights and intelligent electronic control products has also gradually expanded the demand of the Company's various types of high heat dissipation products. In terms of expected sales amount - because the Company has different product lines and end applications and makes flexible adjustment to product mix according to the change of downstream customers; therefore it is difficult to expect sales amount. However, according to the current overall industry trend, the Company's own innovative R&D capability and the launch of new products, it is expected sales can maintain a considerable growth.

(III) Important Production and Sales Policy

1. Sales Policy:

In terms of overcurrent and overvoltage protective devices - we plan to expand product market applications, strengthen new products regarding design-in projects of customers, enhance the proportion of customized products accordingly, and proactively deploy the automotive market; in terms of insulated metal thermal conductive board - we plan to adjust the sales packages of various heat dissipation products, and develop new products with different specifications and levels to correspond market needs and eventually promote our products to end customers.

2. Product Policy:

Driving the continuous development of the organization through enhancing the efficiency of the Manufacturing Engineering (PE) unit. Production efficiency is improved through technological advancements, material R&D, and the introduction of automated processes. At the same time, responding to geopolitical changes and global supply chain reorganization by flexibly adjusting production bases, sales models, and procurement strategies.

III. The Company's Future Development Strategy

(I) Deepen the Company's advantage of materials technology and continue to increase the width and depth of production lines.

(II) Focus on the management of core business, strengthen competitiveness of technology R&D, customer services and needs that are close to market needs

(III) Make vigorous efforts to expand product application fields and the development of new customers.

IV. Effects by External Competitive, Regulatory and Overall Operating Environments

In terms of external competitive environment, it is expected that in the short term, the industry the Company is in may be impacted by the wave of AI. However, in the long term, it will continue to grow steadily along with the demand for electronic information, mobile devices, high-end servers, and related hardware markets. Although competition within the industry and across industries remains fierce, the Company will continue to deepen its technology R&D, actively engage in patent deployment, and respond to market changes.

In terms of regulatory environment, the Company diligently follows the promulgation or revision of applicable laws concerning the Company Act, Securities and Exchange Act, intellectual property rights, labor, and environmental safety. We also adjust internal regulations and management measures in a timely manner, and formulate and execute compliance mechanisms while proposing supporting measures. In response to the AI wave and the increasing emphasis on ESG, the Company will also carry out organizational adjustments and response measures related to information security and sustainable management. It is expected that regulatory environmental changes including law amendment will have little impact on the Company.

In terms of the overall operating environment, the effects of the U.S.A's tariff policy, geopolitical conflicts, and fluctuations in energy prices and supply chains caused by the Middle East war remain and warrant careful observation. To respond to various changes, the Company has re-evaluated its production capability, adjusted product mix and deployed appropriate capital expenditure in the hope of coping with the current difficulty and still creating business growth.

In the future, the Company will continue to focus on the direction of circuit protection devices and heat dissipation products. By upholding a positive attitude and executing various growth strategies, we look forward to the loyal support and encouragement of our shareholders.

Polytronics Technology Corporation
Chairman: Edward Chu
President: Edward Chu

Chapter 2 Corporate Governance Report

I. Directors, Supervisors, Presidents, Vice Presidents, Managing Directors, and Managers of all Departments and Branches

(I) Director

1.1. Information on Directors

April 18, 2026

Title	Nationality or Place of Registration	Name	Gender age	Election (Appointment) Date	Term of Office	Date First Elected	Shareholding when elected		Current Shareholding		Shares Currently Being Held by Spouse and Minor Children		Shares Held in the Name of Others		Educational Background and Experience	Concurrent Posts in the Company or Other Companies	Other Managers, Directors or Supervisors in a Spousal Relationship or Within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Republic of China	Edward Chu	Male 71-80 years old	June 21, 2023	3	April 26, 2002	1,618,411	1.89%	1,618,411	1.89%	55	0.00%	0	0	Raychem Corporation Manager of Electronic Materials and Manufacturing Department the University of Akron, USA PhD in Polymer Science	Chief Executive Officer and President of The Company CEO of the Company. The General Manager of TCLAD Technology Corp. the CEO of TCLAD Inc., and the directors of TCLAD Europe GmbH. Directors of TCLAD Europe GmbH.	None	None	None	Note 2
Director	Republic of China	Everlight Chemical Industrial Corporation Representative: Colline Chen	Male 61-70 years old	March 15, 2024	3	March 15, 2024	8,000,000 0	9..34% 0	8,000,000 81,000	9..34% 0.09%	0 0	0 0	0 0	0 0	National Tsing Hua University Ph. D, Institute of Chemistry, National Tsing Hua University	Vice President of the Group R&D Center, Everlight Chemical Industrial Corporation Director, Universal Microelectronics Co., Ltd. Director of TREND TONE IMAGING, INC.	None	None	None	None

Director	Republic of China	Tsai-Ying Investment Co., Ltd. Representative: Dennis Ho	Male 61-70 years old	August 11, 2023	3	August 11, 2023	1,822,519 926,089	2.13% 1.08%	1,822,519 926,089	2.13% 1.08%	0 90,755	0 0.11%	0 0	0 0	Deputy Section Chief of Foreign Exchange, China International Commercial Bank Master of Business Administration, National Chung Hsing University	The Chairman of Kunshan Polystar Electronics Co., Ltd. and PolyStellar Electronics Co., Ltd. The Chairman of Kunshan Polystar Electronics Co., Ltd. Director and Executive Vice President at TCLAD Technology Corporation. Director and President of Suzhou TCLAD Electronic Technology Co., Ltd. Directors of TCLAD Technology Co., Ltd., Suzhou TCLAD Electronic Technology Co., Ltd., TCLAD Inc., and TCLAD Europe GmbH. Director and President of TCLAD Europe GmbH.	None	None	None	None
Director	Republic of China	Charng Hui Ltd. Representative: Te-Fung Tsao	Male 71-80 years old	October 31, 2023	3	June 20, 2014	1,596,000 0	1.86% 0	1,596,000 0	1.86% 0	0 122,647	0 0.14%	0 0	0 0	Quaker Oats Company R&D Director PhD in Food Chemical Engineering, Colorado State University, USA	Chairperson, Standard Foods Corporation Chairperson, FreshDelight Company Chairperson, Domex Technology Corporation Chairperson, Standard Beverage Company Limited Chairman, Chang Whei Corporation Limited Chairman, Mu-De Investment Corporation Chairman, Jia Yun Investment Corporation Director, Jiacheng Industrial Co., Ltd., etc.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender age	Election (Appointment) Date	Term of Office	Date First Elected	Shareholding when elected		Current Shareholding		Shares Currently Being Held by Spouse and Minor Children		Shares Held in the Name of Others		Educational Background and Experience	Concurrent Posts in the Company or Other Companies	Other Managers, Directors or Supervisors in a Spousal Relationship or Within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director, and member of the Audit and Remuneration Committees (Note 1)	Republic of China	Joseph C.P. Hsieh	Male 61-70 years old	June 21, 2023	3	June 20, 2014	0	0	0	0	0	0	0	0	Kent State University PhD in Finance	National Taiwan University of Science and Technology Professor, Graduate Institute of Finance Independent Director, ASMedia Technology Inc. Director, Foundation for International Cooperation in Higher Education of Taiwan Member of the Private School Retirement Reserve Fund Management Committee Investment Strategy Execution Task Force	None	None	None	None
Independent Director, and member of the Audit and Remuneration Committees (Note 1)	Republic of China	Po-Yong Chu	Male 61-70 years old	June 21, 2023	3	June 20, 2004	0	0	0	0	0	0	0	0	Purdue University USA PhD in Business Administration	Department of Management Science and EMBA Program and Adjunct Professor, National Chiao Tung University Independent Director, Hsin Kuang Steel Co. Independent Director Independent Director, E Ink Holdings Inc. Independent Director, Cheng Shin Rubber Ind. Co., Ltd. Director, Lien Kuan International Co., Ltd. Chairman, Central Taiwan Solar Tech Co., Ltd. Chairman, Tianmei Biotech Co., Ltd.	None	None	None	None
Independent Director, and member of the Audit and Remuneration Committees (Note 1)	Republic of China	Biing-Jye Lee	Male 61-70 years old	June 21, 2023	3	June 21, 2023	0	0	0	0	0	0	0	0	Ennostar Inc. Chairman Chairman, Epistar Corporation Research fellow/supervisor, Institute of Photonics Technologies in Industrial Technology Research Institute (ITRI) Ph. D., Institute of Chemical Engineering, National Tsing Hua University	None	None	None	None	None

Independent Director, and member of the Audit Committees (Note 1)	Republic of China	Huei-Chu Huang	Female 61-70 years old	June 21, 2023	3	June 21, 2023	0	0	0	0	0	0	0	0	UBS - Director and President / Head of Taiwan Region, Ultra High Net Worth Department Merrill Lynch - Director and President China Development Financial Holding Corporation - Senior VP Head of Investment Banking MBA, University of Missouri	VisEra Technologies Company Ltd. Independent Director Sino Horizon Holdings Limited Independent Director Parade Technologies, Ltd. - Independent Director.	None	None	None	None

Note 1: The Audit Committee and the Remuneration Committee have been established which are made up of 3 independent directors, supervisors are thereby not applicable.

Note 2: Where the president or person of an equivalent post (the highest level managerial officer) and the chairperson of the Board of Directors and the of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The positions of Chairperson and General Manager of the Company are concurrently held by the same individual, as the Chairperson possesses extensive industry expertise and a thorough understanding of the Company's operations, and provides important guidance on major business strategies and decision-making for the Company and its affiliated enterprises. Such arrangement is considered both necessary and reasonable. In addition, the Company has established four independent directors in accordance with applicable regulations to strengthen the Board's supervisory mechanism, enhance the effectiveness of Board operations, and ensure the proper exercise of its supervisory functions.

Note 3: Littelfuse Europe GmbH resigned from the position of Director on March 27, 2026.

1.2 Major shareholders of the corporate shareholders

April 18, 2026

Name of Corporate Shareholder	Major shareholders of the corporate shareholders	
	Name of Shareholder	Shareholding Percentage
Everlight Chemical Industrial Corporation	Ethical Investment Corporation Juristic-Person Representative Chien-Hsin Chen	12.23% 1.23%
	Ting-Chuan Chen	7.67%
	Ting-Chi Chen	2.10%
	HSBC Bank (Taiwan) Limited is entrusted to manage the investment portfolio of Goldman Sachs International.	2.01%
	HSBC Bank (Taiwan) Limited is entrusted to manage the investment portfolio of Morgan Stanley International Limited.	1.83%
	Chien-Hsin Chen	1.23%
	Wei-Wan Chen	1.15%
	Li-Chi Wu	1.14%
	Ju-Ai Chen	1.10%
	JPMorgan Chase Bank Taipei Branch is entrusted to manage the investment portfolio of Advanced Stellar Fund Company's series of funds, including the Advanced Total International Stock Index Fund.	0.86%
Tsai-Ying Investment Co., Ltd.	Shao Chien-Hua	87.95%
	Dennis Ho	12.05%
Charng Hui Ltd.	Standard Foods Corporation	100%

1.3 The Major Shareholders of the Major Corporate Shareholders are Major Shareholder of the Corporate Shareholder

April 18, 2026

Name of Corporate Shareholder	Major shareholders of the corporate shareholders	
	Name of Shareholder	Shareholding Percentage
Ethical Investment Corporation	Ting-Chuan Chen	68.98%
	Li-Chi Wu	7.29%
	Ju-Ai Chen	4.53%
	Chien-Hsin Chen	3.96%
	Wei-Wan Chen	3.69%
	Chieh-Sheng Chu	0.98%
	Yen-Ju Kuo	0.94%
	Ling Cheng	0.93%
	Yu-An Chen	0.92%
	Xin-Jou Chen	0.92%
Standard Foods Corporation	Fiduciary trust property accounts held in trust by Mu-De Investment Corporation for Te-Fung Tsao	19.53%
	Fiduciary trust property accounts held in trust by Jia-Yun Investment Corporation for Te-Fung Tsao	16.14%
	Fiduciary trust property accounts held in trust by Jia-Jie Investment Corporation for Heidi Meng	12.84%
	Te-Fung Tsao	4.46%
	Mu-De Investment Corporation	2.48%
	Chun-Yao Lin	1.93%
	Nan Shan Life Insurance	1.90%
	JPMorgan Chase is entrusted for custody of Vanguard's emerging markets equity index fund account	0.74%
	Charng Hui Ltd.	0.73%
	JPMorgan Chase Bank Taipei Branch is entrusted to manage the investment portfolio of Advanced Stellar Fund Company's series of funds, including the Advanced Total International Stock Index Fund.	0.51%

1.4 Disclosure of information on professional qualifications of directors and independence of independent directors:

Qualification / Name	Professional Qualifications and Experience		Independence Criteria(Note 4)				Concurrently serving in other public offering companies Number of independent directors
	Professional Qualifications and Experience	Whether there is any circumstances as stipulated in Article 30 of the Company Act.	1	2.	3	4	
Edward Chu	Qualifications and experience in business, legal, financial, accounting, and corporate operations	No	Not applicable				0
Colline Chen (Note 1)		No					0
Dennis Ho (Note 2)		No					0
Te-Fung Tsao (Note 3)		No					0
Joseph C.P. Hsieh	This independent director holds a PhD from Kent State University and has been a professor of finance at National Taiwan University of Science and Technology for a number of years teaching finance courses; has published many books and is also an independent director of other companies. This independent director has extensive knowledge and experience in business administration and finance.	No	No	0	No	0	1
Po-Yong Chu	Holds a PhD in business administration from Purdue University, this independent director is also a professor of Department of Management Science of National Chiao-Tung University. With many years teaching management courses, this independent director is also an independent director of other companies. Holds extensive knowledge and experience in business management and finance.	No	No	0	No	0	3
Biing-Jye Lee	A PhD in Chemical Engineering with a background in optoelectronics from the Industrial Technology Research Institute, specializing in both laser diode epitaxy and patent development. Possesses extensive experience in the optoelectronics industry, adept at resource integration and operational judgment, skilled in leadership and crisis management, and excels in shaping corporate visions with outstanding managerial capabilities.	No	No	0	No	0	0
Huei-Chu Huang	Possessing a master's degree in business administration from the University of Missouri, with a background that includes roles as the Managing Director of UHNW (Ultra High Net Worth) Department and General Manager at UBS Bank, Managing Director at Merrill Lynch Securities, Senior Vice President, and Head of Investment Banking Division at China Development Financial Holding Corporation. Currently also serving as an independent director for several other companies. Holds extensive knowledge and experience in business management and finance.	No	No	0	No	0	3

Note 1: Representative of Everlight Chemical Industrial Corporation.
Note 2: Representative of Tsai Ying Investment Co., Ltd.
Note 3: Representative of Charng Hui Ltd.
Note 4: Independence Criteria Item Explanation:
1. Whether the independent director, his/her spouse, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates.
2. The proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others).
3. Whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
4. The amount of remuneration received for business, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

1.5 Diversity and independence of the board:

(I) Diversity of the board:

1. Pursuant to Article 20 of the Company's Corporate Governance Best-Practice Principles, the composition of the board of directors shall be determined by taking diversity into consideration and an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated. The nomination of the Company's directors is conducted by adopting the candidate nomination system in accordance with the provisions stipulated in the Articles of Incorporation. Each candidate's academic qualification, professional background, integrity, or related professional qualifications are evaluated and once approved by the board of directors, a list of candidates is submitted to the shareholders' meeting for election.
2. The tenth board of directors of the Company originally consisted of nine seats. After one legal entity director resigned on March 27, 2026, there are now eight seats. The board members have diverse professional backgrounds, including four Independent Directors, two corporate Directors, one Representative for a corporate director, and one individual Director. Of these, there are two seats held by directors who are also managers of the Company. Directors who are not employees account for 75%, exceeding half of the board seats. Independent Directors account for 50%, and corporate directors (including representatives) account for 37.5%. Regarding the age distribution of Directors, there are six who are 61-70 years old and two who are above 70 years old. The board members possess diverse backgrounds from academia and industry. Their experiences include full-time and adjunct professorships at national universities, experts in financial accounting and strategic management, as well as management professionals from the chemical, food, trade, and financial industries. In addition to meeting the basic qualifications and possessing necessary professional knowledge, through the operation of various functional committees, professional expertise and experience are fully utilized to provide important support for the Board of Directors in terms of oversight and decision-making in corporate governance, environmental sustainability, corporate social responsibility, compliance with regulations, and human rights protection.
3. The goal of the achievement of the diversity policy: The number of directors who are also managers of the Company does not exceed one-third of the total number of directors, complying with relevant corporate governance regulations. There is currently one female director on the Board of Directors; however, the board seats for any single gender have not yet reached one-third. This is mainly due to the consideration of industry characteristics and the fact that past director appointments prioritized professional ability and practical experience without specific gender proportion requirements. In the future, during the director nomination process, we will actively recruit female professionals with industry experience to join the Board of Directors to enhance gender diversity and continuously improve the overall diversity of professional knowledge and skills of the Board. Future plans: The Company prioritizes gender equality in the composition of the Board members, and we will gradually increase the ratio of female directors. Our long-term goal is to achieve over one-third female board members and to maintain or increase the proportion of independent directors to over 50%.
4. The multiple backgrounds of the Company's Directors in industry, academia, and knowledge are implemented as follows:

Name of director		Basic Background				Diversity items			
		Gender	Nationality	Juristic-	employee	Management	Leadership	Industry Knowledge	Financial
Director	Edward Chu	Male	Republic		✓	✓	✓	Electronic	
	Colline	Male	Republic	✓		✓	✓	Chemical	
	Dennis	Male	Republic	✓	✓	✓	✓	Financial & Electronic	✓
	Te-Fung	Male	Republic	✓		✓	✓	Food	
Independent Director	Joseph C.P.	Male	Republic			✓		Professor at National	✓
	Po-Yong Chu	Male	Republic			✓		Professor at National	✓
	Biing-Jye Lee	Male	Republic			✓	✓	Electronic	✓
	Huei-Chu	Female	Republic			✓	✓	Financial	✓

Note 1: Representative of Everlight Chemical Industrial Corporation.

Note 2: Representative of Tsai Ying Investment Co., Ltd.

Note 3: Representative of Charng Hui Ltd.

5. Board independence: The four independent directors of the Company represent 50% of the current board seats, all of whom comply with the relevant regulations set by the Financial Supervisory Commission Securities and Futures Bureau regarding the establishment of independent directors. Furthermore, there are no circumstances among the directors and independent directors that violate the provisions of Article 26-3, paragraphs 3 and 4, of the Securities and Exchange Act.

(II) President, Vice Presidents, Managing Directors, and the Chief of Departments and Branches:

April 18, 2026

Title	Nationality	Name	Gender	Election (Appointment) Date	Shares held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Educational Background and Experience	Concurrent Posts in Other Companies	Managerial Officers Who are Spouses or Within Second-Degree of Kinship to Each Other			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chief Executive Officer and President	Republic of China	Edward Chu	Male	2008.11.20	1,618,411	1.89%	55	0.00%	0	0	PhD in Polymer Science, the University of Akron, USA Manager of Electronic Materials and Manufacturing Department, Raychem Corporation	None	None	None	None	(Note 1)
Vice President	Republic of China	Dennis Ho	Male	2007.04.04	926,089	1.08%	90,755	0.11%	0	0	Master of Business Administration, National Chung Hsing University Officer, China International Commercial Bank	None	None	None	None	None
Vice President and General Counsel	Republic of China	Jong Wang	Male	2012.04.05	134,584	0.16%	0	0	0	0	Bachelor of Laws, National Chengchi University Master of Laws, Soochow University EMBA Master, National Chiao Tung University	None	None	None	None	None
Vice President and Chief Operating Officer	Republic of China	Tony Yu	Male	2023.08/14	123,679	0.14%	609	0.00%	0	0	Master's degree from Electronic Engineering Institute, Chung Yuan Christian University	None	None	None	None	(Note 2)
Vice President	Republic of China	Enoch Chen	Male	2023.08.14	77,145	0.09%	0	0	0	0	Department of Electronic Engineering, National Taiwan University of Science and Technology	None	None	None	None	None

Vice President	Republic of China	Patrick Chen	Male	2024.12.24	0	0	0	0	0	0	Department of Mechanical Engineering, National Cheng Kung University Director of the Operational Center at Coretronic Corporation Deputy Director of the Global Logistics Center at Compal Computers Manager of the Production Department at Foxconn Group	None	None	None	None	None
Managing Director	Republic of China	Simmon Sha	Male	2017.04.01	162,000	0.19%	0	0	0	0	PhD in Chemical Engineering, National Tsing Hua University Adjunct Assistant Professor, Ta Hwa University of Science and Technology Project Managing Director, Display Technology Center, Industrial Technology Research Institute	None	None	None	None	None
Managing Director	Republic of China	Jimmy Hsieh	Male	2023.08.14	520,362	0.61%	0	0	0	0	Master of Science in Electrical Engineering from Cornell University, USA Director at Jupiter Photonics Corporation	None	None	None	None	None
Financial and Accounting Manager	Republic of China	Carol Chiu	Female	2024.11.11	43,537	0.05%	0	0	0	0	Department of Accounting, National Cheng Kung University Manager of the Finance Department, The Company	None	None	None	None	None

Note 1: Where the president or person of an equivalent post (the highest level managerial officer) and the chairperson of the Board of Directors and the of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The positions of Chairperson and General Manager of the Company are concurrently held by the same individual, as the Chairperson possesses extensive industry expertise and a thorough understanding of the Company's operations, and provides important guidance on major business strategies and decision-making for the Company and its affiliated enterprises. Such arrangement is considered both necessary and reasonable. In addition, the Company has established four independent directors in accordance with applicable regulations to strengthen the Board's supervisory mechanism, enhance the effectiveness of Board operations, and ensure the proper exercise of its supervisory functions.

Note 2: Mr. Tony Yu was promoted to Chief Operating Officer of the Operations Center on December 18, 2025.

II. Remuneration to Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Year

1. Remuneration to General Directors and Independent Directors

Amount: NT$ thousand

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Remuneration to Directors</th><th colspan="2" rowspan="2">The sum of A, B, C and D and the ratio (%) of net income</th><th colspan="8">Remuneration as Company employees</th><th colspan="2" rowspan="2">The sum of A, B, C, D, E, F, and G as a percentage of net income</th><th rowspan="4">Remuneration from investees other than subsidiaries</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Pension (B)</th><th colspan="2">Director remuneration (C)</th><th colspan="2">Fees for services rendered (D)</th><th colspan="2">Salaries, bonuses, special allowances, etc. (E)</th><th colspan="2">Pension (F)</th><th colspan="4">Employee remuneration (G)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th></tr>
<tr><th>Cash Amount Amount</th><th>Stocks</th><th>Cash Amount Amount</th><th>Stocks</th></tr>
<tr><td>Chairman</td><td>Edward Chu</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">1,560</td><td rowspan="5">1,560</td><td rowspan="5">200</td><td rowspan="5">200</td><td rowspan="5">1,760
3.09</td><td rowspan="5">1,760
3.09</td><td rowspan="5">16,464</td><td rowspan="5">16,464</td><td rowspan="5">545</td><td rowspan="5">545</td><td rowspan="5">4,912</td><td rowspan="5">0</td><td rowspan="5">4,912</td><td rowspan="5">0</td><td rowspan="5">23,681
41.53</td><td rowspan="5">23,681
41.53</td><td rowspan="5">None</td></tr>
<tr><td>Director</td><td>Littelfuse Europe GmbH Representative: Alex Kuo (Note 1)</td></tr>
<tr><td>Director</td><td>Everlight Chemical Industrial Corporation Representative: Colline Chen)</td></tr>
<tr><td>Director</td><td>Charng Hui Ltd. Representative: Te-Fung Tsao</td></tr>
<tr><td>Director</td><td>Tsai-Ying Investment Co., Ltd. Representative: Dennis Ho</td></tr>
</table>

Independent Director, and member of the Audit and Remuneration Committees	Po-Yong Chu	4,560	4,560	0	0	1,040	1,040	230	230	5,830 10.22	5,830 10.22	0	0	0	0	0	0	0	0	5,830 10.22	5,830 10.22	None
Independent Director, and member of the Audit and Remuneration Committees	Joseph C.P. Hsieh																					
Independent Director, and member of the Audit and Remuneration Committees	Biing-Jye Lee																					
Independent Director, and member of the Audit Committees	Huei-Chu Huang																					

1. Please describe the independent directors' remuneration policy, system, standards, and structure, and explain the factors including the independent directors' duties, risks, and invested time connecting to the remuneration amount: The compensation for the directors of our company is determined by the board of directors in accordance with the company's articles of association, based on the level of participation and contribution to the company's operations by the directors, taking into account domestic and international industry standards. When the company is profitable, the board of directors determines the amount of director remuneration in accordance with the provisions of the company's articles of association. Independent directors, as members of functional committees, receive compensation in addition to that given to regular directors, taking into consideration their responsibilities, assumed risks, and time commitment, with different reasonable remuneration rates being set accordingly.
2. Remuneration received by directors for providing service to any company included in the financial statements (e.g. consultancy service without the title of an employee) in the last year, except those disclosed in the above table: None.

Note 1: Littelfuse Europe GmbH resigned from the position of Director on March 27, 2026.

<table>
<tr><th rowspan="3">Remunerations to individual directors in respective brackets along the remuneration scale</th><th colspan="4">Name of director</th></tr>
<tr><th colspan="2">Total remuneration (A+B+C+D)</th><th colspan="2">Total remuneration (A+B+C+D+E+F+G)</th></tr>
<tr><th>The Company</th><th>All companies included in the financial reports</th><th>The Company</th><th>All companies included in the financial reports</th></tr>
<tr><td>Below 1,000,000</td><td>Edward Chu
Everlight Chemical Industrial Corporation
Colline Chen (Note 1)
Littelfuse Europe GmbH
Alex Kuo(Note 2)
Charng Hui Ltd.
Te-Fung Tsao (Note 3)
Tsai-Ying Investment Co., Ltd.
Dennis Ho (Note 4)</td><td>Edward Chu
Everlight Chemical Industrial Corporation
Colline Chen (Note 1)
Littelfuse Europe GmbH
Alex Kuo(Note 2)
Charng Hui Ltd.
Te-Fung Tsao (Note 3)
Tsai-Ying Investment Co., Ltd.
Dennis Ho (Note 4)</td><td>Everlight Chemical Industrial Corporation
Colline Chen (Note 1)
Littelfuse Europe GmbH
Alex Kuo(Note 2)
Charng Hui Ltd.
Te-Fung Tsao (Note 3)
Tsai-Ying Investment Co., Ltd.</td><td>Everlight Chemical Industrial Corporation
Colline Chen (Note 1)
Littelfuse Europe GmbH
Alex Kuo(Note 2)
Charng Hui Ltd.
Te-Fung Tsao (Note 3)
Tsai-Ying Investment Co., Ltd.</td></tr>
<tr><td>NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)</td><td>Joseph C.P. Hsieh
Po-Yong Chu
Biing-Jye Lee
Huei-Chu Huang</td><td>Joseph C.P. Hsieh
Po-Yong Chu
Biing-Jye Lee
Huei-Chu Huang</td><td>Joseph C.P. Hsieh
Po-Yong Chu
Biing-Jye Lee
Huei-Chu Huang</td><td>Joseph C.P. Hsieh
Po-Yong Chu
Biing-Jye Lee
Huei-Chu Huang</td></tr>
<tr><td>NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)</td><td></td><td></td><td>Dennis Ho (Note 4)</td><td>Dennis Ho (Note 4)</td></tr>
<tr><td>NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)</td><td></td><td></td><td>Edward Chu</td><td>Edward Chu</td></tr>
<tr><td>NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Above NT$100,000,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>9</td><td>9</td><td>9</td><td>9</td></tr>
</table>

Note 1: Representative of Everlight Chemical Industrial Corporation.
Note 2: Representative of Littelfuse Europe GmbH. Littelfuse Europe GmbH resigned from the position of Director on March 27, 2026.
Note 3: Representative of Charng Hui Ltd.
Note 4: Representative of Tsai Ying Investment Co., Ltd.

2. Remuneration to Supervisors: The Audit Committee has been established by the Company, which is made up of 4 independent directors, supervisors are thereby not applicable.
3. Remuneration to the President and Vice Presidents

Amount: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Pension (B)</th><th colspan="2">Bonuses, special allowances, etc. (C)</th><th colspan="4">Employee remuneration (D)</th><th colspan="2">The sum of A, B, C and D as a percentage of net income (%)</th><th rowspan="3">Remuneration from investees other than subsidiaries</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial reports</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial reports</th></tr>
<tr><th>Cash Amount</th><th>Stock Amount</th><th>Cash Amount</th><th>Stock Amount</th></tr>
<tr><td>Chief Executive Officer and President</td><td>Edward Chu</td><td rowspan="7">22,868</td><td rowspan="7">23,810</td><td rowspan="7">1,541</td><td rowspan="7">1,541</td><td rowspan="7">11,246</td><td rowspan="7">11,329</td><td rowspan="7">8,889</td><td rowspan="7">0</td><td rowspan="7">8,889</td><td rowspan="7">0</td><td rowspan="7">44,544
78.12</td><td rowspan="7">45,569
79.92</td><td rowspan="7">None</td></tr>
<tr><td>Vice President</td><td>Dennis Ho</td></tr>
<tr><td>Vice President</td><td>Kevin Yang (Note 1)</td></tr>
<tr><td>Vice President and General Counsel</td><td>Jong Wang</td></tr>
<tr><td>Vice President and Chief Operating Officer</td><td>Tony Yu (Note 2)</td></tr>
<tr><td>Vice President</td><td>Enoch Chen</td></tr>
<tr><td>Vice President</td><td>Patrick Chen</td></tr>
</table>

Note 1: Mr. Kevin Yang retired on February 28, 2026.
Note 2: Mr. Tony Yu was promoted to Chief Operating Officer of the Operations Center on December 18, 2025.

Range of remunerations to the President and Vice Presidents	Name of President and Vice Presidents	
	The Company	All companies included in the financial reports
Below 1,000,000		
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	Patrick Chen	
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	Tony Yu, Enoch Chen	Tony Yu, Enoch Chen, Patrick Chen
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	Dennis Ho, Kevin Yang, Jong Wang	Dennis Ho, Kevin Yang, Jong Wang
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	Edward Chu	Edward Chu
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)		
Above NT$100,000,000		
Total	7	7

4. Names of managerial officers who received employee remuneration

Unit: thousand

Title	Name	Stock Amount	Cash Amount	Total	As a percentage of net income (%)
Chief Executive Officer	Edward Chu	0	10,910	10,910	19.13
Vice President	Dennis Ho				
Vice President	Kevin Yang (Note 1)				
Vice President and General Counsel	Jong Wang				
Vice President and Chief Operating Officer	Tony Yu (Note 2)				
Vice President	Enoch Chen				
Vice President	Patrick Chen				
Managing Director	Simmon Sha				
Managing Director	Jimmy Hsieh				
Financial and Accounting Manager	Carol Chiu				

Note 1: Mr. Kevin Yang retired on February 28, 2026.

Note 2: Mr. Tony Yu was promoted to Chief Operating Officer of the Operations Center on December 18, 2025.

5. Comparison of Remuneration to Directors, Supervisors, Presidents, and Vice Presidents for the Past 2 Year

Total Amount of Remuneration to Directors and Supervisors and their Remuneration as a Percentage of Net Income				Total Amount of Remuneration to the President and Vice Presidents as a Percentage of Net Income			
2025		2024		2025		2024	
Total Amount (thousand)	Ratio (%)	Total Amount (thousand)	Ratio (%)	Total Amount (thousand)	Ratio (%)	Total Amount (thousand)	Ratio (%)
7,590	13.31	9,700	5.08	45,569	79.92	37,603	19.69

Explanation:

1. Director and Independent Director Compensation: Compensation for directors is proposed by the Compensation Committee and approved by the Board of Directors.
   (1) Variable Compensation (i.e., director compensation from profit distribution): Determined by the Board of Directors according to the percentage stipulated in the articles of association, approved by two-thirds of the directors present and the majority of attending directors, and reported to the shareholders' meeting. Independent directors may participate in the distribution. The company has established relevant regulations for the evaluation of the Board of Directors and its functional committees. Regular self-assessments are conducted annually for the Board of Directors, individual directors, or each functional committee, and the results of their performance evaluations are taken into consideration in determining individual compensation.
   (2) Fixed Compensation: Considering the need for independent directors to possess professional expertise in specific fields or industry experience, governance knowledge, ESG expertise, and a considerable understanding of the company, which contribute to providing insightful insights into the company's operational strategies and significantly benefit the company in judgment and execution of duties. Furthermore, considering the legal responsibilities and obligations bestowed upon independent directors by regulations, and based on their level of involvement in the company's operations and the value of their contributions, fixed compensation is provided to each independent director annually, with an additional weighting factor applied if they concurrently serve as the chairperson of a functional committee.
   (3) Attendance Allowance: Directors and members of functional committees receive a subsidy for attendance expenses for each meeting they attend.
2. General Manager and Vice General Manager Compensation: The compensation for the General Manager and Vice General Manager includes salary, bonuses, and incentives related to employee remuneration.
   (1) Fixed Salary: It needs to remain competitive with market value, and the adjustment range considers individual performance, departmental operational performance, strategic management capabilities, and the company's operational status for budget planning. It is subject to the relevant regulations of the company's personnel regulations and proposed

by the Compensation Committee based on salary levels in the industry market, and submitted for approval by the Board of Directors.

(2) Employee Remuneration: Employee remuneration is determined by the percentage stipulated in the articles of association, approved by two-thirds of the directors present and the majority of attending directors, and reported to the shareholders' meeting. The compensation for the General Manager and Vice General Manager will consider the company's operational performance.

III. Corporate Governance Operating State

(I) Operating state of the Board of Directors

A total of 5 meetings (Note 1) were held in the most recent year (2025); the attendance of directors is as follows:

Title	Name	Actual Attendance	Proxy Attendance	Percentage of actual (proxy) attendance (%)	Remarks
Chairman	Edward Chu	5	0	100	None
Director	Everlight Chemical Industrial Corporation Representative: Colline Chen	5	0	100	None
Director	Littelfuse Europe GmbH Representative: Alex Kuo	5	0	100	Note 2
Director	Charng Hui Ltd. Representative: Te-Fung Tsao	5	0	100	None
Director	Tsai-Ying Investment Co., Ltd. Representative: Dennis Ho	5	0	100	None
Independent Director	Joseph C.P. Hsieh	5	0	100	None
Independent Director	Po-Yong Chu	5	0	100	None
Independent Director	Biing-Jye Lee	5	0	100	None
Independent Director	Huei-Chu Huang	5	0	100	None

Note 1: Our company completed the tenth board of directors' election at the shareholders' meeting on June 21, 2023. The term of office is from June 21, 2023, to June 20, 2026

Note 2: Littelfuse Europe GmbH resigned from the position of Director on March 27, 2026.

Other Information Required:

I. Matters listed as well as items in board resolutions regarding which independent directors have voiced opposing or qualified opinions on the record or in writing, the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions must be disclosed: None.

II. Recusal of the Directors from motions that involved a conflict of interest: The director shall abstain from participating in discussions and voting related to their own compensation, and abstain from issues related to the directors' own interests, and shall also abstain from participating in discussions and voting related to the deliberation and resolution of matters concerning the joint venture subsidiary, Ju Ye Technology, and its subsidiaries.

III. Assessment of the goals and implementation status of strengthening the functions of the Board of Directors for the current and recent fiscal years:

Our tenth Board of Directors consists of nine members, including one female director. The board members possess diverse backgrounds from academia, industry, and other sectors. Their experiences include full-time and adjunct professorships at national universities, expertise in financial accounting and strategic management, as well as professionals with backgrounds in the chemical industry, food industry, trade-related industries, and financial management. In addition to meeting the basic qualifications and possessing professional knowledge and skills, the directors' experiences contribute to oversight and decision-making in corporate governance, environmental sustainability, corporate social responsibility, compliance with regulations, and human rights protection through the operation of various functional committees.

Furthermore, the company has established an Audit Committee and a Compensation Committee to effectively implement governance systems, strengthen oversight functions, enhance information transparency, and reinforce management capabilities.

IV. The Company has passed the Regulations Governing the Board Performance Evaluation with its 2025 Operating State as follows:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conducted once a year	2025/01/01-2025/12/31	Board of Directors	Self-Evaluation	The involvement degree in the operation of the Company; decision-making quality of the Board of Directors' decision making; composition and structure of the Board of Directors; election and continuing education of the directors; and internal control

Conducted once a year	2025/01/01-2025/12/31	Board member	Self-Evaluation	Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
Conducted once a year	2025/01/01-2025/12/31	Functional Committee Members	Self-Evaluation	Participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members and internal control.
Conducted once a year	2025/01/01-2025/12/31	Audit Committee/Remuneration Committee/Sustainability Development Committee	Self-Evaluation	Participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members and internal control.
Conducted once every 3 years	2024/12/01-2025/11/30	Board of Directors	External expert evaluation	The Composition, Guidance, Authorization, Supervision, Communication, Internal Control and Risk Management of the Board of Directors, Self-discipline of the Board of Directors, Others such as Board of Directors Meetings, Support Systems, etc.

(II) Operation of the Audit Committee or Supervisors at Board Meetings:

1.1 Operation of the Audit Committee:

The Company's Audit Committee is composed entirely of independent directors and at least one meeting is held each quarter. The Committee is responsible for the fair expression of the Company's financial statement, the selection (release) of CPAs and their independence and performance, the effective implementation of internal control, and the management and control of the Company's existing or potential risks. The duties of the Committee are as follows:

I. An internal control system adopted or amended pursuant to Article 14-1 of the Securities and Exchange Act.
II. Effectiveness evaluation of the internal control system.
III. According to Article 36-1 of Securities and Exchange Act, formulate or amend operating procedures for material financial business conduct including acquisition or disposal of assets, derivatives transactions, lending funds to others, providing endorsements/guarantees for others.
IV. Audit matters bearing on the personal interest of a director
V. Audits of material assets or derivatives transactions.
VI. Audits of a material monetary loan, endorsement, or provision of a guarantee.
VII. Audits of the offering, issuance, or private placement of any equity-type securities
VIII. Audits of the hiring or dismissal of an attesting CPA, or the compensation given thereto.
IX. Audits of the appointment or discharge of a financial, accounting or internal audit supervisor.
X. Audits of annual financial reports or 6-month financial reports.
XI. Audits of any other material matter so required by the competent authority.

1.2 A total of 6 Audit Committee meetings were held in the most recent year (2025); the attendance of the independent directors is as follows:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance Rate (%)	Remarks
Independent Director	Joseph C.P. Hsieh	6	0	100	None
Independent Director	Po-Yong Chu	6	0	100	None
Independent Director	Biing-Jye Lee	6	0	100	None
Independent Director	Huei-Chu Huang	6	0	100	None

2. Other Information Required:

I. Issues stated in Article 14-5 of the Securities and Exchange Act:

Date of Meeting	Motion Content	Resolution Result and Opinion of Independent Directors
March 10, 2025, 13th session of the 5th Board	1. Proposal for approval of the 2024 business report and financial statements.	Approved by all members.
	2. Proposal for approval of the planned distribution of profits for the fiscal year of 2024.	Approved by all members.
	3. Proposal for approval of the Internal Control System Statement to be issued by the Company.	Approved by all members.
	4. Proposal to amend the Company's “Articles of Incorporation” Case.	Approved by all members.
	5. Evaluation of the independence and suitability of the appointed CPAs, as well as the CPA appointment and professional fee case.	Approved by all members.
	6. Proposal for application to financial institution for a credit line.	Approved by all members.
	7. Proposal for distribution of employees' and directors' remuneration.	Approved by all members.
	8. Proposal for allocation and payment of directors' remuneration for 2024.	Approved by all members.
	9. Application for credit facilities by the joint venture subsidiary TCLAD Technology Corporation at financial institutions.	Approved by all members.
	10. Proposal to convert the debt of TCLAD Europe GmbH, a subsidiary of TCLAD Technology Corporation, into equity.	Approved by all members.
May 9, 2025, 14th session of the 5th Board	1. Proposal for approval of the business report and financial statements of 2025 Q1.	Approved by all members.
	2. Sign the supplementary agreement with CDIB Capital Advantage Venture Partners, for the joint venture subsidiary TCLAD Technology Corporation.	Approved by all members.
	3. Proposal to repurchase the Company's Shares.	Approved by all members.
August 11, 2025, 15th session of the 5th Board	1. Proposal for approval of the business report and financial statements of 2025 Q2.	Approved by all members.
	2. The proposal for the Company to purchase the shares in the joint venture subsidiary, TCLAD Technology Corporation, held by CDIB Venture Capital Corporation.	Approved by all members.
	3. The proposal to authorize the Convener of the Audit Committee to sign the shares purchase agreement in the name and authority of the Audit Committee's representative with CDIB and TCLAD.	Approved by all members.

	4. Proposal for application to financial institution for a credit line of loan with Polytron, a joint venture subsidiary.	Approved by all members.
	5. Proposal for short-term credit line between TTC and TCLAD, a wholly owned subsidiary of TTC.	Approved by all members.
	6. Proposal for short-term credit line between TCLAD Technology Corporation(“TTC”) and TCLAD Europe GmbH(“TC-EU”), a wholly owned subsidiary of TTC.	Approved by all members.
	7. Proposal to lift the non-competition restrictions on the directors and managerial officers.	Approved by all members.
	8. Reassignment of the directors of the joint venture subsidiary TCLAD and removal of the non-compete restrictions for appointed managers.	Approved by all members.
August 27, 2025, 16th session of the 5th Board	Proposal for the appointment of an external Lawyer.	Approved by all members.
November 10, 2025, 17th session of the 5th Board	1. Proposal for approval of the business report and financial statements of 2025 Q3.	Approved by all members.
	2. Drafting the audit plan for the year 2026 for our company.	Approved by all members.
	3. Amendment to the Company's Internal Control System “Payroll Cycle” Case.	Approved by all members.
	4. Proposal for application to a financial institution for a credit line.	Approved by all members.
	5. Application for credit facilities by the joint venture subsidiary Juyi at financial institutions.	Approved by all members.
	6. Proposal to reappoint the Director of TCLAD Inc., a subsidiary wholly owned by TTC with 100% voting shares.	Approved by all members.
December 18, 2025, 18th session of the 5th Board	1. Proposal for approval of the business plan and budget for 2026 for the group.	Approved by all members.
	2. Proposal for the 2026 capital expenditure plan for the group and the proposal to increase the 2025 capital expenditure budget for the subsidiary Kunshan Polystar Electronics Co., Ltd.	Approved by all members.

II. Independent Director's Dissenting Opinion, Reserved Opinion, or Significant Recommendations: None.

III. Other than those described above, any resolutions not approved by the Audit Committee but passed by more than two-thirds of directors:None.

IV. For the implementation and state of independent directors' recusal for conflicts of interests, and participation in the voting process: None.

V. The Company's response to the opinion of the Audit Committee and independent directors: The Audit Committee did not express an opinion, it is therefore not applicable.

VI. State of communication between independent directors, internal audit supervisor and the CPAs:

(1) Method of communication between independent directors, internal audit supervisor and the CPAs:

i. Independent directors and internal audit supervisors regularly hold an Audit Committee meeting, and the internal audit supervisor reports to independent directors in terms of the Company's execution of internal audits as well as the state of the internal control operation. The internal audit supervisor also communicates to members of the Committee regarding its audit result as well as the execution of follow-up. If there is a significant irregularity, a meeting may be convened at any time.

ii. Independent directors and CPAs regularly hold an Audit Committee meeting, and the CPAs report to independent directors in terms of the Company's finance condition, the finance and overall operation of offshore subsidiaries, and internal control state. The CPAs engage comprehensive communication regarding whether material adjustment or amendment of laws and regulations have any impact on the Company's accounts. If there is a significant irregularity, a meeting may be convened at any time.

(2) 2025 Summary of communication between Independent Directors, and the Internal Audit Officer:

How do the Company's independent directors think of the execution effectiveness of audits: Smooth communication; the summary of communication matters are as follows:

Date	Communication focus	Communication status and results.	The execution result of the Company's response to the opinion of the independent directors.
2025/03/10	The execution progress of the internal audit items, the preparation of the audit report follow-up, and the 2024 Internal Control Statement.	Discussed or approved by all attending members of the Audit Committee.	There are no opinions in this meeting.
2025/05/09	The execution progress of the internal audit items, and the preparation of the audit report follow-up.		There are no opinions in this meeting.
2025/08/11	The execution progress of the internal audit items, and the preparation of the audit report follow-up.		There are no opinions in this meeting.
2025/11/10	The execution progress of the internal audit items, the preparation of the audit report follow-up, and the audit plan for the year 2025.		There are no opinions in this meeting.
2025/12/18	The execution progress of the internal audit items, and the preparation of the audit report follow-up.		There are no opinions in this meeting.

(3) 2025 Summary of communication between independent directors, and the CPAs:
The communication between the Company's independent directors and the CPAs: Smooth communication; the summary of communication matters are as follows:

Date	Communication focus	Communication status and results.	The execution result of the Company's response to the opinion of the independent directors.
2025/03/10	Explanation given by the CPAs in respect of the review of 2024 financial report.	Discussed or approved by all attending members of the Audit Committee.	There are no opinions in this meeting.
2025/05/09	Explanation given by the CPAs in respect of the review of Q1 2025 financial report.		There are no opinions in this meeting.
2025/08/11	Explanation given by the CPAs in respect of the review of Q2 2025 financial report.		There are no opinions in this meeting.
2025/11/10	Explanation given by the CPAs in respect of the review of Q3 2025 financial report.		There are no opinions in this meeting.

3. Supervisors at Board Meetings: The Audit Committee and the Remuneration Committee have been established which are made up of independent directors, supervisors are thereby not applicable.

(III) Corporate governance execution state and deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”:

Evaluation Item	Operating State			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Whether the company has established and disclosed its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established the “Rules of Corporate Governance” in connection with protecting shareholders' equity, strengthening board functions, respecting stakeholders' equity, enhancing information transparency; for the Company's Rules of Corporate Governance, please go to the Company's website.	No significant difference.
II. Equity Structure and Shareholders' Equity				
(I) Does the company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		(I) The Company has established dedicated personnel including the spokesperson and deputy spokesperson to handle matters concerning shareholder suggestions, doubts, disputes and litigation.	No significant difference.
(II) Does the company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		(II) The shareholding changes of the Company’s internal personnel (directors, managerial officers and major shareholders holding more than 5% of the shares) is reported onto the “Market Observation Post System (MOPS)” designated by the competent authority on a monthly basis. The Company also maintains sound relations with investors.	No significant difference.
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	✓		(III) It is handled as an independent third party when the Company does business with affiliates; the Company upholds the principle of fair and reasonable with respect to the personnel of affiliates, and assets. The Company has clear duties of finance management and regulations in written form have been formulated concerning financial business between the Company and its affiliates which clear conditions and payment method are specified. Any non-regular transaction is strictly prohibited.	No significant difference.
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	✓		(IV) The Company has formulated the “Operating Procedures of the Prevention Against Insider Training” and promotes it to the internal personnel from time to time. These Procedures can be found on the company's website.	No significant difference.

Evaluation Item	Operating State			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
III. The Composition of the Board of Directors and Their Duties				
(I) Has the Board devised and implemented policies to ensure the diversity of its members?	✓		(I) The Company has established the "Corporate Governance Best-Practice Principles" which requires the Board to take diversity into consideration when composing the Board. The Company's Board members all have different professional backgrounds from different fields. Future plans: adding female Board members and adding more independent directors, hoping that by providing professional suggestions from different perspectives, the Company's management performance can be enhanced. For the implementation status, please refer to Two. Corporate Governance Report, Information on Directors.	No significant difference.
(II) Apart from the Remuneration Committee and Audit Committee, has the company assembled other functional committees at its own discretion?	✓		(II) The Company places great importance to corporate governance and has established the Remuneration Committee and the Audit Committee on its own initiative in 2011. Functional committees will be established according to the Company's future management needs.	No significant difference.
(III) Has the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?	✓		(III) The Company established the "Regulations Governing the Board Performance Evaluation" as resolved by the Board of Directors on August 13, 2019, and conducts an internal Board performance evaluation annually in accordance with the evaluation procedures and indicators set out in Articles 6 and 8. Every three years, an evaluation is conducted by an external professional independent organization or a team of external experts and scholars, and the results are used as a reference for individual directors' compensation and nomination for continued terms. In 2026, the Company once again commissioned an external organization, Taiwan Corporate Governance Association, to conduct an evaluation of the Board of Directors' performance. The period of review of the evaluation data was from December 2024 to November 2025. In addition to the questionnaire review, an expert team led by the Executive Committee Convener Liu Zhen-tu conducted a video interview on January 21, 2026. They completed the above assignments and issued a report on February 4, 2026. Please refer to the company's web site for the details. https://www.pttc.com.tw/zh-TW/board-external-evaluation	No significant difference.
(IV) Is an external auditor's independence assessed on a regular basis?	✓		(IV) Since 2014, the Audit Committee and the Board assess the independence, appropriateness and professionalism of the CPAs each year and CPAs are also required to provide the "Statement of Independence" each year for the Company to confirm that other than audit and financial case fees, there are no other financial interests and business between the Company and CPAs; family members of CPAs are also required not to violate the independence prior to reporting to the Board. When the Company's Board discusses the independence and appointment of CPAs, CVs of CPAs (clear statement of the CPA's past and current clients), and independence statement of each CPA (not in violation of No. 10 of the Standard of Ethics of Certified Public Accountant) are also reviewed, allowing the Board to discuss and evaluate their independence. For the evaluation of the independence of CPAs, please see the following page (Note 1).	No significant difference.

Evaluation Item	Operating State			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
IV. Has the company designated an appropriate number of personnel that specialize (or are involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders meetings, preparation of board meeting and shareholders meeting minutes, etc)?	✓		The Company has passed to set up a corporate governance manager on the Board meeting held on May 9, 2019. On March 12, 2026, by resolution of the Audit Committee and the Board of Directors, the position of Chief Corporate Governance Officer was transferred from General Counsel Wang to Financial and Accounting Manager Carol Chiu, who is responsible for matters relating to corporate governance. Manager Carol Chiu has served as an executive in the financial and accounting unit of the Company for many years, and possesses professional experience in finance, accounting, and corporate governance, which comply with the legal qualifications. Status of continuing education: Before the year 2025, the former Chief Corporate Governance Officer completed the training courses for Chief Corporate Governance Officers. For details, see Note 2 on continuing education status, and reports have been filed in accordance with relevant regulations. The new Chief Corporate Governance Officer for the year 2026 will also complete the initial training courses as required. Scope of Duties: (I) Formulating the content of meeting agendas and providing sufficient meeting information that are sent together with the meeting convening notification. (II) Providing the information needed for directors and the Audit Committee to carry out their duties. (III) Handling matters relating to Board meetings and shareholders meetings in accordance with the law. (IV) Handling matters relating to corporate registration and changes. (V) Prepare minutes for the Board of Directors and shareholders meetings. (VI) Assist with matters related to the assumption of office for directors. (VII) Handling legal compliance and continuing education for Directors. Annual Work Execution Focus: (I) Handling matters related to the General Meeting of Shareholders, Board meetings, and Audit Committee meetings. (II) Providing the information needed for directors and the Audit Committee to carry out their duties. (III) Assisting Directors and the Audit Committee with continuing education and legal compliance matters. (IV) Handling matters relating to corporate governance evaluation. The appointment and authority of the Chief Corporate Governance Officer of the Company are handled in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and related regulations of the Taiwan Stock Exchange.	No significant difference.
V. Has the company established a communication channel for stakeholders, and is there a stakeholders section on the company's website and are the corporate social responsibility issues concerning stakeholders properly addressed?	✓		The Company has established a stakeholder's section on its website as a means to maintain a smooth communication channel with stakeholders in relation to the Company's interests including banks which the Company does business with, other creditors, employees, customers, and suppliers.	No significant difference.
VI. Has the company appointed a professional shareholder's service agent to process the affairs related to shareholders' meetings?	✓		The Company has appointed the “Stock Agency Department of KGI Securities” as stock agency to handle shareholder-related affairs.	No significant difference.

Evaluation Item	Operating State			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
VII. Information Disclosure (I) Does the company have a website set up and the financial business, and corporate governance information disclosed?	✓		(I) Information with respect to financial business and corporate governance is disclosed on the Company's website (http://www.pttc.com.tw/) for anyone who wishes to find out more.	No significant difference.
(II) Has the company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		(II) The Company has a website that is in both Chinese and English to disclose information relating to financial business and corporate governance with designated personnel to collect and disclose related information; there is also a spokesperson and deputy spokesperson system. Information on shareholders conferences can also be found on the Company's website and MOPS.	No significant difference.
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating state for each month before the specified deadline?	✓		(III) The annual financial report has been publicly announced and reported in March; the remaining quarterly reports are publicly announced on the day after being approved by the Board of Directors. The Company's state of operations has been publicly announced within the required date.	No significant difference.
VIII. Does the Company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the rights and interests, care of employees, investor relationship, supplier relationship, rights of stakeholders, further education of directors and supervisors, implementation of risk management policies and measurement criteria, implementation of customer policies and liability insurance coverage for directors and supervisors)?	✓		For details, please see the following page (Note 3).	No significant difference.
IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in recent years and propose the matters with priority for improvement and the respective measures. The Company has improved the status in 2025: 1. Promote the Board of Directors to regularly refer to the Audit Quality Indicators (AQIs) to evaluate the independence and suitability of CPAs, and disclose the evaluation procedures in detail in the annual report. 2. Acquired the ISO 27001 information security management system standard, which helps to enhance the company's information security management capabilities and maintain information security. Improvements planned for the year 2026: 1. Continue to strengthen cybersecurity risk management. 2. Continue to strengthen the management and promotion of insider trading prevention.				

Note 1: CPAs' independence evaluation criteria: In accordance with article 30 of the " Corporate Governance Code of Conduct" of the Company, the Company shall completed evaluate independence and appropriateness of its financial statement auditor on a regular basis. On March 12, 2026, the Company referred to the Audit Quality Indicators (AQIs) in the Board of Directors' meeting and conducted an evaluation inspection of the independence and suitability of the appointed CPAs. No violations of independence were found concerning the Company's CPAs. The results are as follows:

Evaluation Items	Evaluation Result
1. The CPA is currently employed by the client or audited entity to perform routine work for which he or she receives a fixed salary, or currently serves as a director or supervisor thereof.	□Yes ■No
2. The CPA has previously served for the client or audited entity as a director, supervisor, managerial officer, or an employee with material influence over attestation, and has been separated from the position for less than two years.	□Yes ■No

3.	The CPA is a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the client or audited entity.	□Yes ■No
4.	The CPA, or the spouse or a minor child thereof, has invested in the client or audited entity, or shares in financial gains therewith.	□Yes ■No
5.	The CPA, or the spouse or a minor child thereof, has lent or borrowed funds to or from the client or audited entity.	□Yes ■No
6.	The CPA provides management consulting or other non-attestation services that affect his or her independence.	□Yes ■No
7.	The CPA fails to comply with regulations, as prescribed by the competent authority with relevant jurisdiction, governing CPA rotation, handling accounting matters on behalf of clients, or other matters that affect his or her independence.	□Yes ■No
8.	The CPA has attestation experiences in the Company's related industry.	■Yes □No
9.	The CPA has been disciplined or had his or her points taken by the Financial Supervisory Commission in the past 5 years.	□Yes ■No

Note 2: 2025 continuing education status is as follows:

Name/Job Title	Date	Organizer	Course Name	Hours of Course
Joseph C.P. Hsieh Independent Director	2025/04/18	Association Taiwan Corporate Governance Association	Comprehensive Launch of Corporate Innovation and Growth and Angel Investment	3
	2025/07/04		The Path of Sustainable Legacy and AI Application Transformation	3
Po-Yong Chu Independent Director	2025/05/06	Association Taiwan Corporate Governance Association	From Operational Compliance to Reputation Management: Corporate Preparedness and Challenges in Facing the Sustainability Wave	3
	2025/06/03		Global Economic Situation and Outlook	3
	2025/08/12		Trump 2.0: Corporate Response Strategies for Global Tax Reform and Supply Chain Restructuring	3
	2025/11/12		Technology and Trends - Development of AI and Business Impact	3
Biing-Jye Lee Independent Director	2025/10/15	Association of Enterprising and Sustainable Development of the Republic of China	M&A Due Diligence in Practice - Unpacking the Risks and Opportunities Behind Financial Numbers	3
	2025/10/31		Practical Aspects of Hostile Mergers and Corporate Governance Issues	3
Huei-Chu Huang Independent Director	2025/05/22	Taiwan Corporate Governance Association	Innovative Thinking of the Semiconductor Industry Behind Artificial Intelligence	3
	2025/10/15		Strengthen compliance with laws and regulations to ensure sustainable operations.	3
	2025/10/22	Chung-Hua Institution for Economic Research	Outlook for Domestic, International, and Cross-Strait Economic Situation in 2026	3
Jong Wang Chief Corporate Governance Officer	2025/11/05	The Institute of Internal Auditor's-Chinese Taiwan	Matters to Be Noted and Practical Analysis of "Shareholders' Meetings" and the "Company Act"	6
	2025/11/21		Analysis of Illegal Cases Involving Auditors/Accounting Personnel and Countermeasures	6
Charles Tsai Internal Audit Officer	2025/09/23	The Institute of Internal Auditor's-Chinese Taiwan	Discussing the New Role of Internal Auditing from Case Studies—The Intersection of Ethics, Morals, and Law	6
	2025/06/13		Practical Audit Techniques	6

Note 3: Other important information that is sufficient to enhance the understanding of the operation of corporate governance shall be disclosed all together:

1. Employee Rights and Employee Care: Please see Five. Operational Profile/V. Labor-Management Relations in the annual report.
2. Rights of investor relation, supplier relations and stakeholders: The Company has a spokesperson's system and maintains a smooth communication channel with stakeholders in relation to the Company's interests including banks which the Company does business with, employees, customers, and suppliers. The Company's contact methods are also disclosed on the website.
3. The Company's directors, managerial officers, financial and accounting manager, corporate governance manager, and audit manager carry out continuing education from time to time covering courses including corporate governance and related skills. The continuing education state is publicly announced on "MOPS" as required by the competent authority. The Company has established the Audit Committee, supervisors are thereby not applicable.
4. Implementation of risk management policies and risk measurement standards: The Company has been actively promoting the implementation of the risk management mechanism and the "Risk Management Policy and Process" was approved by the Board of Directors on December 23, 2021. The contents include risk management scopes, organizational structures, etc., and it has been stipulated to report the evaluation results and the Operating State to the board of directors at least once a year. For 2025, the risk evaluation was reported to the Board of Directors on December 18, 2025, including information security risk, exchange rate risk, among others.

   In the future, the various risk factors will be regularly evaluated for their potential impact on the Company's operations, and corresponding strategic response plans will be proposed. The management team is expected to present an annual risk evaluation report to the Board of Directors so that Board members are informed in a timely manner about the risks and challenges faced by the Company's operations. This will serve as a basis for the Board of Directors to make appropriate response decisions and to oversee their execution.

   According to the Company's Risk Management Policy and Process, the "Board of Directors" is the highest responsible unit for the Company's risk management. Secondly, the Audit Committee supervises risk management and reviews the risk management policy, procedures, and framework, and regularly assesses their applicability and execution effectiveness. Finally, the "Risk Management Team" is responsible for promoting and executing risk management as a dedicated unit. The team is led by the Chief Executive Officer as the top supervisor of risk management, with the heads of each business unit serving as front-line managing personnel who detect, identify, evaluate, and formulate relevant countermeasures for each risk, and regularly report back to the Risk Management Team.

   Each year, the Risk Management Team screens risk management scope from the compilation of various risk factors reported by each unit. The Risk Management Team also monitors potential risks and implements preventive measures according to the latest development of internal audit and requirements of the guidelines. By doing this, risk management is reinforced and various risks arising from business activities are controlled within an acceptable range. The Company's risk management includes (but not limited to) management of "financial risk", "compliance risk", "information security risk", and "climate risk". Additionally, the risk management team should consolidate and report the Company's risk management implementation status to the Audit Committee at least once a year. The risk management team has reported the annual risk evaluation, including information security risk and exchange rate risk, to the Audit Committee on December 18, 2025.
5. Clear rules for motions that involve a conflict of interest of the Board have been formulated in the Rules of Procedure for Board of Directors' Meetings and are thoroughly executed. For motions of recusal, please see Three. Corporate Governance Report/IV. Corporate Governance Operating State/(I) Operating State of the Board of Directors; important resolutions of Board meetings are disclosed on MOPS as required; the publicly announced information on important resolutions for 2025 is as follows:

Date	Subject
2025/03/10	The Company's consolidated financial reports of 2024 has been submitted to the Board of Directors.
2025/03/10	PPTC announces board resolution on 2023 dividends distribution and the ex-dividend record date.
2025/03/10	PTTC Board of Directors resolved to convene the 2025 Annual Shareholders' Meeting.
2025/03/10	To announce the resolution made by the board on the 2024 employees' and directors' compensation.

2025/05/09	The Company's consolidated financial reports of the first quarter of 2025 has been submitted to the Board of Directors.
2025/05/09	The Company's Board of Directors approved the repurchase of treasury shares.
2025/08/11	The Company's consolidated financial reports of the second quarter of 2025 has been submitted to the Board of Directors.
2025/08/11	Announcement of the Board of Directors of the Company to lift the non-compete restrictions on managerial officers.
2025/11/10	The Company's consolidated financial reports of the third quarter of 2025 has been submitted to the Board of Directors.
2025/12/18	The Company's Board of Directors approved the appointment of the new Chief Operating Officer.

6. Execution of customer policies: The Company has purchased product liability insurance and a dedicated unit has been assigned to be responsible of customers, ensuring immediate response to the needs and rights of customers.
7. Matters with regards to liability insurance for directors and supervisors are specified on the Company's Articles of Incorporation and are thoroughly executed.
   (1) Information on 2025 directors' liability insurance is as follows:

Insurance Object	Insurance Company	Insured Amount (NT$: thousand)	Insured Period (from and to)
All directors	AIG Taiwan Branch	327,850	From: January 1, 2025 To: January 1, 2026

   (2) The Company has established the Audit Committee, supervisors are thereby not applicable.
8. Personnel relating to financial information transparency, the obtaining of their license as required by the competent authority:

Nature	License	The Holder
Legal Personnel	Lawyer	1 person
Legal Personnel	Patent Attorney	1 person

9. For employee conduct or ethical related rules, please see the Company's webpage:https://www.pttc.com.tw/zh-TW/about
10. For protection measures of the work environment and employees' safety: Please see Two. Corporate Governance Report/III. Corporate Governance Operating State/(V) The State of the Company's Exercise of Social Responsibilities in the annual report.

(IV) If there is a Remuneration Committee in place, disclose its composition, duties, and state of operation:

(1) Remuneration Committee Members

Identity	Qualification / Name	Professional Qualifications and Experience	Independence Criteria (Note 1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a member of the Remuneration Committee
Independent Director Convenor	Biing-Jye Lee	Please refer to page 9 for directors' professional qualifications and independent director disclosure information.	Comply	0
Independent Director	Joseph C.P. Hsieh		Comply	1
Independent Director	Po-Yong Chu		Comply	3

Note 1: Independence Criteria: Clarify whether members of the Compensation Committee meet the independence criteria, including whether the member, their spouse, or relatives within the second degree of kinship hold positions as directors, supervisors, or employees of the company or its related enterprises; whether the member, their spouse, or relatives within the second degree of kinship (or through others' names) hold shares of the company and their proportion; whether they serve as directors, supervisors, or employees of companies with specific relationships with the company (refer to Article 6, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Public Companies regarding the establishment and exercise of powers of the compensation committee); and the amount of remuneration received for providing business, legal, financial, accounting, or other services to the company or its related enterprises in the past two years.

(2) Duty of Scope of Remuneration Committee Members

Members of the Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below and shall submit its recommendations for deliberation by the board of directors.

I. Periodically reviewing this Charter and making recommendations for amendments.

II. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the remuneration to the directors, and managerial officers of the Company.

III. Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual remuneration.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

I. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.

II. Performance assessments and compensation levels of directors, supervisors, and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also, to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company.

III. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the company may tolerate.

IV. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.

V. It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual remuneration.

VI. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual remuneration.

The term “remuneration” mentioned in the preceding two items includes cash amounts, stock options, profit sharing, retirement benefits or severance pay, various allowances, and other measures with substantive incentives; its scope should be consistent with the guidelines for the annual report of publicly listed companies regarding the remuneration of directors and managerial officers.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles: If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the Company, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

(3) The Operation State of the Remuneration Committee

I. The Company's Remuneration Committee is made up of 3 persons.
II. Term of Office: June 21, 2024 - June 20, 2026.
III. A total of 2 Remuneration Committee meetings were held in 2025; the discussion matters and resolution results are as follows:

Date of Meeting	Session	Discussion Agenda	Resolution Result
2025/03/10	7th session of the 5th Board	1. Proposal for distribution of employees' and directors' remuneration. 2. Proposal for allocation and payment of directors' remuneration for 2024. 3. Proposal for allocation and payment of employees' remuneration for the management team for 2024.	Approved by all members
2025/12/18	8th session of the 5th Board	1. Proposal for payment of the year-end bonuses/ incentive bonuses for hi-ranking managers in 2025. 2. Proposal for salary adjustment for senior executives for the fiscal year of 2026. 3. Proposal for promotion of the excellent employee. 4. Proposal for personnel termination and retirement benefits.	Approved by all members

IV. Attendance Status:

Title	Name	Actual Attendance	Proxy Attendance	Actual Attendance Rate (%)	Remarks
Convener	Biing-Jye Lee	2	0	100	
Member	Po-Yong Chu	2	0	100	
Member	Joseph C.P. Hsieh	2	0	100	

Other Information Required:

1. If the Board of Directors declines to adopt or modify a recommendation of the Remuneration Committee, the date, session, topic discussed and the resolution of the Board meeting and handling of the resolution of the Remuneration Committee shall be specified (if the compensation package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.
2. As to the resolution of the Remuneration Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, and all members' opinions shall be specified: None.
3. Handling of members' opinions: No opinions, it is therefore not applicable.

(V) The state of the company's performance of social responsibilities, any deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies:

Evaluation Item	Operating State			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Yes	No	Summary	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	✓		The Company established the Sustainability Development Committee on August 8, 2024, in accordance with the “Sustainability Development Committee Charter.” The committee is composed of the Chairman and Independent Directors, serving as a functional committee under the Board of Directors, with regular meetings to coordinate and plan related sustainability development items. The Company also established a “Sustainability Development Task Force” in accordance with the “Sustainability Best Practice Principles of Polytronics Technology Corporation,” with the Acting General Manager serving as the convener. The task force is the dedicated unit for the company's sustainability development, responsible for coordinating and promoting related affairs. Under it, there are four working groups: the Corporate Governance Group, the Environmental Sustainability Group, the Employee Care and Social Concern Group, and the Product Quality and Supply Chain Group. The members of the groups are the heads and members of each department, effectively integrating resources to implement the sustainability strategy in departmental execution. The Company provides annual reports on the work plan and execution results to the Board of Directors at least once a year. The most recent report was presented to the Board of Directors on August 11, 2025, covering the execution status and improvement outcomes of the 2024 sustainability development objectives and tasks, and the Board of Directors also approved the Company's various sustainability targets and tasks.	No significant difference.

Evaluation Item	Operating State			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Yes	No	Summary	
II. Has the company performed risk assessments on environmental, social, and corporate issues in relation to the company's operations according to material principles, and formulated relevant risk management policies or strategies?	✓		The Company has been actively promoting the implementation of the risk management mechanism and the "Risk Management Policy and Process" was approved by the Board of Directors on December 23, 2021. The contents include risk management scopes, organizational structures, etc., and it has been stipulated to report the evaluation results and the Operating State to the Board of Directors at least once a year. For 2025, the risk evaluation was reported to the Board of Directors on December 18, 2025, including information security risk, exchange rate risk, among others. According to the "Risk Management Policy and Process" regulations, the "Board of Directors" is the highest responsible unit for risk management in the company. Secondly, the Audit Committee supervises risk management and reviews the risk management policy, procedures, and framework, and regularly assesses their applicability and execution effectiveness. Finally, the "Risk Management Team" is responsible for promoting and executing risk management as a dedicated unit. The team is led by the Chief Executive Officer as the top supervisor of risk management, with the heads of each business unit serving as front-line managing personnel who detect, identify, evaluate, and formulate relevant countermeasures for each risk, and regularly report back to the Risk Management Team.	No significant difference.
III. Environmental Issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial character?	✓		(I) The Company has established and passed the ISO14001 environmental management system certification.	(I) No significant difference.
(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that are with low impact on the environment?	✓		(II) The Company is committed to enhancing energy utilization efficiency and continuously promoting energy-saving improvements and equipment optimization to reduce energy consumption and greenhouse gas emissions. To mitigate the environmental impact of operational activities, the Company manages from the source of raw materials, conducting an inventory of waste cardboard boxes and cushioning packaging materials generated from raw material purchases, promoting recycling measures, and prioritizing the evaluation of adopting recycled or environmentally friendly materials with lower environmental impact. This serves to reduce resource usage and waste output and enhance overall resource utilization efficiency.	(II) No significant difference.
(III) Has the company assessed the potential risks and opportunities for business operations now and the future regarding climate change and will it adopt response measures relating to climate issues?	✓		(III) We pay close attention to issues relating to climate change while proactively doing its best to comprehend current and future potential risks and opportunities. We will correspond with laws and regulations as well as the Company's development and adopt climate-related countermeasures.	(III) No significant difference.

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<tr>
<td>(IV) Has the company calculated the greenhouse gas emissions, water consumption, and total weight of waste in the past 2 years, and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption, or other waste management?</td>
<td>✓</td>
<td></td>
<td>(IV)
1.(1) Greenhouse Gas Management Strategies:
The Company has implemented the ISO 14064-1 Greenhouse Gas Inventory and Management System, establishing a systematic inventory and management mechanism. The year 2024 is used as the baseline year for greenhouse gas emissions, serving as the basis for subsequent performance tracking and yearly comparative analysis.
<table>
<tr><th>Year</th><th>114</th><th>113</th></tr>
<tr><td>Scope 1(tCO_2e)</td><td>151.9367</td><td>161.8462</td></tr>
<tr><td>Scope 2(tCO_2e)</td><td>3543.5901</td><td>3330.5329</td></tr>
<tr><td>Scope 3(tCO_2e)</td><td>768.0064</td><td>706.0711</td></tr>
<tr><td>Total</td><td>4463.5332</td><td>4198.4502</td></tr>
</table>
Note 1: The boundary for The Company's greenhouse gas inventory includes all JD's Taiwan plants, encompassing the East Plant Four, East Plant Nine, and Tufan Plant.
Note 2: Scope 1 Direct Emissions: Covering emissions from stationary combustion of fuels, process emissions sources, and mobile sources such as company vehicles. Scope 2 Energy Indirect Emissions: Emissions sources from purchased electricity. Scope 3: Emissions sources from upstream emissions of purchased goods and waste disposal.
Note 3: Greenhouse Gas Inventory Scope: Carbon Dioxide (CO2), Methane (CH4), Nitrous Oxide (N2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur Hexafluoride (SF6), and Nitrogen Trifluoride (NF3), a total of 7 greenhouse gases.
Note 4: The 2024 greenhouse gas emissions have been commissioned for third-party verification by the Taiwan branch of the British Standards Institution (BSI), Pacific Limited.
Note 5: The 2025 greenhouse gas emissions data has been compiled by The Company based on the results of self-reporting operations.
(2) Water Usage: This item is based on the following statistics from water bill:
<table>
<tr><th>Year</th><th>114</th><th>113</th></tr>
<tr><td>Water Consumption from Tap Water Supply (Million Liters)</td><td>23.15</td><td>22.95</td></tr>
</table>
Note 1: The water volume for all of JD's Taiwan plants encompasses the East Plant Four, East Plant Nine, and Tufan Plant.
Note 2: The data on water usage in 2024 in the 2025 annual report is incorrect and has been amended.</td>
<td>(IV) No significant difference.</td>
</tr>
</table>

(3) Waste: Waste removal information on Hsinchu Science Park Plant, E. VII Plant and Toufen Plant for 2023 and 2022 is as follows:

Starting from 2025, the Company adjusted its waste management targets from total volume control to focusing on “waste generation intensity reduction” as the core indicator, using 2024 as the benchmark year, and setting annual improvement reduction targets to enhance resource utilization efficiency and reduce the environmental impact of waste.

The Company plans to reduce waste generation intensity by at least 1% annually, targeting a 1% reduction in 2025 compared to the benchmark year, and a cumulative reduction of 2% by 2026. The Company will also continue to promote source reduction, classification management, and resource reuse measures to enhance overall waste management performance.

Waste: Waste removal information on Hsinchu Science Park Plant, E. VII Plant and Toufen Plant for 2025 and 2024 is as follows:

Year	2025 waste		2024 waste	
	Hazardous waste processing volume (ton)	Non-hazardous waste processing volume (ton)	Hazardous waste processing volume (ton)	Non-hazardous waste processing volume (ton)
Disposal and Transfer (Reuse, Recycling)	16.57	7.39	15.38	20.09
Direct Disposal (Incineration, Landfill, Other)	15.37	45.79	8.22	45.70
Total	85.12		89.39	

Note 1: The scope of The Company's waste management includes all JD's Taiwan plants, encompassing the East Plant Four, East Plant Nine, and Tufan Plant.

Note 2: The nature of the Company's main waste types is divided into three categories: general industrial waste, hazardous industrial waste, and recyclable materials. Designated areas are set up at each plant for classification and temporary storage management. All waste is entrusted to qualified vendors for removal, treatment, or recycling, and relevant data is reported regularly in accordance with the law.

Note 3: To reduce the environmental impact of its operations, the Company has established a waste management system in accordance with ISO 14001. It conducts regular audits of waste disposal vendors to ensure compliance with relevant regulations and management requirements, thereby ensuring proper waste management and environmental risk control.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operating State</th><th rowspan="2">Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>2. The Company mainly uses energy for production systems. To achieve the long-term goal of low-carbon operations, each plant will implement energy-saving and carbon reduction programs. These include taking inventory and replacing outdated high-energy-consuming equipment or parts within the plant, and replacing plant lighting with energy-efficient LED fixtures. For detailed information on reduction and energy-saving measures, please refer to the Description in the Company's sustainability report.</td><td></td></tr>
</table>

IV. Social Issues (I) Has the company established relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		(I) The Company has formulated human rights policy and implementation guidelines in accordance with internationally recognized human rights standards and related initiatives, such as RBA and OECD, and has published them on the Company's website. The solid implementation first starts from the Company's employees - employees enjoy equality of work opportunities regardless of gender, religion, political party; and through the occasional promotion and dissemination of relevant human rights policies to enhance colleagues' awareness of human rights protection. We ensure that our employees are free from discrimination and harassment by building a healthy working environment. Secondly, we provide safe and healthy working and living conditions - Occupational Safety and Health Committee has been established, which is responsible for reviews and suggestions of issues relating to plant's occupational safety and health. The Occupational Safety Section is responsible for the execution and control of safety and health laws. We organize employee physical health examinations each year, and we also offer lunches to employees; the above acts are to ensure the safety and health of our employees. Lastly, we promote labor and management equality and hold a labor-management meeting each quarter, protecting labor rights in accordance with the laws while at the same time coordinating labor-management relations to further advance labor-management cooperation. At the same time, The Company has also set up the Employee Welfare Committee for a variety of Employee Welfare Measures. The Company plans to conduct human rights assessments and establish related human rights risk mitigation measures by the end of the year. In accordance with relevant management measures, human rights-related education and training will be conducted periodically. The Implementation Status will subsequently be disclosed on the Company's website to continuously strengthen the Company's human rights protection mechanisms.	(I) No significant difference.
(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits), and appropriately reflect the business performance or achievements in the employee remuneration	✓		(II) The Company has established and implemented reasonable Employee Welfare Measures. Every year, the Company refers to the domestic social and economic index and the regional salary level (Hsinchu Science Park area) and bases salary adjustments on individual job contribution, work performance, and ability evaluation. The salary adjustment for 2025 has been completed, with an adjustment rate of approximately 3.5%, retroactive to January. In addition, it is stipulated in the Company's articles of incorporation that if there is a profit in the year, no less than 6% should be allocated for employee remuneration. Among them, it should include the allocation of no less than 1.5% of the company's annual profits as employee remuneration to grassroots employees. The aforementioned profit refers to the profit before tax for the year, before deducting the distribution of employee and director remuneration. For related measures disclosed on the Company's website and the annual report - IV. Labor-Management Relations. Closely linked with reasonable remuneration policy and operating performance.	(II) No significant difference.

(III) Does the company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		(III) Some parts of our plant may have potential risks such as noise and dust in the operating environment. Protective measures such as engineering controls and personal protective equipment (PPE) have been implemented to reduce operational exposure risk. Regular health examinations and management are conducted for general workers, while special health examinations are held annually for employees engaged in operations that pose particular health hazards (such as noise, dust). In order to ensure a workplace that is both safe and healthy for our employees, the Company continually promotes the following management measures: 1. Management System Establishment: Has obtained the ISO14001 environmental management system certification. Through planning, execution, inspection and continuous improvement mechanisms, it promotes pollution prevention and environmental improvement, striving to create a workplace that is both safe and comfortable. 2. Organization and Personnel Arrangement: A safety and health supervisor or safety and health manager is placed in each plant to execute safety and health management in accordance with the law; these personnel have also been approved by the competent authority. Additionally, dedicated personnel are assigned to be responsible for operations related to environmental management. 3. Health management mechanism: Health examinations and tiered management are carried out annually for employees engaged in both general operations and those that are particularly hazardous to health. For those with irregular examination results, evaluations, follow-up, and health guidance are provided by designated occupational health nurses. 4. Equipment Safety Management: Dangerous machinery and equipment in the plant are regularly inspected in compliance with the law and have obtained qualification certificates; operators must have professional licenses and receive regular on-the-job training. 5. Audit and Improvement Mechanism: Conduct regular and irregular on-site audits of safety, environmental protection, and fire operations, tracking and improving deficiencies to continuously enhance the level of operational safety. 6. Management of System Documents: Regular review and revision of safety and health-related procedural documents are conducted in accordance with relevant laws and regulations for employees to follow. 7. Automated Inspection System: Machinery and equipment undergo automated inspections according to daily, weekly, monthly, quarterly, every 6 months, and Year plans, and regular inspections on listed equipment are reported to the competent authority in accordance with the law. 8. Education and Training: Safety and health education and training are conducted for new employees, incumbents, and personnel involved in special operations as required, and relevant qualified licenses are obtained. 9. Health Examination System: Physical examinations are carried out for new employees before reporting for duty. Regular health examinations are conducted for incumbents and personnel involved in special operations as a basis for health management and operational environment improvement.	(III) No significant difference.

Evaluation Item	Operating State			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Yes	No	Summary	
			10. Fire Safety Management: A fire system is established in accordance with the fire regulations and undergoes regular inspection and reporting. Fire education and training, along with drills, are conducted every six months to enhance employees' response capabilities. 11. The occupational injury fatality rate for employees in 2025 is 0%, indicating that The Company has not experienced any deaths due to occupational accidents.	
(IV) Does the company establish effective training programs for employee's career development?	✓		(IV) In principle, the new recruits shall receive the training arranged by the personnel unit on the day of registration. As required by the law, the Company arranges external training for employees each year, and internal training is organized from time to time to continue as a means to strengthen the career capability of employees. Courses on the ten core competencies of basic-level supervisors and OKR (Objectives and Key Results) were offered to develop supervisors' Management Skills. Ordinary employees were also encouraged to make self-education according to their needs.	(IV) No significant difference.
(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?	✓		(V) The Company has complied with the Responsible Business Alliance (RBA) Code of Conduct Version 8.0 and customer requirements with respect to customers' health and safety, privacy, and marketing in its products and services. Product labels are also handled in accordance with laws and regulations, and international standards. We highly value the protection of consumer rights, and every 6 months or on an unscheduled basis, we conduct the “Customer Satisfaction Survey” which is used for reviews of products and services. Customers can also make complaints through the channel provided on the Company's website. The requirements or suggestions proposed by the customer will be documented by the sales personnel in the “Customer Issue Improvement Action Tracking Form” and then forwarded to the QA department for a response and follow-up.	(V) No significant difference.
(VI) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights?	✓		(VI) The Company has established the “Evaluation Management Procedures for Suppliers and Contractors” demanding compliance with relevant regulations regarding issues such as environmental, occupational safety, and health or labor rights. Prior to signing a contract, the supplier is required to sign the “Code of Conduct for Contractors/Suppliers,” “Commitment of Non-Use of Hazardous Substances” and “Commitment of Non-Conflict Minerals” in compliance with the electronics industry specifications. The contract may be terminated or cancelled where a supplier violates the regulations. In terms of occupational safety and health and labor rights: The Company has complied with the Responsible Business Alliance (RBA) Code of Conduct Version 8.0.2	(VI) No significant difference.

Evaluation Item	Operating State			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Yes	No	Summary	
			requirements and also requires suppliers to do the same to ensure a safe working environment, that workers are respected and dignified, and that business operations comply with environmental nature and adhere to ethical conduct. The Company also requires vendors to have ISO9000 quality certification standard Where they are not certified, they will be aided to obtain a quality verification within a deadline or by auditing.	
V. Has the company taken reference from the internationally accepted reporting standards or guidance when compiling CSR reports to disclose non-financial information? Have the reports mentioned previously obtained the assurance of third-party verification?	✓		The company has completed the preparation of the Sustainability Report, primarily following the Global Reporting Initiative (GRI) Standards 2021 published by the Global Reporting Initiative (GRI) in 2021, and in compliance with the industry-specific sustainability indicators stipulated in Article 4 of the "Listed Companies Climate-related Information" and "Operation Directions for Compiling and Filing Sustainability Reports by TWSE Listed Companies" to disclose sustainability-related actions. For detailed information, please refer to the company's Sustainability Report explanation.	No significant difference.
VI. For companies who have established corporate responsibility code of conducts in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies," please describe the current practice and any deviations from the code of conduct: The Company has established the "Sustainability Best Practice Principles," which stipulate regulations in connection with implementing corporate governance, developing a sustainable environment, and maintaining social welfare. Regarding the Company's sustainability strategies and implementation status, every year the ESG report will be released at the end of August and can be downloaded from The Company's official website.				
VII. Any other essential information that may help us to understand the performance of corporate social responsibility better: 1. Environmental Protection: (I) The Company has established a safety unit responsible for implementing and controlling environmental regulations. It has implemented lead-free processes compliant with ROHS environmental standards and uses halogen-free raw materials that do not cause environmental harm. The Company is also actively developing products that meet green energy and environmental protection standards. (II) Various factory sites are committed to promoting energy-saving measures, such as setting air conditioning temperatures to 27-28 degrees Celsius, replacing all lighting with LED daylight lamps, installing water-saving valves on water taps, promoting water and electricity conservation, implementing stair climbing and elevator sharing, and encouraging the use of recycled paper. 2. Community Engagement, Social Contribution, Social Services, and Social Welfare: The company actively contributes to and cares for vulnerable groups on an irregular basis each year. In 2025, donations were made to institutions such as National Pingtung University of Science and Technology, the Hsinchu Bread of Life Christian Church Foundation, The Garden of Hope Foundation Taitung Presbyterian Hannah's Home, and the Catholic De La Salle Brothers Private Delin Childcare Center. The total donation amount was approximately NT$460,000. 3. Consumer Rights: The company's website has a customer service mailbox in the stakeholder area (https://www.pttc.com.tw/zh-TW/communicate-with-interested-party), managed by a dedicated unit responsible for handling issues related to employees, customers, shareholders, and suppliers.				

VIII. Climate-related Information of Listed and OTC Companies:

1. Implementation Status of Climate-related Information

Item	Implementation Status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	1. The Company established the Sustainability Development Committee on August 8, 2024, in accordance with the “Sustainability Development Committee Charter.” The committee is composed of the Chairman and Independent Directors, serving as a functional committee under the Board of Directors, with regular meetings to coordinate and plan related sustainability development items. The Company also established a “Sustainability Development Task Force” in accordance with the “Sustainability Best Practice Principles of Polytronics Technology Corporation,” with the Acting General Manager serving as the convener. The task force is the dedicated unit for the company's sustainability development, responsible for coordinating and promoting related affairs. Under it, there are four working groups: the Corporate Governance Group, the Environmental Sustainability Group, the Employee Care and Social Concern Group, and the Product Quality and Supply Chain Group. The members of the groups are the heads and members of each department, effectively integrating resources to implement the sustainability strategy in departmental execution. The Company provides annual reports on the work plan and execution results to the Board of Directors at least once a year. The most recent report was presented to the Board of Directors on August 11, 2025, covering the execution status and improvement outcomes of the 2024 sustainability development objectives and tasks.
2. Explain how identified climate risks and opportunities impact the company's business, strategy, and finances (short-term, medium-term, long-term).	2. The Company has established a climate issue identification mechanism in accordance with the TCFD framework (governance, strategy, risk management, and metrics and targets), and by referring to the disclosure practices of industry peers and the development trends of international climate policies. Through the convening of cross-departmental meetings by the Sustainability Development Task Force, climate-related impacts and transition pressures encountered by various operational units in practice are collected. Systematic analysis and evaluation of risks and opportunities (including probability of occurrence and financial impact) are conducted to ensure the comprehensiveness and representativeness of the identification results. After comprehensive evaluation, the Company's key climate risks and opportunities have been identified. The occurrence timeline (short, medium, and long-term), current impact, and future response strategies for each issue have been disclosed, serving as the basis for climate governance and sustainable strategy planning.

Aspect	Issue	Impact Timeline	Current Status of Climate Risks and Opportunities and Financial Impact	Response Strategies and Management Measures
Transition Risk	Increase in Greenhouse Gas Emission Pricing	Mid-term (3-5 years)	In 2024, Taiwan's Climate Change Response Act will impose carbon fees on domestic entities emitting over 25,000 tons of carbon dioxide annually. Although JD Tech is not among the initial batch of regulated companies, considering potential future revisions expanding the scope of regulated entities, it must assess the associated risks. Consequently, this may lead to increased operational costs.	Evaluate the current state of aging equipment in the plant area and allocate budgets for replacement to gradually enhance equipment energy efficiency. Since 2023, promote the carbon inventory system in accordance with ISO 14064-1:2018 standards to complete organizational-level greenhouse gas inventories, establish a systematic emission inventory mechanism and lists, and plan to obtain third-party verification by 2027 to strengthen greenhouse gas management capabilities.
Transition Risk	Cost of transitioning to low-carbon and water-saving technologies	Medium to long term (3-10 years)	During the transition to a low-carbon economy, as customer demands for low-carbon products increase, along with trends such as the rising proportion of renewable energy use, energy storage technology introduction, and process energy efficiency improvements, companies need to invest in the corresponding costs of	Polytronics Technology is promoting ISO 14064 greenhouse gas inventory and certification to verify actual carbon emissions, serving as the basis for subsequent continuous improvement. Simultaneously, the company is continuously enhancing internal carbon reduction measures by improving transportation efficiency and optimizing daily operations management to increase overall operational efficiency and achieve energy savings. Additionally, the company actively invests in

			technology development and application, which consequently affect the operational cost structure.	developing more advanced and lower-energy-consuming process technologies and innovative applications to strengthen its low-carbon competitiveness.
Physical Risk	Unstable Energy Supply (Power Outages, Water Restrictions)	Mid-term (3-5 years)	Due to the influence of national or regional policy adjustments, some operational sites may face temporary power outages or water restrictions, resulting in reduced productivity and even the risk of production interruptions.	By extending the factory's water storage safety inventory days to enhance water stability and strengthening water resource management and response capabilities, we establish water monitoring systems and water shortage contingency mechanisms to activate water trucks for supply support in emergencies. Concurrently, to address the risk of sudden power outages, we plan to rent diesel generators to reduce the impact of power restrictions on production. Additionally, by increasing production sites in different countries or adjusting internal capacity scheduling and production planning within the group, we further enhance overall operational flexibility and resilience.
Opportunity	Developing and/or increasing low-carbon products and services	Short-term (within 3 years)	Customers are increasingly demanding carbon-reduced or low-carbon products. The company actively develops carbon-reduced or low-carbon products to meet customer demands and	Collaborating with key supply chain partners to jointly establish carbon reduction goals and timelines, effectively reducing product carbon footprint in line with customer demands and low-carbon trends.

			also align with sustainability and environmental protection efforts. However, the development of carbon-reduced or low-carbon products will increase research and development costs.	

3. Describe the financial impact of extreme weather events and transition actions.	3. The company has assessed the occurrence timeline of climate change risks and opportunities, considering the likelihood of climate risks and opportunities occurring and their impact on the company. Key climate change risks and opportunities have been identified, and financial impacts of these key risks and opportunities have been assessed as detailed in point 2.
4. Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	4. For details on the process of identifying, assessing, and managing climate risks, please refer to the explanations provided in points 1, 2, and 3 above.
5. If resilience to climate change risks is assessed through scenario analysis, provide details on the scenarios, parameters, assumptions, analysis factors, and key financial impacts. 6. If there is a transformation plan to manage climate-related risks, explain the content of the plan and the indicators and targets used to identify and manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, explain the basis for price determination. 8. If climate-related targets are set, provide information on the activities covered, scope of greenhouse gas emissions, planning schedule, progress achieved annually, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, explain the sources and quantities of offset carbon credits or RECs.	5~8.The company has been actively engaging with relevant content related to climate change and has tasked the Sustainable Development Promotion Team with planning.
9. Greenhouse gas inventory and assurance situation with reduction targets, strategies, and specific action plans (to be filled in sections 2-1 and 2-2).	9. For details on greenhouse gas inventory and certification status, emission reduction goals, strategies, and specific action plans, please refer to the explanations provided in sections 1-1 and 1-2.

2. Recent Two-Year Company Greenhouse Gas Inventory and Verification Status:

2-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions for the past two years (metric tons CO2e), intensity (metric tons CO2e per million dollars), and the scope of data coverage.

The Company has implemented the ISO 14064-1 Greenhouse Gas Inventory and Management System, establishing a systematic inventory mechanism. The year 2024 is used as the baseline year for greenhouse gas emissions, facilitating subsequent performance tracking and comparative analysis.

Year	2025	2024
Scope 1(tCO_2e)	151.9367	161.8462
Scope 2(tCO_2e)	3543.5901	3330.5329
Scope 3(tCO_2e)	768.0064	706.0711
Total	4463.5332	4198.4502

Year	2025	2024
Scope 1(tCO_2e)	151.9367	161.8462
Scope 2(tCO_2e)	3543.5901	3330.5329
Scope 1+2 Intensity (metric tons CO2e per million revenue)	3.4605	3.7383

Note 1: The boundary for The Company's greenhouse gas inventory includes all JD's Taiwan plants, encompassing the East Plant Four, East Plant Nine, and Tufan Plant.

Note 2: Scope 1 Direct Emissions: Covering emissions from stationary combustion of fuels, process emissions sources, and mobile sources such as company vehicles.
Scope 2 Energy Indirect Emissions: Emissions sources from purchased electricity.
Scope 3: Emissions sources from upstream emissions of purchased goods and waste disposal.

Note 3: Greenhouse Gas Inventory Scope: Carbon Dioxide (CO2), Methane (CH4), Nitrous Oxide (N2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur Hexafluoride (SF6), and Nitrogen Trifluoride (NF3), a total of 7 greenhouse gases.

Note 4: The 2024 greenhouse gas emissions have been commissioned for third-party verification by the Taiwan branch of the British Standards Institution (BSI), Pacific Limited.

Note 5: The 2025 greenhouse gas emissions data has been compiled by The Company based on the results of self-reporting operations.

Note 6: Emission intensity = (Category 1 + Category 2 emissions) (tonCO2e) / Year million revenue.

2-2Greenhouse Gas Assurance Information

Explanation of the most recent two years of assurance status as of the publication date of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.
To enhance the quality of the Company's greenhouse gas inventory report and the accuracy of the 2024 inventory information, the Taiwan branch of the British Standards Institution (BSI) was commissioned to conduct third-party external verification. Before the verification, relevant agreements were completed, including adopting a reasonable assurance level (covering Category 1 and 2) and agreed procedures (Category 3 to 6), based on ISO 14064-1:2018 and ISO 14064-3:2019 as the verification criteria; the verification Year is 2024, and the scope includes all JD's Taiwan plants and subsidiaries, including the East Plant Four, East Plant Nine, Tufan Plant, and the Taiwan subsidiary, JUYE Technology, with a materiality threshold set at 5%.

2-3Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Explanation of the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and achievement status of reduction targets.
The company will comply with the regulations stipulated in the Financial Supervisory Commission Announcement No. 11203852314: For listed and OTC companies with a paid-in capital of less than NT$5 billion, greenhouse gas reduction targets, strategies, and specific action plans must be completed by 116.

(VI) The state of the company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Evaluation Item	Operating State			Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Ethical Management Policies and Action Plans (I) Has the company established an ethical management policy that has been passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods?	✓		(I) At Polytronics, we firmly believe that only by having "ethical management" may a corporation reach sustainable management. In order to implement "ethical management" and create an ethical corporate culture, Polytronics has formulated the "Ethical Corporate Management Best Practice Principles" and "Operating Procedures for Ethical Management and Conduct Guidelines" which members of the Company (including directors, management level and all colleagues of the Company) are required to thoroughly follow.	(I) No significant difference.
(II) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis which are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(II) Clear operating procedures, conduct guidelines, penalty for violations and appeal system have been formulated as a means to fulfill ethical management policies; these measures are promoted from time to time to strengthen the implementation of ethical management policies.	(II) No significant difference.
(III) Has the company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	✓		(III) Prohibited unethical conducts, preventive plans and their operating procedures are clearly specified in the "Ethical Corporate Management Best Practice Principles and Conduct Guideline," providing proper reporting channels and clear penalty for violations of the ethical management regulations. If a person has been proved to have violated applicable laws and regulations or the Company's ethical management policy and regulations, the person will immediately be asked to stop the conduct and demand compensation through legal procedures if necessary to protect the Company's reputation and rights.	(III) No significant difference.

Evaluation Item	Operating State			Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
II. Implementation of Ethical Management (I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) The Company's “Ethical Management Operating Procedures and Measures” regulates that when signing a contract with others, the Company should have sufficient information on the other party's ethical management situation and formulates clear ethical regulations.	(I) No significant difference.
(II) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?	✓		(II) The Company's Planning Office and Audit Unit are responsible for the formulation and implementation supervision of ethical management policies and preventive plans who also make regular reports to the Board meetings. The most recent report was made to the Board of Directors on December 18, 2025.	(II) No significant difference.
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(III) The Company has appropriate channels for directors and managerial officers to make statements on the Company's potential conflicts of interest.	(III) No significant difference.
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an account to carry out the review?	✓		(IV) As a means to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system. Internal auditors are required to conduct an audit on the compliance status of the systems mentioned above. If an unethical conduct has been proven to be true, the Audit Committee and members of the Board shall be noticed without delay.	(IV) No significant difference.
(V) Does the Company regularly hold internal and external educational training on ethical management?	✓		(V) The Company promotes issues in connection with corporate governance and ethical management and conducts education and training on all employees. Courses held in 2025 included topics such as “Ethical Management and Anti-Corruption,” “Confidentiality Agreements and Contract Processes,” and “Brand Marketing Practices and Trademark Law Application.” Through videos and case studies, the training illustrated matters to be noted in business execution to enhance employees' awareness of regulatory compliance and corporate governance.	(V) No significant difference.

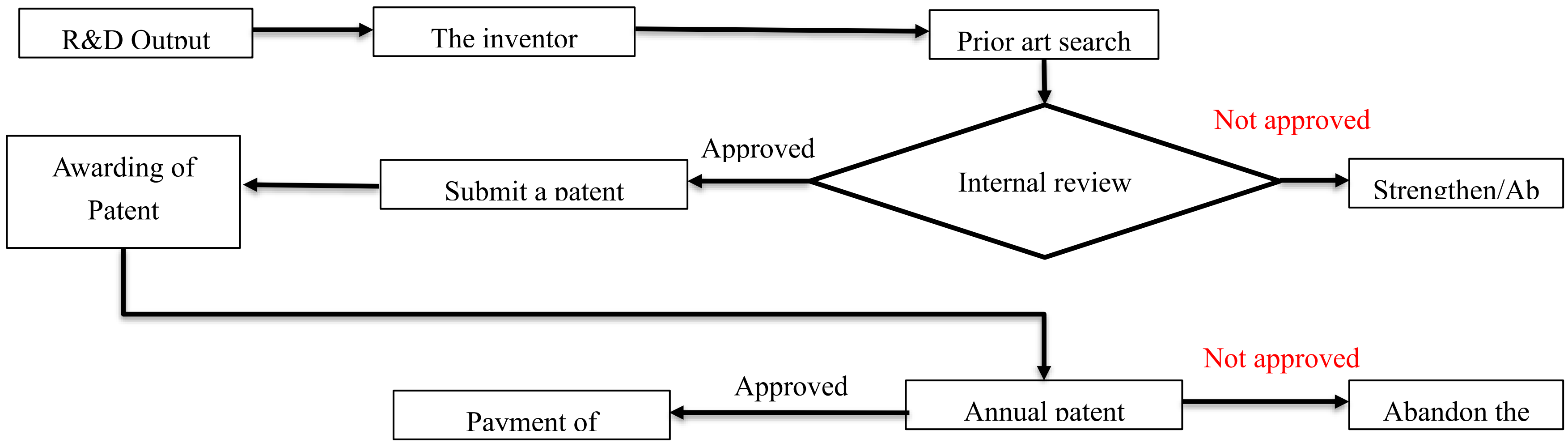
Evaluation Item	Operating State			Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
III. Whistleblowing System (I) Does the company have a specific whistleblowing and reward system stipulated, a convenient report channel established, and a responsible staff designated to handle the individual being reported? (II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct? (III) Has the company taken appropriate measures to protect the whistle-blower from suffering any consequences of reporting an incident?	✓ ✓ ✓		(I) The Company's "Anti-Business Bribery Management Procedures" and "Management Regulations for the Protection of Whistleblowers" specifically state the acceptance unit, exclusive compliant mailbox and telephone number, reporting channels, penalty, reward, and protection measures. (II) The Company encourages all employees to take the initiative to make a report if they suspect or discover a violation of laws or ethical conduct while providing related information to help the Company with the investigation and adoption of subsequent measures. All reporting matters are strictly kept confidential. (III) The Company handles whistleblower cases confidentially, conducts verification through independent channels, and takes appropriate measures to fully protect the safety of the reporter. The identity of the whistleblower will remain strictly confidential.	(I) No significant difference. (II) No significant difference. (III) No significant difference.
IV. Strengthening of Information Disclosure (I) Does the company have the contents of ethical corporate management and its implementation disclosed on the website and MOPS?	✓		The Company's website has a dedicated section for corporate governance and has assigned dedicated personnel to be responsible for related information on the disclosure of the Ethical Corporate Management Best Practice Principles.	(I) No significant difference.
V. For companies who have established Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the current practice and any deviations from the code of conduct: The Company has formulated the "Ethical Corporate Management Best Practice Principles" and continues to promote and facilitate various regulations in accordance with the principles. The content of the principles and related operations have no significant difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."				
VI. Other material information that helps to understand the practice of ethical management of the company: 1. The Company complies with the Company Act, Securities and Exchange Act and international accounting standards recognized by the Financial Supervisory Commission, and applicable laws and regulations for TWSE-listed companies as a basis for the implementation of ethical management. 2. The Company's Board will thoroughly implement the recusal system. 3. The Company has formulated the "Operating Procedures for the Prevention of Insider Trading," and directors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties and shall sign confidentiality agreements.				

(VII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance shall be disclosed all together:
1. Currently, the Company has 4 independent directors; the Audit Committee, Remuneration Committee, and Sustainability Development Committee have also been established.
2. The Company's webpage also has a corporate governance section for people internally or externally to download and view. Enquiry: https://www.pttc.com.tw/zh-TW/directorate-directors
3. The Company's Intellectual Property Management Plan and Implementation Status are as follows:

(1) Intellectual Property Management Policy

1. Objective: To align with the Company's operations and development, and simultaneously implement the protection of its Intangible Assets.
2. Acquisition of Intellectual Property: Protect proprietary technology through patents and enhance brand identity with trademarks.
3. Internal Integration: Establish patent management methods to integrate internal resources and effectively produce patents; encourage and reward colleagues for their contributions to intangible assets through a reward system.
4. Risk management and improvement: Regularly monitor competitors' patents and take corresponding measures, regularly track the current status of intellectual property rights, and develop directions for improvement.

(2) Patent Application and Maintenance Process

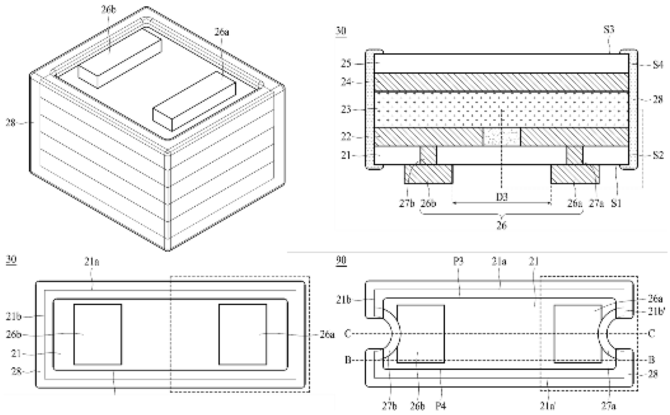


(3) Statistics of the number of patents in the past two years

Item	2025	2024
Number of patent applications that year	26	22
Number of patents obtained that year	10	18
The cumulative number of patents obtained	395	384
Introduction to important patents that year	Over current protection device with mounting structure	Thermal conductive components of lead frame type

(Statistics until December 31, 2025)

The U.S.A patent obtained in 2025 for over current protection devices includes the design of the mounting layer. This invention adjusts the position of the solder pads on the over current protection devices, allowing the encapsulant to achieve maximum coverage without affecting its electrical performance due to electrode adhesion or resin overflow. In this way, the over current protection devices can be protected by the mounting layer, preventing characteristic degradation or instability in resistance values due to external influences.



(4) Regularly provide a description of the Intellectual Property Management Report at the Board of Directors meetings.
The Intellectual Property Management Report for Year 2025 was explained on December 18, 2025.

(VIII) The following shall also be disclosed in the implementation status of the internal control system:

1. Internal Control Statement

Polytronics Technology Corporation

Internal Control Statement

Date: March 12, 2026

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2025:

I. We understand it is the responsibility of the Company's management to have the internal control system established, enforced, and maintained. The purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with the relevant law and regulations.

II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and corrective action is taken whenever a deficiency is identified.

III. The Company has based on the criteria of the internal control system effectiveness in the “Regulations Governing the Establishment of Internal Control System by Public Companies” (referred to as the “Regulations” hereinafter) to determine the effectiveness of the internal control system design and implementation. The criteria introduced by “The Governing Principles” consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4.Information and communication, 5. Supervision. Each element further contains several items. Please refer to the “Governing Rules” for the details of the said items.

IV. The Company has adopted the above judgment items of the internal control system to assess the design and operating effectiveness of the internal control system.

V. Based on the findings of the evaluation, the Company believes that, as of December 31, 2025, its internal control system (including supervision and management of subsidiaries) as well as monitoring the achievement of its objectives concerning operational effectiveness and efficiency; reliability, timeliness and transparency of the reporting and compliance with applicable laws and regulations etc. were effective in design and operation, and reasonably assured the achievement of the above-mentioned objectives.

VI. The Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. The declaration has been passed by the Board of Directors of the Company on March 12, 2026, with all 9 attending directors (including proxies) affirming the content of the declaration.

Polytronics Technology Corporation
Chairman: Edward Chu Signature
President: Edward Chu Signature

2. An accountant is entrusted to perform a special audit on the internal control system: None.

(IX) Major resolutions at shareholders meetings and Board of Directors meetings in most recent year and as of the publication date of the annual report:

1. Important resolutions by the Board of Directors and their execution in 2025 and as of the publication date of the annual report:

Date of Meeting	Session	Major resolutions	Resolution result by the Board of Directors and Their Execution:
2025/03/10	12th session of the 10th Board	1. Proposal for approval of the 2024 business report and financial statements.	All resolutions of the meeting agenda are followed and implemented.
		2. Proposal for approval of the planned distribution of profits for the fiscal year of 2024.	
		3. Proposal for approval of the Internal Control System Statement to be issued by the Company.	
		4. Proposal to amend the Company's “Articles of Incorporation” Case.	
		5. Proposal for scheduling the General Shareholders' Meeting of 2025 and determining the date and place thereof.	
		6. Proposal for the location and time period to receive proposals made by any qualified shareholders for the 2025 General Shareholders' Meeting.	
		7. Propose to commission external experts to conduct an evaluation of the Board's performance.	
		8. Evaluation of the independence and suitability of the appointed CPAs, as well as the CPA appointment and professional fee case.	
		9. Proposal for application to financial institution for a credit line.	
		10. Proposal for distribution of employees' and directors' remuneration.	
		11. Proposal for allocation and payment of directors' remuneration for 2024.	
		12. Proposal for allocation and payment of employees' remuneration for the management team for 2024.	
		13. Proposal for application to financial institution for loan of TCLAD Technology Corporation(“TTC”) , a joined subsidiary of the company.	
		14. Proposal to convert the debt of TCLAD Europe GmbH, a subsidiary of TCLAD Technology Corporation, into equity.	
2025/05/09	13th session of the 10th Board	1. Proposal for approval of the business report and financial statements of 2025 Q1.	All resolutions of the meeting agenda are followed and implemented.
		2. Sign the supplementary agreement with CDIB Capital Advantage Venture Partners, for the joint venture subsidiary TCLAD Technology Corporation.	
		3. Proposal to repurchase the Company's Shares.	
2025/08/11	14th session of the 10th Board	1. Proposal for approval of the business report and financial statements of 2025 Q2.	All resolutions of the meeting agenda are followed and implemented.
		2. Proposal to submit The Company's 2024 Sustainability Report.	
		3. The proposal for the Company to purchase the shares in the joint venture subsidiary, TCLAD Technology Corporation, held by CDIB Venture Capital Corporation.	
		4. Proposal for application to financial institution for a credit line of loan with Polytron, a joint venture subsidiary.	

		5. Proposal for short-term credit line between TTC and TCLAD, a wholly owned subsidiary of TTC.	
		6. Proposal for short-term credit line between TCLAD Technology Corporation(“TTC”) and TCLAD Europe GmbH(“TC-EU”), a wholly owned subsidiary of TTC.	
		7. Proposal to lift the non-competition restrictions on the directors and managerial officers.	
		8. Reassignment of the directors of the joint venture subsidiary TCLAD and removal of the non-compete restrictions for appointed managers.	
2025/11/10	15th session of the 10th Board	1. Proposal for approval of the business report and financial statements of 2025 Q3.	All resolutions of the meeting agenda are followed and implemented.
		2. Drafting the audit plan for the year 2026 for our company.	
		3. Amendment to the Company's Internal Control System “Payroll Cycle” Case.	
		4. Proposal for application to a financial institution for a credit line.	
		5. Application for credit facilities by the joint venture subsidiary Juyi at financial institutions.	
		6. Proposal to reappoint the Director of TCLAD Inc., a subsidiary wholly owned by TTC with 100% voting shares.	
2025/12/18	16th session of the 10th Board	1. Proposal for approval of the business plan and budget for 2026 for the group.	All resolutions of the meeting agenda are followed and implemented.
		2. Proposal for the 2026 capital expenditure plan for the group and the proposal to increase the 2025 capital expenditure budget for the subsidiary Kunshan Polystar Electronics Co., Ltd.	
		3. Proposal for payment of the year-end bonuses/ incentive bonuses for hi-ranking managers in 2025.	
		4. Proposal for salary adjustment for senior executives for the fiscal year of 2026.	
		5. Proposal for promotion of the excellent employee.	
		6. Proposal for personnel retirement benefits.	
March 12, 2026	17th session of the 10th Board	1. Proposal for approval of the 2025 business report and financial statements.	All resolutions of the meeting agenda are followed and implemented.
		2. Proposal for approval of the planned distribution of profits for the fiscal year of 2025.	
		3. Proposal for the distribution of cash from capital reserves.	
		4. Proposal for approval of the Internal Control System Statement to be issued by the Company.	
		5. Board of Directors re-election.	
		6. Accepting shareholder nominations for Director (including Independent Director) candidates.	
		7. Proposal for scheduling the General Shareholders' Meeting of 2026 and determining the date and place thereof.	
		8. Proposal for the location and time period to receive proposals made by any qualified shareholders for the 2026 General Shareholders' Meeting.	
		9. Evaluation of the independence and suitability of the appointed CPAs, as well as the CPA appointment and professional fee case.	
		10. Proposal for application to financial institution for a credit line.	
		11. Proposal for distribution of employees' and directors' remuneration.	
		12. Proposal for allocation and payment of Directors' remuneration for 2025.	
		13. Proposal for allocation and payment of employees'	

		remuneration for the management team for 2025.	
		14. Application for credit facilities by the joint venture subsidiary TCLAD Technology Corporation at financial institutions.	
		15. Opening a secured letter of credit and proposal for application to a financial institution for a credit line for TCLAD Inc., a wholly-owned subsidiary of the joint venture subsidiary TTC.	
		16. Proposal for application to a financial institution for a credit line by the subsidiary Kunshan Polystar Electronics Co., Ltd.	
		17. Change in the Chief Corporate Governance Officer of The Company.	
		18. The Company continues to sign a product supply contract with Littelfuse Inc.	

2. 2025 important matters resolved on the General Meeting of Shareholders and their execution status:
   (1) Proposal for approval of the 2024 business report and financial statements.
   (2) Proposal for approval of the planned distribution of profits for the fiscal year of 2024.
   Execution status: According to the company's articles of association, the Board meeting held on March 10, 2025 resolved and set April 18, 2025 as the ex-dividend date, and cash dividends will be issued on May 7, 2025. (cash dividend of NT$1.75 per share)
   (3) Approved the Proposal to amend the Company's “Articles of Incorporation” Case.

(X) In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions adopted at the Board of Directors' meeting during the most recent FY as of the date on which the annual report was printed, and that the opinion was recorded or delivered in writing, please describe its main content: None.

IV. Information on CPA Professional Fee:

(I) The Company's CPA professional fees are approved by the Audit Committee then sent to the Board of Directors for approval.

Amount unit: NT$ thousand

Name of the Accounting Firm	Names of CPAs	Audit period	Audit Fee	Non-Audit Fee	Total	Remarks
PwC Taiwan	Li Dian-Yi	January 1, 2025 - December 31, 2025	3,980	1,239	5,219	
	Hsieh Chih-Cheng					

Non-Audit Fee: Transfer pricing report and ESG project-related fees.

(II) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

(III) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

V. Change of CPA:

(I) **About the Former CPAs**: None.

(II) **About the successor CPAs**: None.

VI. Any of the Company's Chairperson, President, or Managerial Officer in Charge of Finance or Accounting Held a Position in the CPA's Firm or its Affiliates in the Most Recent Year:

None.

VII. Changes in Shareholding and Shares Pledged by Directors, Supervisors, Managerial Officers and Shareholders with 10% Shareholdings or More in Most Recent Year and as of the Publication Date of the Annual Report:

(I) Changes in shareholding

Unit: Shares

Title	Name	2025		As of April 18, 2024	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairperson and CEO	Edward Chu	0	0	0	0
Director	Littelfuse Europe GmbH Representative: Alex Kuo (Note 1)	0 0	0 0	(5,771,601) 0	0 0
Director and Major Shareholder	Everlight Chemical Industrial Corporation Representative: Colline Chen	0 81,000	0 0	0 0	0 0
Director	Charng Hui Ltd. Representative: Te-Fung Tsao	0 0	0 0	0 0	0 0
Director and Vice President	Tsai-Ying Investment Co., Ltd. Representative: Dennis Ho	0 0	0 0	0 0	0 0
Independent Director	Joseph C.P. Hsieh	0	0	0	0
Independent Director	Po-Yong Chu	0	0	0	0
Independent Director	Biing-Jye Lee	0	0	0	0
Independent Director	Huei-Chu Huang	0	0	0	0
Vice President	Kevin Yang (Note 2)	0	0	0	0
Vice President and General Counsel	Jong Wang	0	0	0	0
Vice President and Chief Operating Officer	Tony Yu (Note 3)	0	0	0	0
Vice President	Enoch Chen	0	0	0	0
Vice President	Patrick Chen	0	0	0	0
Managing Director	Simmon Sha	4,598	0	0	0
Managing Director	Jimmy Hsieh	0	0	0	0
Financial and Accounting Manager	Carol Chiu (Note 2)	0	0	0	0

Note 1: Littelfuse Europe GmbH resigned from the position of Director on March 27, 2026, and the relevant pledged Number of Shares information is only disclosed up to the time of resignation.

Note 2: Mr. Kevin Yang retired on February 28, 2026, and the relevant pledged Number of Shares information is only disclosed up to the time of retirement.

Note 3: Mr. Tony Yu was promoted to Chief Operating Officer of the Operations Center on December 18, 2025.

(II) Stock transfer from directors, supervisors, managers and major shareholders or share pledges to related parties: None

VIII. Top 10 Shareholders who are Related Parties, Spouses, or Within Second-Degree of Kinship to Each Other

April 18, 2026

Name	Shares held In own name		Shares Held by Spouse and Minor Children		Number of shares held under another person's name		Names and relationship of top 10 shareholders who are related parties, spouses or within second-degree of kinship to each other		Remarks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Title (or name)	Relationship	
Everlight Chemical Industrial Corporation	8,000,000	9.34%	0	0	0	0	None	None	
Northwest TaiChing Technology Co., Ltd.	4,771,601	5.57%	0	0	0	0	None	None	
Huo-Chuan Investment Co., Ltd.	2,815,066	3.29%	0	0	0	0	Chih-Chieh Chu Edward Chu	The spouse of the person in charge. Father and son	
Tsai-Ying Investment Co., Ltd.	1,822,519	2.13%	0	0	0	0	Chien-Hua Shao Dennis Ho	The spouse of the person in charge. Spouse	
Edward Chu	1,618,411	1.89%	55	0.00%	0	0	Huo-Chuan Investment Co., Ltd. Chih-Chieh Chu	The spouse of the person in charge. Father and son	
Charng Hui Ltd.	1,596,000	1.86%	0	0	0	0	None	None	
Chiung-Hui Hsieh	1,176,390	1.37%	0	0	0	0	Yi-Cheng Hsieh	Brother	
Chu-Yi Liu	1,033,840	1.21%	0	0	0	0	None	None	
Yi-Cheng Hsieh	932,302	1.09%	739,051	0.86%	0	0	Chiung-Hui Hsieh	Brother	
Dennis Ho	926,089	1.08%	90,755	0.11%	0	0	Tsai-Ying Investment Co., Ltd. Chien-Hua Shao	The spouse of the person in charge. Spouse	

IX. Number of Shares Held and Shareholding Percentage of the Company, the Company's Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities on the same Investee

Combined Shareholding Percentage

Unit: thousand shares; % December 31, 2025

Investee	The Company's investment		Investments by the Directors, supervisors, managerial officers, and companies directly or indirectly controlled by the Company		Combined investment	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Polytronics (B.V.I.) Corporation	2,644	100	0	0	2,644	100
Kunshan Polystar Electronics Co., Ltd.	(Note 1)	100	0	0	(Note 1)	100
PolyStellar Electronics Co., Ltd.	(Note 2)	100	0	0	(Note 2)	100
TCLAD Technology Corporation	33,039	83.21	0	0	33,039	83.21
TCLAD Inc. (Note 3)	0.569	83.21	0	0	0.569	83.21
TCLAD EUROPE GmbH (Note 4)	200	83.21	0	0	200	83.21
Suzhou TCLAD Electronic Technology Co., Ltd	(Note 5)	100	0	0	(Note 5)	100

Note 1: As of publication date, Kunshan Polystar Electronics Co., Ltd. invested a total amount of USD 22,450 thousand.

Note 2: As of publication date, PolyStellar Electronics Co., Ltd. invested a total amount of RMB 20,000 thousand.

Note 3: TCLAD Inc. is a 100% voting company invested through TCLAD Technology Corporation.

Note 4: TCLAD EUROPE GmbH is a 100% voting company invested through TCLAD Technology Corporation.

Note 5: As of publication date, TCLAD Suzhou Electronics Co.,Ltd. invested a total amount of RMB 3,000 thousand.

Chapter 3 Funding Status

I. Capital and Shares

(I) Source of Capital (share types issued in the most recent year and as of the publication date of the annual report)

1. Capital and Shares

April 18, 2026 Unit: Shares

Share Type	Authorized Stock				Remarks
	Outstanding shares (TWSE listed)	Unissued shares	Employee Stock Options Reserved for Employees	Total	
Common Stocks (shares)	85,645,361 (Note)	9,354,639	5,000,000	100,000,000	Including treasury stocks of 1,000,000 shares.

2. Source of Capital: No new shares has been issued from 2025 to now.
3. Offering securities using the aggregate reporting system: None.

(II) List of Key Shareholders

Shareholders holding 5% or more of the shares or names, numbers of shareholding and ratio of the top 10 shareholders.

April 18, 2026

Shares / Name of Key Shareholder	Number of Shares Held	Ratio of Shareholding (%)
Everlight Chemical Industrial Corporation	8,000,000	9.34%
Northwest TaiChing Technology Co., Ltd.	4,771,601	5.57%
Huo-Chuan Investment Co., Ltd.	2,815,066	3.29%
Tsai-Ying Investment Co., Ltd.	1,822,519	2.13%
Edward Chu	1,618,411	1.89%
Charng Hui Ltd.	1,596,000	1.86%
Chiung-Hui Hsieh	1,176,390	1.37%
Chu-Yi Liu	1,033,840	1.21%
Yi-Cheng Hsieh	932,302	1.09%
Dennis Ho	926,089	1.08%

(III) The Company's Dividend Policy and Implementation Status

1. Dividend Policy Formulated in Articles of Incorporation:
   The industry in which the Company operates is subject to constant change, and the Company finds itself in a stage of growth within its life cycle. Taking into consideration the Company's long-term financial plans, alongside the pursuit of shareholders' long-term interests and the stabilization of business performance goals, the distribution of cash dividends shall not fall below 10% of the total dividends issued.

2. Earnings distribution proposed by this General Meeting of Shareholders: In accordance with the articles of incorporations: The board of directors of the company shall, upon the presence of more than two-thirds of the directors and the resolution of more than half of the directors present, distribute all or part of the dividends and bonuses, capital reserves or statutory surplus reserves in the form of cash, and report to the shareholders' meeting, without applying the resolution of the shareholders' meeting in the preceding paragraph.
3. Description of any material changes in the expected dividend policy: No occurrence of such change.

(IV) The influence of the bonus shares issuance proposed at the current shareholders' meeting on the operation performance and EPS of the Company: The Board has proposed to distribute all shareholders' cash bonus, it is therefore not applicable.

(V) Remuneration to employees, directors and supervisors (the Company has established the Audit Committee, supervisors are thereby not applicable)

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Articles of Incorporation

   If the Company has an annual profit, it should allocate no less than 6% of the profit as remuneration to employees and no more than 1.5% of the profit as remuneration to directors. Where the Company still has accumulated losses, the profit should be reserved to make up for the loss.

   Among them, it should include the allocation of no less than 1.5% of the company's annual profits as employee remuneration to grassroots employees. The aforementioned profit refers to the profit before tax for the year, before deducting the distribution of employee and director remuneration.
2. The accounting of the difference between the estimates of remuneration to employees, directors and supervisors, the basis for the calculation of outstanding shares for dividend payment and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: The difference will be listed as expenses for the next fiscal year.
3. Information on the proposed remuneration passed by the Board of Directors:

   (1) The amount of the employee remuneration distributed in cash or stocks and remuneration for directors and supervisors. If there is any discrepancy between the annual recognized distributed amount and the estimated figure, the difference, reason, and response should be disclosed:
   The Company's Board meeting held on March 12, 2026 has passed to distribute remuneration of NT$40,900,000 to employees and remuneration of NT$2,600,000 to directors in cash. There is no discrepancy between the recognized amount and the actual amount.

   (2) Amount of stock distributed as employee remuneration and as a percentage to net income of parent company only or individual financial statements and aggregate remuneration to employees: None.
4. If there's any discrepancy between actual distribution (including the number of shares distributed, amount and stock price) and the recognized remuneration for employees, directors and supervisors for the previous year, please specify the discrepancy, cause, and how it is treated:

   (1) In the previous year, the remuneration to employees was NT$42,900,000 and remuneration to directors was NT$4,600,000

   (2) Distribution was as above; there was no discrepancy.

(VI) Repurchase of Shares:

Repurchase term	5th session
Purpose of repurchase	Transfer of shares to employees
Scheduled repurchase period	2025/05/12~2025/07/08
Scheduled repurchase price range	NT$35~60
Type and number of shares repurchased	1,000,000 ordinary shares
Amount of shares repurchased	NT$48,207,720
Ratio of bought-back quantity to scheduled repurchase quantity (%)	50%
Number of shares canceled and transferred	0 ordinary shares
Cumulative number of shares held by the Company itself	1,000,000 ordinary shares
Cumulative number of shares held by the Company itself relative to the total issued shares (%)	1.17%

II. Corporate Bonds (including outstanding corporate bonds and corporate bonds currently processing) : None.

III. Preferred Stocks (including outstanding preferred stocks and preferred stocks currently processing): None.

IV. Global Depository Receipts (GDR) (including participated in issuance but has not yet been fully redeemed and GDR in process): None.

V. Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

VII. New Shares Issued for Merger or Acquisition: None.

VIII. Implementation of the Fund Allocation Plan: The Company has not issued any projects that are either incomplete or completed within the last three years without the planned benefits yet to be realized.

Chapter 4 Operational Profile

I. Operation Content

(I) Business scope

1. The Company's Main Business Activities:
   (1) Protective Devices: including the research, development, manufacture, and sale of over current protection (OCP) and over voltage protection (OVP) devices, related processes, semi-finished products, modules, and tooling and dies.
   (2) Thermal conductive boards, modules and materials.

2. Proportion of Main Products

2025; Unit: NT$ thousand

Product Item	Amount	Proportion
Protective Devices	1,838,434	64.45%
Thermal Conductive Boards	1,013,990	35.55%
Total	2,852,424	100%

3. Scope of Current Products (services):

The Company focuses on the R&D, manufacture and sale of protective devices and heat dissipation materials. Existing products are as following:

- PPTC (Polymeric Positive Temperature Coefficient Thermistor).
- TVS (Transient Voltage Suppressor), TSS (Thyristor Surge Suppressor), TVS ESD, GDT (Gas Discharge Tube), MOV (Metal Oxide Varistor).
- CLM (Current Limiting Module) Module
- Thermal conductive boards and materials used in the lighting industry, high speed computing, battery management systems, and power conversion.

4. Development of new products (services)

In addition to continuing application development in computers, smartphones, network communications, battery protection, home appliances, etc., the PPTC products platform is also expanding into applications and markets such as smart factories, automotive electronics, and IoT. With this expansion, the demand for product reliability, durability, and usability characteristics has become increasingly stringent. Through three years of material development and corresponding process technology, our products now feature high temperature environment applicability and a wide range of usage voltages. We have successively launched a series of products capable of meeting harsh environmental challenges, which have been approved and adopted by automotive clients in Europe, Mainland China, and Taiwan. The development of small-sized components, through breakthroughs in material low resistance, component design, and patterning technology, is expected to challenge the industry's smallest PPTC SMD products. It is currently undergoing application development with end customers and is expected to be applied to wearable devices in the future.

The CLM modules focus on satisfying the overcurrent and over-voltage protection functions required by the lithium secondary battery market. In addressing environmental issues, low-lead and PFAS-free product series have been gradually introduced, aiming to contribute to the reduction of harmful substance usage while ensuring safety protection. In terms of product specifications, we are actively developing protective devices for battery backup units (BBUs) that meet the needs of servers. By launching products capable of handling 45 amperes and higher currents, we aim to fill the gap in domestic key protective devices to comply with market trend applications and achieve resilience through diversified cross-domain applications.

In terms of heat dissipation materials, we will continue to expand the product platform, achieve breakthroughs in production technologies, and explore various application fields. We will also continue to increase the sales proportion of high thermal conductivity and high reliability products. By simultaneously possessing the technology for continuous roll-type heat dissipation films and the wet sheet coating process, we significantly enhance the freedom in new product development and manufacturing. Our comprehensive product mix ranges from low-end, low-cost to high-end, high-margin products. Combined with our vacuum lamination production line, PCB manufacturing technology, and complementary production flexibility through outsourcing, we achieve upstream and downstream integration. With strategic allocation across multiple production bases and regions, we approach from the aspects of production, logistics, and services to achieve the goal of minimizing costs and maximizing supply. In terms of product application fields, in addition to the existing LED lighting field, we continuously develop new application opportunities with automotive manufacturers and power supply chains to enhance the performance of thermal management products according to customer needs. Simultaneously, in order to fully meet customers' comprehensive demands for key materials, we have successfully launched various thermal interface pads, thermal paste, underfill materials, and thermal components from our core capabilities, which have been validated and used by domestic and international manufacturers. With continuous innovation and development, we aspire to become a provider of heat dissipation solutions and continue to expand our market share.

Overvoltage products, in line with market trends, continue to be developed for products needed in driving assistance systems, battery management modules, electric vehicles, high-frequency transmission, servers, memory, and home electronics. Among them, products that comply with high automotive standards have been recognized and used by major automakers in China and South Korea. The introduction of low-capacitance products can reduce signal loss and distortion in high-frequency applications, maintaining the integrity of high-frequency signal transmission, thereby effectively expanding their application and sales in desktop computers, laptops, IoT, servers, and other fields. In response to the current rapidly growing market, we will continue to invest in the development of a new generation of integrated components, component design and mounting technology development in order to enhance protection characteristics, quality, and efficiency, reduce production costs, and increase the competitive advantage of our products in the market.

(II) Industry Overview

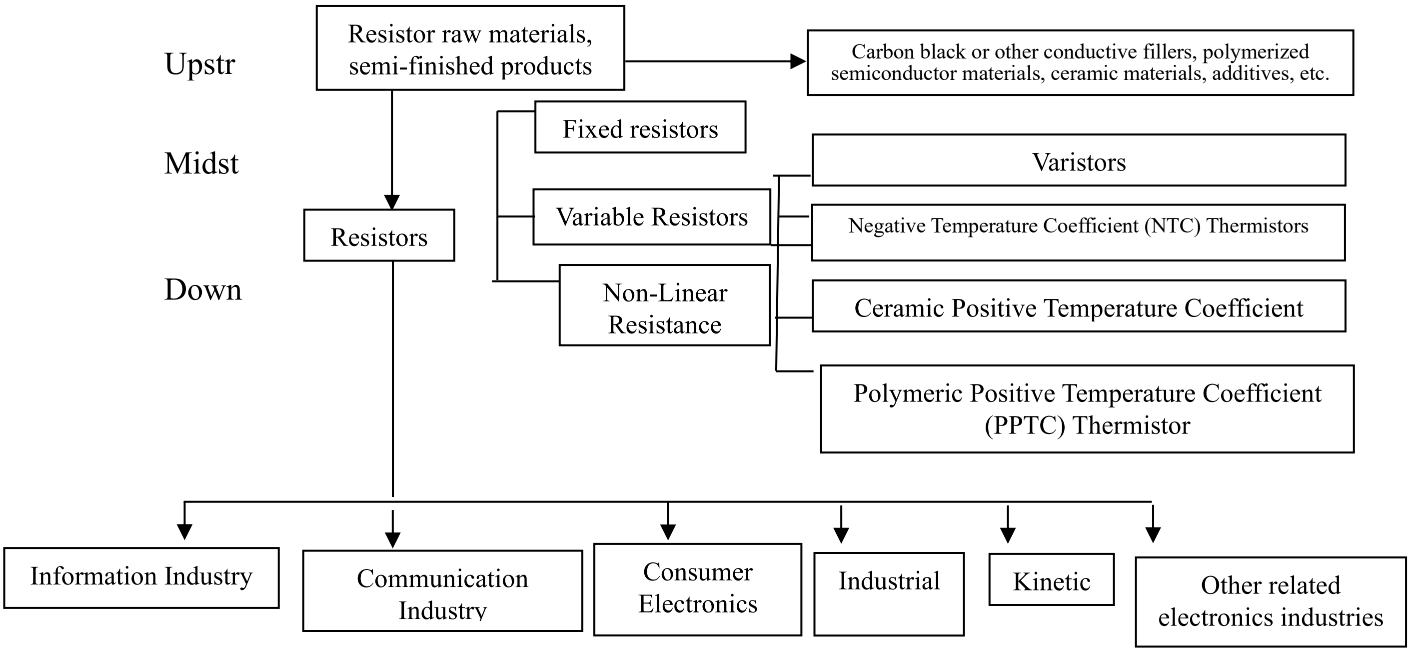
PPTC, OVP components, and CLM.

(1) Business Overview and Development

The main function of overcurrent and overvoltage protection devices is to protect electronic circuits, active components and ICs in electronic products. When an abnormality with the current and voltage occurs, the component can shut down the power and limit voltage to prevent damage to the main chip of electronic components and further prevent disasters from happening. PPTC is mainly made of polyethylene, carbon black and other additives. Its special feature is its high sensitivity to current and temperature. It can effectively reduce the current and protect the safety of the overall system circuit when an abnormal overcurrent occurs in the system current. OVP components are mainly made of semiconductor materials, ceramic materials and other auxiliary materials. As OVP components to voltage changes, they can be activated immediately when affected by overvoltage or surge in order to avoid damage to other components in the electronic system. The CLMs are mainly made of ceramic substrates, conductive silver paste, fuse, and ceramic thermal conductive materials, and can be applied in single or multiple series and parallel lithium secondary battery protection. When used with IC components, they can provide overcurrent and overvoltage protection at the same time. They can be used from the protection devices of general electric machines and electrical machinery to personal computers, server, battery, industrial control, car, personal medical and internet of things smart living, including semiconductors, IC components, PCBs, power supply equipment, connectors and circuit system protection. In recent years, battery protection, portable products, industrial automation and consumer electronics applications have been the main drive for growth. Aside from PPTC, OVP Components and CLMs, other types of thermistors, bimetallic, fuse, IC circuit protective devices are also commonly used as circuit protective devices.

(2) Links between the upstream, midstream, and downstream segments of the industry

PPTC and OVP components are in the resistor industry in the electronic components industry. The main materials of the industry are carbon black or other conductive fillers, polymer compounds, semiconductor materials, ceramic materials, and additives. The resistor is an indispensable basic component of electronic products with a wide range of downstream products. Links between the upstream, midstream, and downstream segments of the industry are as follows:



PTTC industry's upstream segment is manufacturing industries including electrode membranes and conductive carbon black industries, among these, electrode membranes reply on imports, meaning they cannot be locally sourced. The remaining upstream raw materials are all purchased domestically; the upstream segment for OVP components are semiconductor materials, ceramic materials, lead frames and packaging materials which are purchased domestically. The midstream segment is resistor manufacturers; the downstream segment is packaging for communication products, consumer electronic products, information electronic products and the automotive industry. The upstream segment of CLM modules are ceramic substrates and silver paste which are purchased domestically while resistive and heating paste are supplied by overseas manufacturers. Fuse materials and stamping parts for midstream segments are on the other hand purchased domestically. Packaging modules for downstream segments are provided for notebooks, mobile communications, uninterruptible power systems, vacuum cleaners and electric bicycles.

(3) Various Development Trends of Products

Having the advantages of low cost, small size, non-replaceable, low impedance, simple process, light and thin materials, and low power consumption, PPTC and OVP components are easily compatible with handheld devices (mobile phones, tablets, smart watches), information products (desktop computers, notebooks, monitors, internet), and information appliances (LCD TVs, refrigerators, IoT), making them one of the most important development trends in terms of protective devices. It is expected that in the next coming years the global demand for protective devices will continue to grow along with the increasing demand in the end markets. CLM modules on the other hand will extend to applications of multiple parallel battery protection for power tools such as large current and wide voltage range, electric bicycles and motorcycles.

(4) Competition Status

Among the Company's protective device products, the manufacturer of PPTC components come from Europe and the US including Littelfuse and Bourns. Among these, Littelfuse is a leading manufacturer of PPTC components in the world with a very high market share in the global market while some China manufacturers are gradually emerging such as Wayon. Domestic manufactures such as the Company itself, FUZETEC, Thinking Electronics are among the competitors. As the Company is the earliest manufacturer in Taiwan, in terms of material R&D, process technologies, patent deployment, integration of upstream and downstream segments and market shares, the Company is ahead of domestic peers by a wide margin.

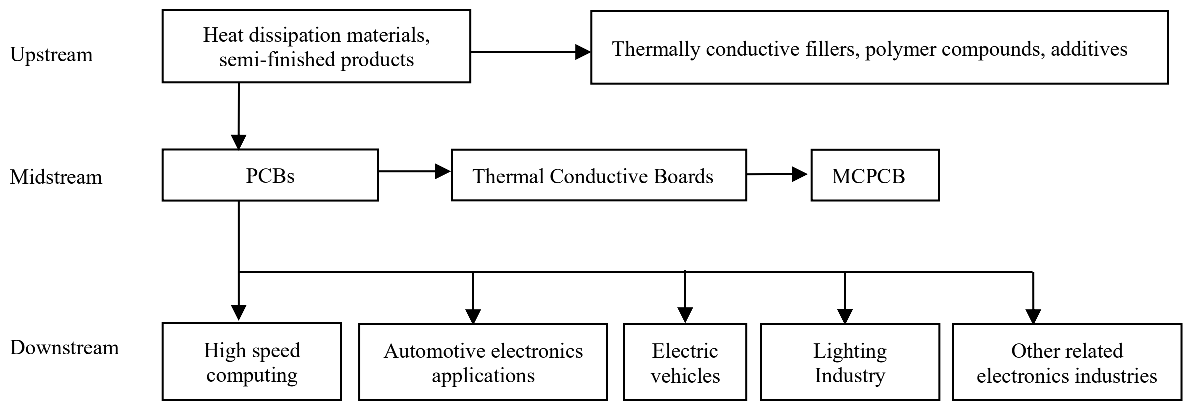
2. Thermal Conductive Boards

(1) Business Overview and Development

Thermal conductive boards are PCBs with heat conduction function. Their structure is composed of copper foil circuit layer, an metal substrate, and an insulating layer composed of epoxy resin, thermally conductive ceramics and other additives, providing both power and signals to electronic component and conduct the heat generated by the operation of electronic components, satisfying to purposes of high efficiency operation and at the same time reducing system temperature. Application fields include: LED, high-power ICs package,higi speed operation, audio, transformers, power supplies, and automotive electronics.

(2) Links between the upstream, midstream, and downstream segments of the industry

Related products are the electronic component industry. The main raw materials of related products include thermally conductive fillers, polymer compounds and additives. The heat



dissipation materials are indispensable key components for the high-power electronic products and PCB industries with a wide range of midstream and downstream products. Links between the upstream, midstream, and downstream segments of the industry are as follows:

(3) Various Development Trends of Products

Due to its outstanding high thermal conductivity, low thermal resistance and high reliability, thermal conductive boards can be widely applied in related high power electronic products such as high speed computing, LED industry, IC packaging, household electronic products, automotive and electric vehicles. Among these applications, LED car lights, power management modules and charging stations for electric vehicles, and high speed computing are the most thriving developments. It is expected that in the next few years, with the booming application developments for heat dissipation products and related industries, the demand for thermal conductive boards globally will maintain its growth alongside the increased demand from end markets.

(4) Competition Situation

The main leading manufacturers of the global thermal conductive boards mainly come from Europe, the US and Japan; these manufacturers are: Henkel, DENKA, Laird, NRK, and Dupont. Among these. Although there are many domestic competitors, due to the fact that the Company has been consistently working with DENKA for a number of years, and has adopted the core technology base of PPTC, the Company therefore is a leading domestic industry in terms of its own material technology, process technology, product specifications, quality stability and intellectual property rights. Effective May 1, 2023, our subsidiary, TCLAD Technology Corporation, has completed of acquistion Henkel/Bergquist's existing metal substrate panels unit, and set up Tclad Inc, 100% owned by TCLAD Technology Corporation, at the original manufacturing site, which will take over the assets/plant/patents/customers/orders of Henkel/Bergquist.This will further expand our visibility and product promotion in the global market in the future.

(III) Overview of Technology and Research and Development

1. R&D expenses in the most recent year up to the printed date of the annual report

Unit: NT$ thousand

Item	2025
R&D Expenses	225,988
Net Operating Revenue	2,852,424
As a Percentage of Net Operating Revenue	7.92%

2. Successfully developed technologies or products

Product Type	Product Scope	Applied Products
PPTC	SMD series, high reliability Mounting, low resistance, high current, specifications up to 6V and various current ranges.	Portable electronic products, mobile phone batteries, tablet batteries, Bluetooth speakers, etc.
	SMD series, high temperature, high voltage series, specifications up to 60V and various current ranges.	Industrial control, robotic arms, motor protection, automotive electronics applications.
CLM	CLF1612xxF Series	Thin form factor, portable electronic products, mobile phones, tablets, and other applications.
	CLM1612Pxxxx PFAS free Series	Comply with EU trends, portable electronic products, notebooks, tablets, audio systems, smart home, and other applications.
	CLM3820Pxx45F Series CLM3820Pxx45H Series	E-bike, power tools, (BBU) energy storage systems applications.
Thermal Conductive Boards	TCPGC	High voltage (50kV) drone applications.
	TCBCP	High weather-resistant power modules.
Thermal interface materials	TCI-G Series	Insulation for electric vehicle onboard chargers.
	TSP Series	MOS thermal adhesive layer for onboard chargers.

(IV) Development plans for long-term and short-term business

1. Short-Term Business Development Plans
   - (1) Continue to strengthen internal management and process improvement to reduce costs.
   - (2) Integrate product lines to expand into new application markets and increase product sales categories.
   - (3) The market demand from downstream customers and continue to accelerate the expansion of China domestic market.
   - (4) Continue to strengthen OEM projects with Littelfuse to increase shipping amount and overall market share.
   - (5) Finish the preparation for thermal conductive board mass production and develop international customers.
2. Long-Term Business Development Plans
   - (1) The Company will be committed to the R&D and improvement of the material manufacturing process to respond to market needs.
   - (2) The Company will use material R&D as the foundation and consider diversified layouts such as horizontal integration and vertical integration.
   - (3) Duty division between Taiwan's headquarters and China's subsidiary:
     - A. Taiwan headquarters will be responsible for strategy planning and development of all the new products.
     - B. The subsidiary in Kunshan will focus on production and be near the market to increase the flexibility of supply to customers.
   - (4) Develop an overseas market and establish a production and operation base to serve customers.

II. Market, Production & Marketing Overview

(I) Market Analysis

1. Sales (provision) area and amount of the Company's main products (services)

Unit: NT$ thousand

Sales Area	2025	
	Sales Amount	Proportion
Taiwan	305,757	10.72%
Mainland China (including Hong Kong)	1,347,341	47.24%
U.S.A	735,979	25.80%
Other	463,347	16.24%
Total	2,852,424	100%

2. Market Share

As a global passive component output value of over USD 20 billion, Taiwan's passive components have established a substantial industry scale which have a considerable market share. Among which, the PPTC market scale has reached more than NT$10 billion, and with its market share estimated at approximately 10% to 20% based on the Company's 2025 sales.

3. Market's Future Supply and Demand and Growth

With more and more portable products available in the market, it means that more and more products will need networking communications. Therefore PPTC, TVS and ESD used in networking communications are expected to grow significantly. Moreover, the carbon neutral issue will gradually be replaced by clean new energy. Due to environmental protection issues, lead-acid batteries will be gradually replaced by clean new energy. With the concept of secure and smart city in the security industry, more and more circuit designs need to provide integrated protective devices in terms of lightning protection and electrostatic protection applications. In the future, with 5G mobile, IoT, network communications, security monitoring, shared electric bicycles, new energy vehicles, energy storage, medical wearables and smart home being more and more popular and diversified, alongside the diversity of the overall project designs PPTC, OVP components and CLM modules, protective devices will definitely benefit and consistently thrive. The related products the Company is currently developing are exactly suitable for such types of applications; therefore, the growth for PPTC, OVP components and CLM modules is expected.

LED is a definite trend with respect to automotive and lighting applications, and the future market share will be sure to progressively grow. In addition, customers have different needs for heat dissipation and their long term reliability of products due to product size and their characteristics. With the patented dry continuous process, the Company is able to provide the most comprehensive product mix in the market to meet the performance and stable characteristics that customers require. Under the deployment of the Company in the past few years, we have received countless feedback from customers and we will adhere to this concept to keep improving.

In respect to environmental issues, fossil fuel has been deemed as an unclean energy source, and under the strong lead of the Chinese government, green-energy vehicles will clearly become an emerging automotive trend within a few years. Among the green-energy vehicles, electric vehicles have the most development potential - they are at the same time already relatively mature. For electric cars to replace gasoline cars, the key issues are how to quickly charge the vehicle and the density of charging stations, which means power and battery management are the core technology. The power components in power and battery management applications also require heat dissipation and it is also one of the markets we will try hard to develop.

4. Competitive Niche

(1) Strong R&D Capability and Strive to Develop Products for the New Generation

Our management team consists of members of experienced polymer science and electronic materials engineers with technical background who fully grasp the development trend of the market. Our management team has developed a variety of key technologies and received patents of different countries.

(2) Strong Process Capability and Highly Automated Product Lines

We constantly improve our manufacturing processes to increase production efficiency, and have thoroughly mastered the development of equipment operation maintenance technology and part automated equipment. Our production capacity has reached an economic scale and has maintained product yield well which poses very competitive advantage in cost.

(3) Establishment of Own Brand and Professional Image

We sell our products worldwide under the brand of "EVERFUSE." The brand represents quality, creativity and professionalism. Given that since the establishment, our sales have grown on an extensive scale, and we have received many orders domestically and from overseas, the establishment of the brand and image has been essentially successful which poses positive help for future business growth.

(4) Effectively Link the Upstream and Downstream of the Industry, and Integrate and Exhibit the Advantage of Taiwanese Businessmen

In terms of manufacturing process - we use the PCB manufacturing process that Taiwanese businessmen are familiar with; in terms of downstream sales channels - we integrate Taiwan's important information product manufacturers with distributors to fully exhibit the integration advantage of upstream and downstream sectors.

5. Favorable and Unfavorable Factors for the Prospects of our Development, and our Corresponding Strategy

(1) Favorable Factors

A. Booming developments of global information and communication markets

With the rise of the Internet, the expansion of multimedia applications, the promotion of information infrastructure and the development of communication markets worldwide, developments of personal computers and mobile phones, communication products and their peripheral industries have been thriving. Protective components are key components and parts for electronic products, and the global information, 5G communication market continues to expand, as well as the application and development for IoT and artificial intelligence, the demand for protective devices is expected to continue to increase.

Thermal conductive boards will follow the development of downstream application products which are expected to have a large growth.

B. Strong and Sufficient R&D and Self Production Capability

The Company's main management level and R&D personnel have all been in the field of PPTC for a long time and have a comprehensive understanding of such industry and its trends. Since the establishment of the Company, we have fully grasped the trend of industry development and proactively researched & developed related products in terms of surface-coating, plug-in, strip, and sheet PPTCs which can all be self researched & developed and produced according to needs of customers to further establish one-stop products as a means to fully satisfy customers' requirements; the Company currently has sufficient self-production capability - not only can we respond to the characteristics of a large number of industrial products in short delivery times, we can also meet the needs of customers at any time, showcasing our flexibility.

In the field of thermal conductive boards, the exclusively developed thermal conductive boards, heat dissipation sheets and heat dissipation paints can provide more flexible designs for automotive lighting and power semiconductor manufacturers.

C. Global Production and Cost Combativeness

In the future, protective devices will maintain its growth alongside the electronic industry. However, as the prices of electronic products continue to fall, resulting in fierce price competition for protective devices, and the fact that downstream sectors are moving towards an international production mode. As a means to reach mass production and reduce costs, and at the same time supplying nearby customers to satisfy their needs, the Company has moved overseas for production to effectively use the production sources overseas while maximizing the overall resources of the Company. The cost is successfully reduced and delivery time shortened, becoming the Company's important advantages in terms of obtaining orders from international major manufactures as well as the nearest China market.

D. Build an Own Brand for Sales Worldwide and Use OEM to Penetrate the Market

The Company sells products worldwide under the name of “EVERFUSE.” Its main sales places including Asia, America, Europe, and Oceania. The customers are mainly local distributors and downstream manufacturers. With the Company effectively grasping marketing channels and sales areas, a fair foundation for future performance growth is laid. Other regions and products are penetrated through strategic alliances; such as PPTC products expanding into European and US markets through partnerships.

(2) Unfavorable Factors

A. Part of Important Raw Materials must be Imported

Some of the important raw materials used in the Company's products - copper foil - is still being controlled by overseas manufacturers. Currently, the copper foil market is still dominated by American and Japanese manufacturers, and when the market supply is imbalanced, it will easily lead to extreme price changes and insufficient supply.

Countermeasure:

Not only do we maintain a fair and long-term business relationship with existing main suppliers, we also adjust the source of procurement accordingly and distribute them among different suppliers to avoid over-concentration of only few manufacturers as a means to reduce operational risks. We also purchase copper foil sputtering processes to reduce external dependence.

B. Rising material costs, falling component prices

As the price of electronic products keep falling, resulting in price drop of resistors.

Countermeasure:

We have been tirelessly improving our production processes to increase capacity utilization and product yields while at the same time expanding production scales, improving automation level, and increasing operating efficiency to reduce production and operating costs. We also consistently adjust our product mix and proactively develop and produce new products with high-precision and high gross profit hoping to avoid the price war while maintaining a reasonable profit.

(II) Important Usage of Major Products and Production Process

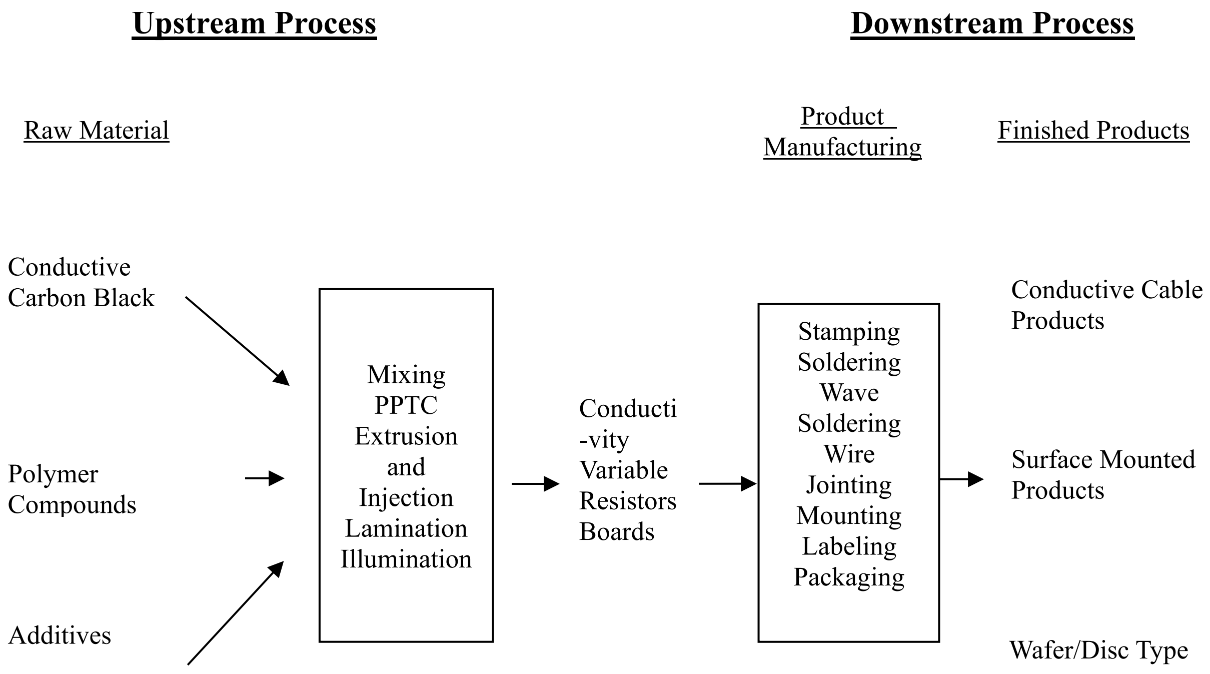
1. Important Usage of Major Products

PPTC, OVP and CLM are three series of protective devices that are mainly used for current and temperature overload protection. Their application scope is relatively wide and products including computers and peripherals, batteries, automobiles, communications and household appliances all use PPTC. With its quality of high-sensitivity to current and temperature, it can be fully applied in the protection for all types of electronic products such as: semiconductor, IC components, PCB, power supplies, connectors and circuit systems, especially in the high-density integrated circuit systems. The unit price for PPTC, OVP and CLM components are relatively low which make them irreplaceable by other products of the same nature; they are therefore the important development trend for protective devices.

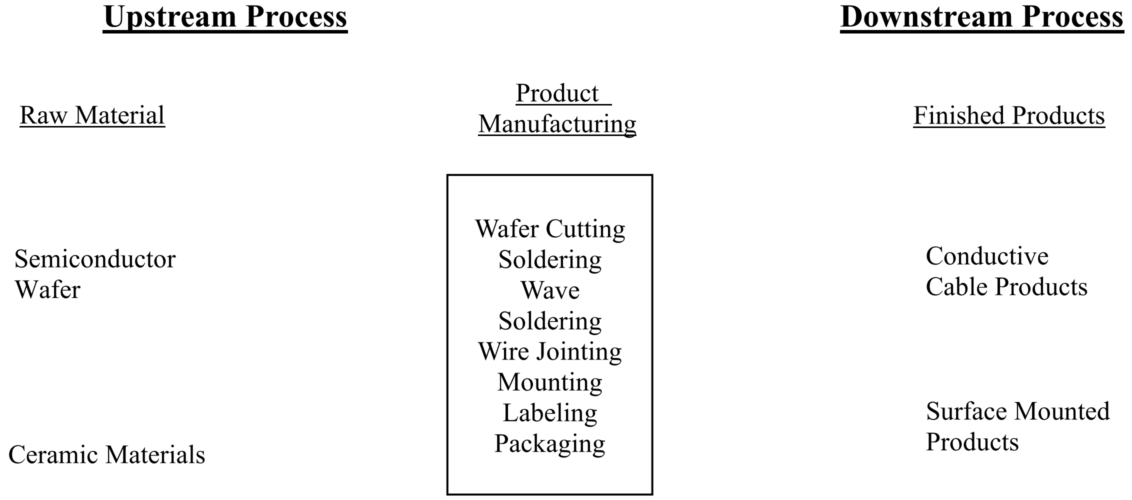
In terms of products relating to thermal conductive boards - they include 3 main products from semi-finished products to finished products namely: heat dissipation film, thermal conductive boards and heat dissipation circuit boards with their main applications in large current, high-heat and high-density circuit layout electronic products such as high-speed computing, power supplies, LED lights, automotive motors, IGBT, charging stations. They can effectively reduce the temperature of electronic systems for their high heat dissipation characteristics, thus avoiding the reliability problems caused by high heat failure of electronic components.

2. Production Process

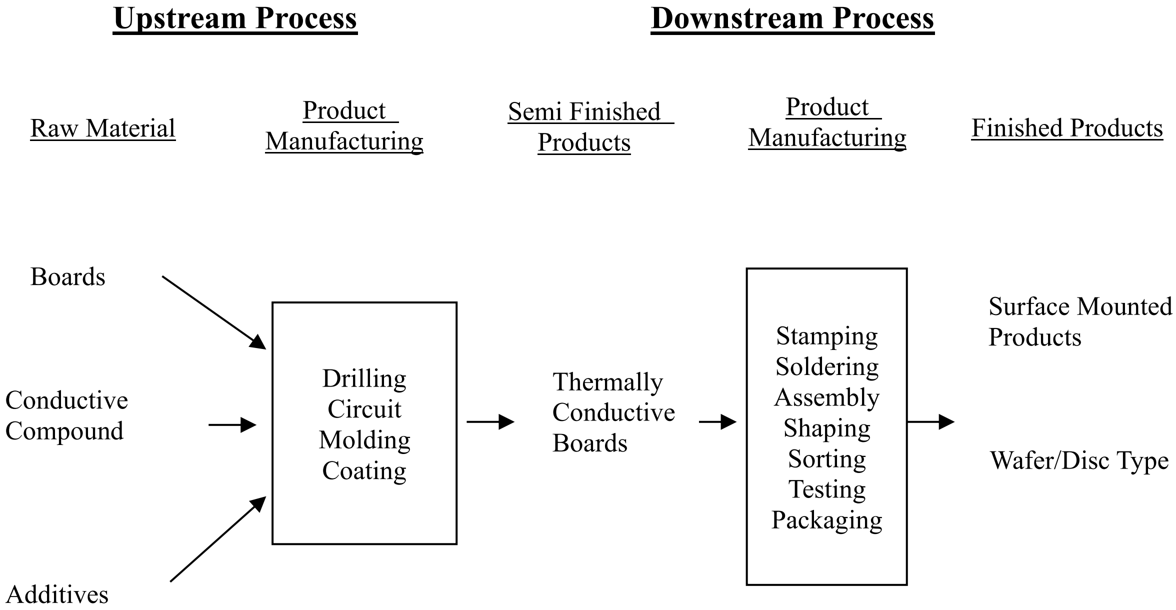
(1) PPTC



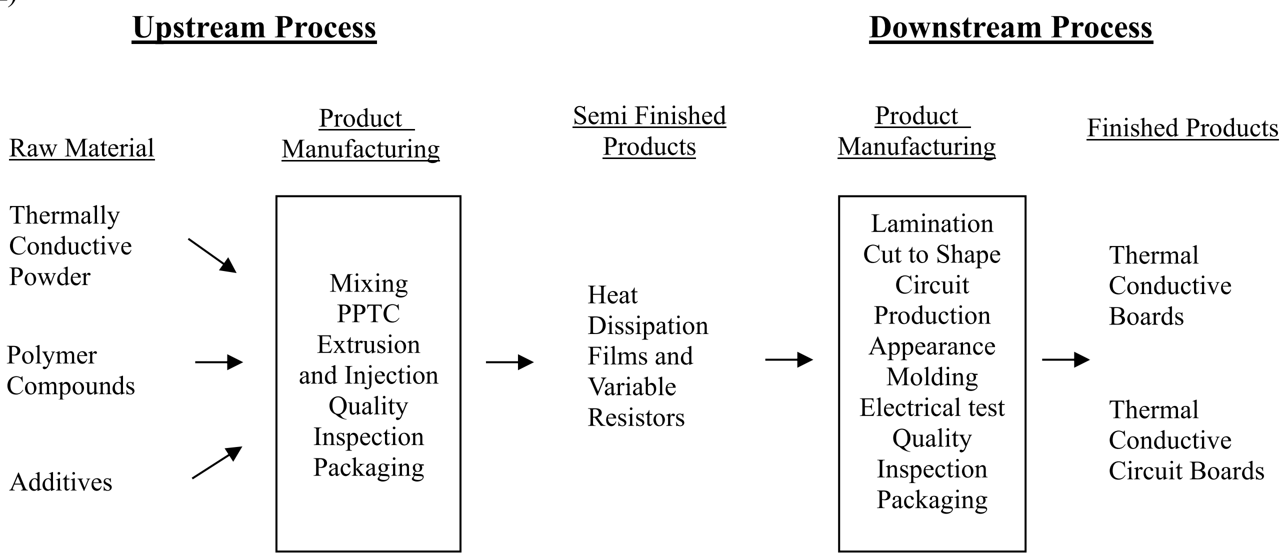
(2) OVP components



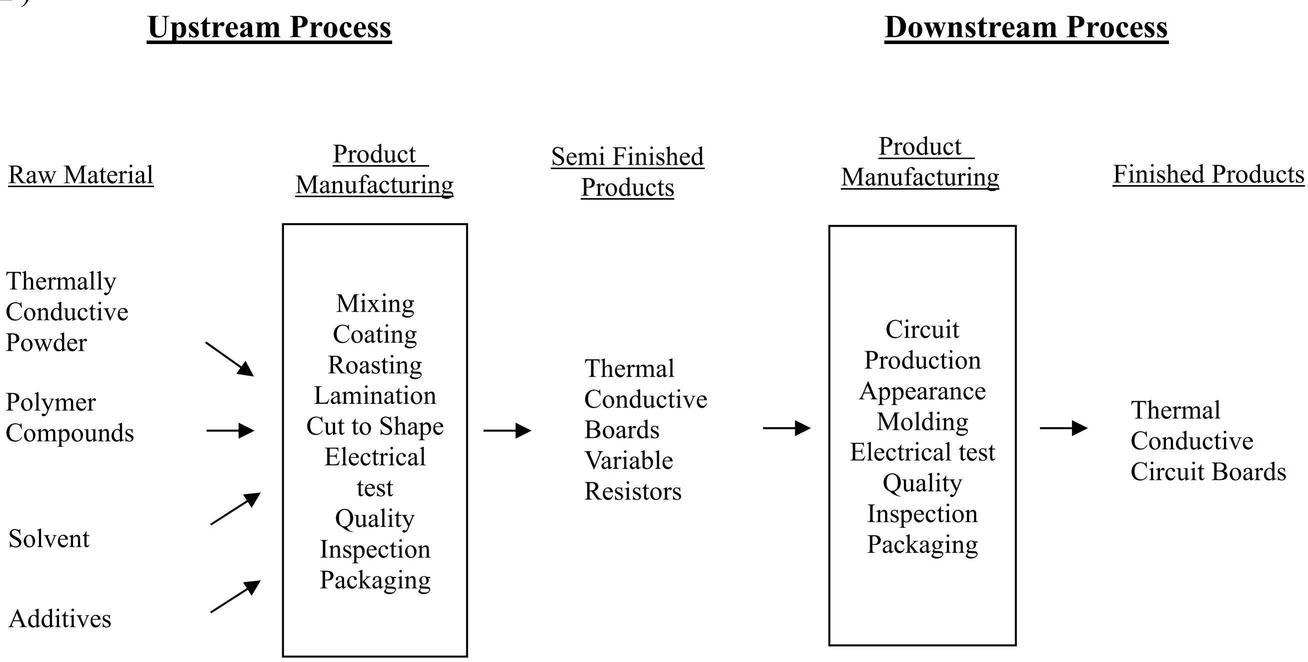
(3) CLM Modules



(4) Thermal Conductive Boards
(A)



(B)



Supply of Main Raw Materials

The Company has always had a good business relationship with all suppliers to maintain the stability of the supply of raw materials to increase the quality of purchases, lower purchase cost and convenient management. The Company has established information on third parties that can fully cooperate with production and tries its best to reach a consensus while working closely side by side. The Company's raw materials are copper foil, semiconductor materials and ceramic materials. Although we do not sign a long-term supply contract with suppliers, there are no interruptions or shortages in supply, the supply sources should therefore be stable.

(III) The Names and Purchases (Sales) and Proportion of the Customers that Accounted for more than 10% of the Total Procurement (sales) of Goods in any of the Past Two Years and the Amount and Proportion of the Goods Sold:

1. Major Suppliers

Unit: NT$ thousand; %

2025				2024			
Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer	Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer
Company J	62,348	11.59%	None.	-			
Less than 10%	475,678	88.41%		Less than 10%	590,177	100.00%	-
Net procurement	538,026	100.00%		Net procurement	590,177	100.00%	-

2. Major Customers

Unit: NT$ thousand; %

2025				2024			
Name	Amount	As a percentage of total net sales (%)	Relation to the issuer	Name	Amount	As a percentage of total net sales (%)	Relation to the issuer Relationship
Littelfuse, Inc. and its subsidiaries	389,132	13.64%	Other related parties	Company R	321,056	10.97%	None
				Littelfuse, Inc. and its subsidiaries	309,732	10.59%	Other related parties
Less than 10%	2,463,292	86.36%	-	Less than 10%	2,294,640	78.44%	-
Total	2,852,424	100%	-	Total	2,925,428	100%	-

Note 1: The disclosed Amount above includes the transaction Amount between The Company and the former corporate Director Littelfuse Europe GmbH (resigned on March 27, 2026), and its parent company Littelfuse, Inc. and its subsidiaries.

III. Employee Information for the Past 2 Years Up and as of the Publication Date of the Annual Report

Year		As of March 31, 2024	2025	2024
Numbers of Employees (persons)	Official	718	678	697
	Contract	0	1	0
	Total	718	679	697
Average Age		40	41	41
Average years of service		9	9	10
Education level distribution ratio (%)	PhD	0.56	0.59	0.43
	Master's	6.27	7.07	7.17
	College	45.54	46.24	43.06
	Senior high	40.11	41.24	44.76
	Under senior	7.52	4.86	4.58

IV. Expenditure for Environmental Protection

The nature of our Company's industry is high-tech thermistors, which do not generate pollution sources in the process of manufacturing. Moreover, the Company is located in Hsinchu Science Park and as we already regard environmental protection as an important task we on the other hand take great interest in pollution issues. Aside from implementing pollution prevention internally, we also entrust a qualified professional waste treatment manufacturer for various types of waste. All business wastewater is included in the park's sewage system as required by the Hsinchu Science Park Administration and a sum of treatment fee for the wastewater is paid. The Company therefore has no risk of environmental pollution.

As required by customers and RoHS, all of our products and components have been tested by SGS and are RoHS compliant.

(I) Losses and fines (including compensation) incurred due to pollution of the environment in the last year up until the publication date of the annual report: None.

(II) Future countermeasures (including improvement measures) and possible expenditure (including the estimated amount of possible loss, penalty and compensation if failing to be reasonably estimated, the facts of the reason shall be stated): Not applicable.

V. Labor-Management Relations

(I) Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures:

1. Employee Welfare Measures

(1) Insurance:
In addition to the statutory health and labor insurance, we also provide group insurance for our employees, including life insurance, accident insurance, hospitalization, cancer insurance, critical illness insurance, and travel accident insurance.

(2) In Terms of Health and Safety:

A. The Company attributes great importance to employees and provides regular health examinations each year that are better than required by laws and regulations. We also take the initiative to follow-up health examinations, ensuring the health of our colleagues.

B. When it comes to the health of employees, the Company thinks it is more important to prevent rather than treatment. In the plant, we provide fitness equipment covering billiards, treadmills, etc., and we regularly organize aerobics activities.

C. In order to raise awareness of fire and prevention of fire for our employees, we hire an external professional lecturer to hold an industrial safety seminar every six months and conduct fire drills from time to time.

(3) In Terms of Travels:
The Company's Employee Welfare Committee subsidizes annual travels, and provides overseas travels as a reward to employees who reach their performance.

(4) Other aspects: The Company has set up vending machines, breastfeeding rooms, occupational physicians, and on-site services for factory nurses.

(5) In Terms of Holidays:
Annual holidays are given in compliance with the Labor Standards Act for employees' flexibility, and employees are encouraged to take proper vacations to promote work-life balance.

(6) Employee Satisfaction Survey:
The Company carries out an “Employee Satisfaction Survey” each year so as to understand employees' recognition of the Company and their job satisfaction, which is also used as a reference basis for future welfare and management improvements.

(7) Other Subsidies:
Aside from what is mentioned above, we also offer subsidies for weddings, funerals, childbirths, further education, meals and employee dormitories as well as holding events including movie appreciation from time to time and annual employee family day.

2. Employees' Further Education and Training

We attach great importance to human resources. Personnel of all levels are entitled to receive suitable training to enhance their skills and ability and further reach the quality goal and result.

The further education and training status for the year 2025 is summarized as follows:

Training Category	Numbers of Courses	Number of People	Training Hours
Professional/Technical	70	144	819.5
General Knowledge	12	837	720
Labor Safety	34	385	694.5
Management Skills	4	8	76
	120	1,374	2,310

3. Retirement System and its Implementation

(1) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(2) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act covering all regular employees with R.O.C. Nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(3) The Company's mainland China subsidiaries, Kunshan Polystar Electronics Co., Ltd., and Polystar Senchip Microelectronics Inc. have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(4) The Group's US subsidiary has established a 401(K) pension plan in accordance with Section 401(K) of the Internal Revenue Code (IRC). All eligible employees can elect to have a certain portion of their salaries contributed to their individual pension accounts according to the contribution limit. The US subsidiary makes a matching contribution of no higher than 8% of each employee's salary to their individual pension accounts.

(5) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024 were $35,500 and $37,178, respectively.

(6) In addition, effective in 2018, in order to provide for the pension of appointed managers, the Company has made provision for the pension at 4% of their total paid salaries monthly. Pension payments shall be taken from the provision when the managers actually retire. However, if such provision is insufficient, the deficiency shall be recognised as expenses for the year. Provision for appointed managers amounted to $1,109 and $942 for the years ended December 31, 2025 and 2024, respectively.

4. Labor and Management Agreement

All regulations and measures in terms of the Company's labor and management relations are handled according to applicable laws and regulations. The implementation situation is good and managers of all levels coordinate with employees at any time. Labor and management meetings are held on a quarterly basis to discuss and solve issues.

5. Various Employee Rights Protection Measures

The operation of the Company's Employee Welfare Committee is planned by the members. Event expenditures are regularly announced in meetings as a means to improve employee relations and bring employees together.

(II) Explain that, as of the publication of the annual report, the losses caused from labor disputes. The current and future possible estimated amount and countermeasures shall also be disclosed. If it cannot be reasonably estimated, facts of the reason shall be given:

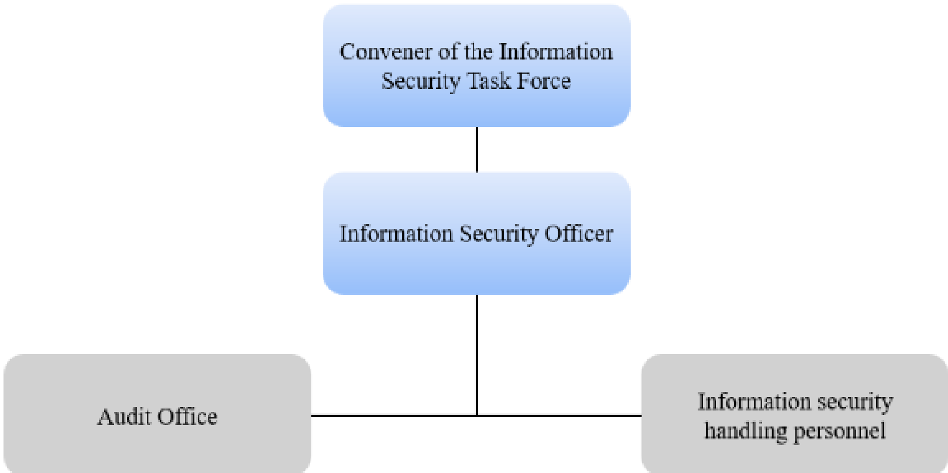
Since the establishment of the Company, the labor and management have been harmonious and have both contributed to the development of the business. There was no occurrence of any dispute or loss.

VI. Cyber security management:

(I) Describe the cyber security risk management framework, cyber security policy, specific management plans and cyber security management resources invested:

1. Cyber Security Management Structure and Rights and Responsibilities: The Company has established a Cyber Security Team consisting of 7 members in accordance with internal Cyber Security Incident Management Procedures, responsible for executing tasks related to the prevention, notification, and contingency handling of cyber security incidents. Members and responsibilities are as follows:

Duties	Member	Number of person (s)	Rights and responsibilities
Convener	Legal Officer or Vice President-level Executive	1	Supervise the effectiveness of the contingency plan and approve information security incident response matters
Information Security Officer	Head of the Information Department	1	Formulation, promotion, and implementation of information security policy
Information security handling personnel	Information Department members	4	Maintain and implement information security defense, judgment and emergency response to information security incidents
Internal auditors	Audit Department members	1	Implement cyber security audits, evaluate information security risks, propose suggestions for improvement



2. Information Security Policy: To ensure the smooth operation of The Company's business and to prevent unauthorized access, use, control, disclosure, destruction, alteration, disposal, or Other infringements of information or IT systems, and to ensure their Confidentiality, Integrity, and Availability, this policy is specifically established for all colleagues to follow. The Company's information security objectives are as follows:
   (1) A mechanism for cyber security risk management should be established. Periodically review the effectiveness of cyber security risk management in response to changes in internal and external cyber security situations.
   (2) The confidentiality and integrity of the sensitive information and IT systems provided by The Company should be protected to prevent unauthorized access and alteration.
   (3) Regular notifications (via written email, on-site training, or other forms) should be provided to regularly or intermittently inform department heads, all members of the Board of Directors and Independent Directors, as well as senior executives of each department, about the importance of the information security system. There should also be occasional promotion regarding the resilience of the Company’s core information security system to these personnel, and the staff of each department or unit should cooperate in controlling and executing various procedures and methods of the Company’s information security system. This ensures the Company's business continuity to achieve sustainable development goals.
   (4) In response to changes in cyber security threat situations, conduct cyber security education and training to enhance the cyber security awareness of employees, who should also actively participate in the training.
   (5) To respond to emergencies, the Company should establish a core information communication system recovery plan to ensure that core operations can continue during events of force majeure.

3. Implementation status of cyber security management
   - In order to ensure the effectiveness of the Company's information security management, the following are the actual implementation statuses.
   - Purchased cyber insurance with a liability limit of USD 2 million.
   - A recent information security management review meeting was held on August 1, 2025, in accordance with the “ISMS-2-02 Information Security Implementation Procedure,” which is regularly convened every year. It can also be incorporated into the current IS9000/IATF16949 management review meetings, with independent information security-related reports.
   - Each employee of the company is required to complete information security training once a year, and the information security team (including the Head) of the Information Department must receive external training at least once a year.
   - Implementation Status
     - Non-compliance issues and corrective actions for internal audit (Non-compliance issues: 2, Improved: 2)
     - Statistics of information security incident reports from January 2025 to December 2025: Total of 0 incidents occurred.
     - No abnormal incidents recorded in the MDR system from January to December.
     - Outsourced vulnerability scanning was conducted, and all detected vulnerabilities have been resolved and addressed.
   - Objective Execution:
     - Reduce the probability of security incidents to prevent the leakage of confidential information.

- Reduce any situations that may interrupt operations.
- Even if there is an operational disruption, recovery can be achieved in the shortest possible time.

Acquired the ISO/IEC 27001:2022 certificate on February 13, 2025.

4. Cyber Security Incident Notification and Response Process: In the event of a cyber security incident, each unit should follow the steps below for handling and retain evidence of system anomalies, intrusions, and destructions for subsequent site restoration and evidence collection.
   (1) Detection and Reporting: The system anomalies are either proactively discovered by Information Department members or reported to them by users.
   (2) Confirmation and Classification: Information Department members should promptly confirm the scope of impact and the category of the cybersecurity incident.
   (3) Can be categorized into: data leakage (destruction and deletion), virus (Trojan, ransomware) infection, hacker intrusion, network backbone and system service interruption, natural disasters or fire, power outage, hardware failure, etc.
   (4) Control and handling procedures

Category of Cybersecurity Incident	Response Process
data leakage (destruction and deletion)	In the event that data is intentionally or accidentally damaged or deleted due to operational negligence, the extent of the data damage should be quickly ascertained, backup data should be activated, and data restoration should be immediately executed according to the recovery plan to restore data access.
virus (Trojan, ransomware) infection	Immediately disconnect the infected device from the network to achieve physical isolation and prevent the spread of the infection. At the same time, promptly obtain eradication programs or system patch programs to complete virus removal and vulnerability patching.
hacker intrusion	Immediately disconnect the physical network to deny any access by the intruder, prevent the leakage of sensitive information, or becoming a relay station. Simultaneously check the compromised equipment and systems to determine whether the intrusion occurred due to unpatched security vulnerabilities or improper firewall rule settings. Before patching, all related intrusion traces and records should be preserved as much as possible for future investigation. After preserving the records, proceed immediately with patching or adjustments.
Network, host, and system service interruption.	The points of damage and the extent of the impact should be immediately identified. And switch to the backup mechanism to reduce the scope and timeline of the impact. Those who have a maintenance contract should immediately notify the maintenance vendor to perform debugging or reconstruction. Those without a maintenance contract should immediately proceed with an emergency procurement of spare parts for replacement.
Natural disasters or fires, power outages, and other emergencies.	Personnel safety should be the top priority. Once the incident is resolved, assess the extent of the damage and determine whether to activate backup or recovery mechanisms.

- External Support: If the in-house information capability is exceeded regarding recovery, evidence preservation, evidence collection, and other operations, external technical professional vendors should be promptly entrusted to handle the situation.

- Contingency Testing: In response to relevant incidents and handling, at least one drill test is required annually. The process and results should be documented, and appropriate improvements and corrections should be made based on any identified issues.

5. Continuous Improvement: Regularly conducted information security education and training, along with social engineering drills, to enhance the security awareness of internal staff.
   (1) Information security requirements are included in the information security briefing for new employees.
   (2) Gradually integrate the implementation of ISMS into Other subsidiaries.
   (3) Include the requirements of ISMS in the new outsourcing maintenance contracts (covering ISMS requirements at each stage from outsourcing contracts, testing, to operations and maintenance).
   (4) The General Knowledge course for information security personnel (enhancing security awareness) is included in the annual training and extended to the entire JuTeng Group.
   (5) Strengthen social engineering drills. Social engineering drills are arranged periodically each year, and educational training is conducted for those who do not pass.

(II) Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated:

Statistics of information incidents and threats occurred in 2025 and as of the publication date of the annual report:

Item	Item	Statistics
1	Virus	2 incidents / Month
2	Ransomware	0 times / Annual
3	APT	8 times / Annual
4	Email Phishing (with malicious code)	1.3k emails / Month
5	Number of network (external to internal) attacks	15.4K times / Month
6	Number of network (internal to external) attacks	0 times / Annual

Note: These were not significant incidents and no losses were incurred.

VII. Important contract

Contract Nature	Participants	Contract Period	Main Content	Restricted Terms and Conditions
Lease contract	Jin-Cheng-Chang Enterprise Corporation.	February 1, 2023 - January 31, 2028	Toufen Luzhu Plant	None
Lease contract	Hsinchu Science Park Administration	January 1, 2024 - December 31, 2028	Standard plant at Hsinchu Science Park	None
Lease contract	Hsinchu Science Park Administration	December 27, 2007 - December 31, 2026	Hsinchu Science Park Land	None
Lease contract	Hsinchu Science Park Administration	July 23, 2010 – December 31, 2029	Hsinchu Science Park Land	None
OEM Contract	Littelfuse	April 1, 2026 – December 31, 2030	PPTC Products	None
Lease contract	Accton Technology Corporation	November 1, 2024 - October 31, 2027	E. VII Plant	None

Lease contract	Arm Limited	November 1, 2024 - October 31, 2026	E. VII Plant and Parking Spaces	None
Lease contract	Applied Materials	December 16, 2023 - September 10, 2026	E. VII Plant	None
Lease contract	Applied Materials	December 16, 2023 - September 10, 2026	Park Spaces of the E.VII Plant	None
Lease contract	Optimized Energy Co., Ltd.	August 16, 2023 - August 16, 2043	Rooftops of the E. IV and E. VII Plants	None
Renewable Energy Power and Certificate Purchase Agreement	Hengli Electric Power Co., Ltd.	October 1, 2025 - December 31, 2028	Green energy	None

Chapter 5 A Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks

I. Financial Status

(I) Main reasons of the significant change in assets, liabilities and equity in the last two years: (change ratio reaching 20% or more)

Unit: NT$ thousand

Item / Year	2025	2024	Increase (decrease)	
			Amount	%
Current Assets	2,532,228	2,783,679	(251,451)	-9%
Property, Plant and Equipment	1,274,080	1,403,509	(129,429)	-9%
Intangible Assets	109,778	130,917	(21,139)	-16%
Other Non Current Assets	92,959	76,223	16,736	22%
Total Assets	4,009,045	4,394,328	(385,283)	-9%
Current Liabilities	1,472,774	1,344,818	127,956	10%
Non-Current Liabilities	340,171	617,331	(277,160)	-45%
Total Liabilities	1,812,945	1,962,149	(149,204)	-8%
Capital Stock	856,453	856,453	0	0%
Additional Paid-In Capital	528,724	528,724	0	0%
Retained Earnings	1,062,469	1,171,821	(109,352)	-9%
Other Equity	(215,273)	(209,751)	(5,522)	3%
Treasury Stocks	(48,208)	0	(48,208)	100%
Equity Attributable to the Parent Company	2,184,165	2,347,247	(163,082)	-7%
Non-Controlling Interest	11,935	84,932	(72,997)	-86%
Total Equity	2,196,100	2,432,179	(236,079)	-10%

Explanation:

1.Other Non Current Assets increased by 22%, mainly due to an increase in advance payments for equipment.
2.Non-current liabilities decreased by 45%, mainly due to the repayment of long-term loans.
3.Treasury Stocks increased by 100%, mainly due to the purchase of Treasury Stocks.
4.Non-controlling interests decreased by 86%, due to the acquisition of non-controlling interests reducing the non-controlling interest.

(II) Future response plan: Continue to develop business and save cost, and integrate the Group's resources to maximize the use benefits.

II. Financial Performance

(I) Main reasons of the significant changes in operating income, operating net profit and net profit before tax in the last two years: (change ratio reaching 20% or more)

Unit: NT$ thousand

Item \ Year	2025	2024	Increase (decrease)	
			Amount	%
Operating Income	2,852,424	2,925,428	(73,004)	-2%
Gross Profit	804,385	913,038	(108,653)	-12%
Operating Profit	6,026	115,864	(109,838)	-95%
Profit Before Tax	67,702	195,347	(127,645)	-65%
Net Profit of the Current Term	(6,163)	123,304	(129,467)	-105%
Net Profit Attributable to the Parent Company	57,020	190,945	(133,925)	-70%

Explanation:

Operating profit, profit before tax, net profit of the current term, and net profit attributable to the parent company decreased, mainly due to the impact of operating losses at the subsidiary, TCLAD Group.

(II) The possible impact and response plans regarding the expected sales volume:

Based on the customers' current progress, peer industry overview and the growth of market scales, the Company is expected to expand battery protection covering mobile phones, computers and wearable devices; signal management such as consumer electronic power supply protection covering industrial control, security and fire; battery and motor protection such as robot vacuum cleaners and vacuum cleaners used in smart homes;heat dissipation materials used in automobiles, industrial lighting and blockchains. Sales in the coming year is expected to grow which will bring positive effect in the Company's future financial business.

(III) Future response plans: As a means to cope with business growth, we will adjust production capacity allocation and increase capital expenditures to increase production while striving to reduce production costs, ensuring stable profit growth.

III. Cash Flows

(I) Analysis Cash Flow Changes in the Most Recent Year:

1. Net cash inflow from operating activities was NT$300,878 thousand, a decrease of NT$24,673 thousand compared to the 2024, primarily due to a reduction in accounts payable and other current liabilities reducing net cash inflow from operating activities.
2. Net cash inflow from investing activities was NT$78,378 thousand, an increase of NT$685,989 thousand compared to the 2024, mainly due to the maturity of time deposits over three months, leading to an increase in net cash inflow from investing activities.
3. Net cash outflow from financing activities was NT$377,785 thousand, an increase of NT$244,381 thousand compared to the 2024, mainly due to the repayment of loans and the repurchase of Treasury Stocks in the year 2025, leading to an increase in net cash outflow from financing activities.

(II) Improvement plans for insufficient cash liquidity: The Group maintains a monthly cash balance (including fixed deposits of more than three months) of more than NT$1 billion, so there should not be an insufficient cash liquidity issue.

(III) Cash flow analysis for the coming year:

Unit: NT$ thousand

Opening cash balance	Net cash flow from operating activities for the entire year	Net cash flow for the entire year (investment and financing activities)	The amount of remaining cash (deficient)	Remedies for cash deficits	
				Investment plans	Financial plans
710,252	256,935	148,589	992,699	-	-

Analysis of changes in cash flows:

Operating activities: The main reason for the net cash inflow is the combined operating profit of the expected components and the heat dissipation substrate (including TCLAD).

Investing activities: The main reason for the cash outflow was mainly attributable to the acquisition and replacement of equipment for R&D, production, and quality control, as well as the upgrade of information software and hardware and the enhancement of cybersecurity-related software and hardware.

Financing activities: The main reason for the net cash outflow is the expected distribution of cash dividends to shareholders and the borrowing of loans.

IV. Financial Impact of Major Capital Expenditures During the Most Recent Year

In 2025, the major capital expenditure mainly referred to the purchase of R&D equipment, replacement of production equipment, update of information software and hardware, etc. All of these items have been completed, and it is expected to effectively integrate sources and to reduce management cost. Also, the Company's operating income and profit are expected to increase stably; therefore it should pose a positive impact on the Company's finance.

V. Investment Policy for the Most Recent Year, the Main Reasons for the Profits or Losses, Improvement Plans, and Investment Plans for the Coming Year

Description / Item	Amount	Investment Policy	Main Reason for Profit or Loss	Improvement Plan	Investment Plan for the Coming Year
Kunshan Polystar Electronics Co., Ltd.	USD 22.45 million	Division of labor internationally and expansion of the Mainland China market	Gaining product advantages using international labor division and the domestic consumer market growth in China.	Not applicable	In consideration of the Company's future development
PolyStellar Electronics Co., Ltd.	RMB 20 million	Expanding the market in South China	The profits for the Year 2025 mainly come from sales and service revenue to Juta.	Not applicable	In consideration of the Company's future development

Item / Description	Amount	Investment Policy	Main Reason for Profit or Loss	Improvement Plan	Investment Plan for the Coming Year
TCLAD Technology Corporation	NT$397 million	Set up a subsidiary in the United States to undertake mergers and acquisitions of TCLAD in the United States.	Due to the factors of supply chain affected by geopolitics, increase of prices due to inflation in the U.S., raw material and machinery component supplier extending the delivery period, and revenue lower than expected, etc., the utilization rate was low, and the costs and expenses were higher than expected, leading to a loss for the current year.	Integrate resources with Cyntec to achieve synergy.	In consideration of the Company's future development

Based on the principle of international division of labor, the Company's investment policy is to retain the core material R&D and high-end manufacturing in Taiwan and to centralize resources for the manufacturing of high-end products and innovation of new products and new technologies in order to increase the product technology level and added value, thereby making necessary preparation for global market expansion. In addition, low-end products and labor-intensive back end processes are moved overseas where it poses advantages in terms of costs, allowing the Company to increase competitiveness using lower costs. The U.S.A. subsidiary TCLAD is currently operating at a loss, and it is necessary to actively integrate with the resources of Polytronics in order to achieve synergy effects and to turn loss into profit.

VI. Analysis of Risks in the Most Recent Year up Until the Publication Date of this Annual Report:

(I) Impact of interest rate, exchange rate, and inflation on the Company's earnings, and response measures:

1. Interest rates: The Company's main consideration for fund utilization is liquidity and safety. So far, the Company mainly uses time deposits at banks with good liquidity and safety; therefore, the impact of interest rate increase on profit or loss is limited.
2. Exchange rate: Recently, the exchanged rate has been volatile. The Company’s financial unit has been keeping a close contact with the foreign exchange department of financial institutions and pays close attention to the market exchange rate trend. The financial unit uses appropriate hedging tools (such as pre-selling forward foreign exchange or foreign currency loans) to reduce the negative impact generated from exchange rate fluctuation.
3. Inflation: Most of the sales of the Company are for overseas sales; therefore, domestic inflation has no major impact on the Company. However, the increase in prices in the U.S.A affects the operating costs and expenses of TCLAD, adversely impacting the profit or loss of TCLAD. It is necessary to continuously streamline expenditures and integrate the Group's resources as response measures.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and trading of derivatives. Describe the main causes of profit or loss incurred and future response measures:

1. The Company is dedicated to the development of the industry, and does not engage in high-risk or highly leveraged investments.
2. The Company only provides fund loaning and endorsement/guarantee to short-term financing fund needs of subsidiaries, and does not exceed the conditions or limits prescribed by laws and regulations of the competent authority and the Company’s internal regulations. The Company does not provide endorsement/guarantee or fund loaning externally.
3. The Company's derivatives transactions use only hedging the exchange rate fluctuation risks on foreign current assets and are handled in accordance with the procedures formulated by the Company.

(III) Future research and development plans and its estimated spending:

For the company's future R&D plans, please refer to Five. Operational Profile I. (I) 4. Development of new products (services). Moreover, as a means to develop the Company's competitiveness while maintaining market advantages, the Company has been tirelessly dedicated on R&D. Each year, the R&D expenses account for 7-9% of the operating income. The 2026 R&D expenses will remain such standard.

(IV) The impact of changes of the important domestic and international policies and laws on the Company's financial operation, and the corresponding measures:

The Company follows national policies and laws and keeps a close eye on changes of important policies and laws. The Company also cooperates to adjust business activities and the development of supporting measures and methods, ensuring the Company's normal operation.

(V) The impact of technological changes (including information security risks) and industry changes on the company's financial operations and the corresponding countermeasures:

1. As for PPTC, due to the battery protection transformation design of the high-end mobile phone market, the Company will research and develop high-voltage and high-current

materials, allowing products to expand their market application aside from the application of mobile phones. New products such as design-in projects at the customer-end will also be enhanced, increasing the proportion of customized products accordingly while proactively deploying in the automotive market.

2. As for TCB, the Company will expand the development of thermal conductive materials and expand market application technology, R&D strength of automotive products and breaks through the barriers set by the market pioneers.

3. For cyber security risks: Please refer to **Chapter Six. Cyber Security Management**, in the annual report Section Four. Operational Profile.

(VI) Crisis management, impacts, and response measures in the event of a change in corporate image: None.

(VII) Expected benefits, risks, and response measures in relation to mergers and acquisitions: None.

(VIII) Expected benefits, risks, and response measures associated with plant expansions:

Expanding the plant can enhance the Company's production capacity to take on more customer orders, thereby increasing revenue and profit and providing an opportunity to expand Market Share. Once production capacity reaches an economic scale, production costs can be significantly reduced. However, idle Production Capacity still requires the depreciation of plant equipment, which poses a potential risk for the company.

The Company's expansion of production capacity has gone through a thorough capital expenditure plan as a means to satisfy customers while at the same time optimizing the use of capital.

(IX) Risks and response measures associated with concentrated sales or purchases:

1. Purchase Risk: Not only do we maintain a fair and long-term business relationship with existing main suppliers, we also adjust the source of procurement accordingly and distribute them among different suppliers and improve raw material processing production to avoid over-concentration of only few manufacturers as a means to reduce operational risks.
2. Sales Risk: The Company has built a mid to long-term partnership with many world-class customers. Combining these customers and the Company's competitive advantages, the Company's stable growth is foreseeable. Meanwhile, the Company continues to develop new customers and, by distributing customer sources, achieves the purpose of risk diversification, reducing the significant impact of a single or few customers on the Company.

(X) Impacts, risks, and response measures following a major transfer of shareholding by directors, independent directors, or shareholders with more than 10% ownership interest: The share transfer of the Company's managerial officers are strictly personal financing plans which does not pose any concern of risk for material changes.

(XI) Impacts, risks, and response measures associated with a change of management: None.

(XII) Litigious and non litigious matters: For major litigation, non-litigation or administrative disputes that have been determined or are still pending among the company, its directors, supervisors, general manager, actual responsible person, shareholders holding more than 10% of the shares, and affiliated companies, whose outcomes may have a significant impact on shareholders' rights or stock prices, the disputed facts, the amount of the subject matter, the date of the lawsuit commencement, the main litigants involved, and the handling situation up to the date of the annual report publication should be disclosed: After evaluation by the Company, there are currently no litigation cases that would have a material impact on shareholders' equity or the price of the Company's securities.

(XIII) Other important risks and corresponding measures: None.

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

Chapter 6 Special Disclosures

I. Information Relating to the Company's Affiliates

1. Consolidated Financial Statement of Affiliates:
   Please refer to the Market Observation Post System > Basic Information > E-book > Affiliates Three Report Forms Section.

   https://mopsc.twse.com.tw/mops/web/t57sb01_q10
2. Consolidated Financial Statement of Affiliates: Not applicable.
3. Report of affiliates: Not applicable.

II. Transaction About the Company's Private Placement of Securities for the Most Recent Year or During the Current Year and as of the Publication Date of the Annual Report:

None.

III. **Other Matters that Require Additional Explanation:** None.

Chapter 7 Matters with a significant impact on shareholder equity or securities prices

If any matters specified in Article 36, Paragraph 3, Subparagraph 2 of this Act, which have a significant impact on shareholder equity or securities prices, occurred in the most recent year and up to the publication date of the annual report: None.

Polytronics Technology Corporation

Person in Charge: Edward Chu