Stock Code: 3611

TSC Auto ID Technology Co., Ltd.

Year 2025 Annual Report

Notice to readers

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

Date of Publication: Apr. 18, 2026

Link to this Report: https://mops.twse.com.tw/mops/web/index

Company website: https://www.tscprinters.com

I. Spokesperson and Acting Spokesperson:

Spokesperson ：

Name	: Chen Yen Han
Title	: Senior Manager of Finance
Contact number	: (02)2218-6789 Extension 3611
E-mail	: joseph_chen@tscprinters.com

Acting Spokesperson ：

Name	: Chang Chi Huang
Title	: Assistant Manager of Finance
Contact number	: (02)2218-6789 Extension 3606
E-mail	: richard_chang@tscprinters.com

II. Headquarter, branches and factory sites:

Headquarters:	Address: 9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City 231, Taiwan Tel: (02)2218-6789
Factory:	Address: No. 35, Sec. 2, Ligong 1st Rd., Chengxing Village, Wujie Township, Yilan County 268, Taiwan Tel: (03)990-6677

III. Stock transfer agent:

Name	: Agency Department, CTBC Bank
Address	: 5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City 100
Website	: https://www.ctbcbank.com
Telephone	: (02)6636-5566

IV. Auditors of the latest Financial Statements:

Name	: Guo Yan Glun、Xiao Pei Ru
Name of firm	: KPMG
Address	: 68F, No. 7, Sec. 5, Xinyi Rd., Xinyi District, Taipei City 100
Website	: https://kpmg.com/tw/zh.html
Telephone	: (02)8101-6666

V. The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities:

Not applicable. (The Company has not issued any overseas securities as of the publication date of the annual report)

VI. Company website:

https://www.tscprinters.com/

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One. Report to Shareholders

Ladies and Gentlemen:

In 2025, as the impact of industry inventory adjustments came to an end, demand for label printers in Europe, the Americas, and Northeast Asia recovered. Total annual revenue increased by 4% year over year excluding Bluebird, and by 31% year over year including Bluebird. The Company continues to integrate Bluebird's resources to enrich the Group's overall product lines and actively enhance the brand's position and product sales market share globally. Please refer to the following report of the Company's 2025 business results, a summary of the 2026 business plan, and descriptions of the Company's development strategy, external competitive environment, regulatory environment, and the macroeconomic environment:

I. 2025 business report (based on the data shown in consolidated financial statements):

(I) Results of the 2025 business plan:

Unit: NT$ thousand

Project name	2025	2024	Increase (decrease) %
Net operating revenues	11,529,034	8,798,132	31%
Gross profits	3,720,319	2,735,160	36%
Operating profits	1,137,741	916,666	24%
Profits before tax	1,117,832	934,411	20%
Net income for the period	936,563	672,216	39%
Total comprehensive income for the period	821,804	127,248	546%
Basic EPS (NT$)	19.63	14.19	38%

(II) 2025 budget execution: The Company did not produce a financial forecast; consequently, it is not required to disclose the budget execution.

(III) Revenues, expenses, and profitability analysis:

Unit: NT$ thousand

Item		Year	2025	2024
Financial Income and Expenditure	Operating profits		1,137,741	916,666
	Net non-operating income (expense)		(19,909)	17,745
	Profits before tax		1,117,832	934,411
	Net income		936,563	672,216
	Total comprehensive income for the period		821,804	127,248
Profitability	Return on assets (%)		8	7
	Return on shareholders' equity (%)		18	13
	As a percentage of paid-in capital (%)	Operating profit	239	193
		Pre-tax profit	235	197
	Net profit margin (%)		8	8
	Earnings per share (NT$)		19.63	14.19

(IV) Research and development:

With the growing global adoption of automatic identification applications, the Company invested a total of NT$604,239 thousand in R&D expenditures in 2025, representing 5.2% of its annual operating revenue, and it will continue to drive innovation and product upgrades in enterprise mobile computers, label printers, and RFID readers. Through comprehensive technological enhancements, the Company actively invests in R&D for hardware and system technologies related to the AI, IoT, and automated identification industries. In addition, it develops cloud solutions, integrated hardware–software products, and system integration services, collaborating with partners to build a unified cloud platform ecosystem. These efforts aim to meet diverse enterprise needs in AIDC applications while ensuring that products offer scalability and flexible configurations to adapt to future developments. At the same time, the Company will continue to uphold its environmental sustainability values by investing in eco-friendly materials, low-carbon printing solutions, and energy-efficient products, aiming to develop products that are energy-saving, recyclable, and have low carbon emissions. By positioning ESG as a core competitive advantage, the Company aims to attract more procurement from international end customers.

II. Summary of the 2026 business plan

(I) Operational guidelines

The Group will center its strategy around the “One Brand” initiative and global marketing platform, integrating product lines and regional market resources to build a unified marketing ecosystem. It will also adopt data-driven marketing to enhance promotional precision and accelerate synergies across product lines and markets. Additionally, the Company will continue to strengthen its global distribution ecosystem, enhancing its market cultivation capabilities through standardized cooperation systems, long-term empowerment, and solution tools. Facing trends such as IoT, AI, and smart logistics, TSC will expand its strategic role in key application scenarios, driving technology adoption and enhancing brand influence. Through global brand development, an integrated marketing ecosystem, and a resilient distribution network, TSC will continue to expand its market share, strengthen the long-term growth momentum of its corporate value, and steadily advance toward its goal of becoming an international leading brand. In response to the growing global emphasis on ESG and sustainable development, the Company continues to invest in environmentally friendly materials, low-carbon printing solutions, and energy-efficient products, with the aim of developing products that are energy-saving, recyclable, and low in carbon emissions.

(II) Sales forecast and key production/sales policies

The Company’s principal sources of revenue are sales and services of automatic identification label printers, sales of label paper consumables, and enterprise mobile computers. Sales volume projections are prepared reasonably based on the Company’s annual sales targets, market demand conditions and development trends, customers’ operating conditions, and the Company’s current order intake, with reference to the Company’s operating scale. The Company expects its business performance to maintain a stable growth trend, which will have a positive impact on its financial and operating conditions.

The Company’s production and sales policies, based on the aforementioned forecast, will be focusing on the key points below:

1. Ensuring the availability and quality of supplies from suppliers, and maintaining an adequate inventory level and turnover rate.
2. Continue to expand our business scale worldwide and strengthen the core competitiveness in our business fundamentals.
3. Provide a comprehensive and quality service to build sustainable management capacity.

III. Future development strategies

We continue to insist on the customer-first policy and continue to integrate brand, product, marketing, and customer service to provide customers with all-in-one service and experiences in order to strengthen our market image and enhance our competitive advantage. We are aware of the changes in the applications from different industries and customers around the world, and work closely with our upstream and downstream partners. With a new business mindset, we seek new customers, new solutions, innovative service models, and new product development to create win-win opportunities and grow.

IV. Impacts of the external competitive environment, regulatory environment, and the overall business environment

(I) Impacts of the external competitive environment

The main competitions and development trends are as follows:

1. Intensifying competition in vertical integration and cross-product bundling
Major brands continue to expand their product and service boundaries through acquisitions and platform-based strategies. For example, Zebra has gradually evolved from a hardware supplier into a comprehensive solutions provider. Through acquisitions, it has strengthened its capabilities in self-service devices, touch systems, software, cloud management, and payment solutions, enhancing its upstream integration in the retail and logistics sectors.

2. RFID and the demand for IoT applications are expanding rapidly
As RFID adoption increases, new demand has emerged for high-density, multi-antenna, and fixed-position readers, including bookshelf, gates, and vehicle-mounted types. The focus of competition is gradually shifting from "hardware performance" to the ability to integrate "hardware + middleware + IoT platforms," requiring manufacturers to have more comprehensive data connectivity and equipment management capabilities.

3. Software and service platforms as key differentiators
Competition across product lines is no longer limited to hardware specifications; instead, it centers on which company can deliver more comprehensive solutions, including:
   - Remote device management (MDM / FMS)
   - Fleet/asset management
   - Predictive maintenance
   - Consumables and label management

- Cloud application integration capability

These software and service offerings are increasingly becoming critical factors in enterprises' brand selection decisions.

4. Sustainable trends and cost pressure driving innovation

Linerless labels, carbon reduction, and consumables optimization have become key growth drivers for label printers. At the same time, fluctuations in global supply chain costs, raw material prices, and transportation expenses have created pricing and margin pressures for manufacturers. This has prompted brands to invest in higher-efficiency product designs with lower TCO (Total Cost of Ownership)

In sum, market competition is shifting from a focus on "hardware versus hardware" to a broader competition encompassing "Total solutions, Ecosystems, and Digital services. Companies must leverage technological innovation, hardware-software integration, and collaboration across the industry ecosystem to meet the accelerating digital transformation demands of various industries.

(II) Impacts of the regulatory environment and macroeconomic environment

There has been no change in key domestic or foreign policies or laws that significantly affected the Company's operations in the last year, and the Company remains compliant with all changes in the regulatory environment.

In the future, the Company expects to further expand its product integration to take advantage of the growing demand, as well as application of auto-ID. Driven by innovation, professionalism, and utmost respect for the business, we look forward to improving business performance and profitability for the mutual benefit of our shareholders, customers, and employees.

Best regards

Chairman:	General Manager:	Chief Accounting Officer:
Wang Hsing Lei	.Chen Ming Yi	Lan Yi Hsuan

Two. Corporate Governance Report

I. Information of Directors, Supervisors, General Managers, Deputy General Managers, Assistant General Managers, and Heads of various departments and branches

(I) Information on directors

1. Directors's profile

April 18, 2026; Unit: share; %

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term (Years)	Date first elected	Shares Held at the Time of Election		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor			Remarks
							shares	%	shares	%	shares	%	shares	%			Position	Name	Relationship	
Director	ROC	Wang Shiu Ting	Male 71~80	2025.6.17	3	2007. 03. 07	903,826	1.90%	948,826	2.00%	0	0%	362,930	0.76%	• Department of Mechanical Engineering, Tatung University • Texas Instruments Incorporated - Manager	• Taiwan Semiconductor Company Limited - Chairman • TSC Auto ID Technology Co., Ltd. - Director and President • Yangxin Everwell Electronic Co., Ltd. - Chairman (Corporate Rep.) • Tianjin Everwell Technology Co., Ltd. - Chairman (Corporate Rep.) • EVER ENERGETIC INTERNATIONAL LTD. - Chairman (Corporate Rep.) • EVER WINNER INTERNATIONAL CO., LTD. - Chairman (Corporate Rep.) • SKYRISE INT'L LTD. - Chairman (Corporate Rep.) • Tianjin TSC Auto ID Technology Co., Ltd. Chairman (Corporate Rep.) • Nian Tzu Investment Co., Ltd. - Chairman	Chairman	Wang Hsing Lei	Father-son	None
Chairman	ROC	Wang Hsing Lei	Male 41~50	2025.6.17	3	2013. 06. 13	339,583	0.72%	339,583	0.71%	85,714	0.18%	1,473,648	3.10%	• MBA, Massachusetts Institute of Technology • McKinsey & Company - Consultant	• Taiwan Semiconductor Manufacturing Co., Ltd. - General Manager and Director (Corporate Rep.) • Tianjin Everwell Technology Co., Ltd. - Supervisor (Corporate Rep.) • TAIWAN SEMICONDUCTOR JAPAN LTD. - Director (Corporate Rep.) • Taiwan Semiconductor Europe GmbH - Director (Corporate Rep.) • TSC Auto ID Technology Co.,	Director	Wang Shiu Ting	Father-son	None

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term (Years)	Date first elected	Shares Held at the Time of Election		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor			Remarks
							shares	%	shares	%	shares	%	shares	%			Position	Name	Relationship	
																Ltd. - Chairman • TSC Auto ID (HK) Ltd. - Chairman (Corporate Rep.) • Tianjin TSC Auto ID Technology Co., Ltd. - Director (Corporate Rep.) • TSC Auto ID Technology America, Inc. - Chairman (Corporate Rep.) • Diversified Labeling Solutions Inc. - Chairman (Corporate Rep.) • Precision Press & Label, Inc. - Chairman (Corporate Rep.) • TSC Auto ID Technology India Pvt Ltd. - Chairman (Corporate Rep.) • Bluebird Inc. - Chairman (Corporate Rep.) • Arthur Investment Co., Ltd. - Director • Nian Tzu Investment Co., Ltd. - Director				
Director	ROC	**Taiwan Semiconductor Manufacturing Co., Ltd.**	-	2025.6.17	3	2007. 03. 07	16,995,230	35.79%	16,995,230	35.74%	0	0%	0	0%	None	None	None	None	None	None
Rep. of corporate	ROC	Luo Yue Gui	Female 51~60	2025.6.17	3	2016. 06. 07	62,912	0.13%	62,912	0.13%	0	0%	0	0%	• Department of Accounting and Statistics, Open College Affiliated with National Taipei College of Business • Taiwan Songwang Electronics Co., Ltd. - Bonded Warehouse Officer • Kuender & Co., Ltd. - Finance and Accounting Officer	• Taiwan Semiconductor Manufacturing Co., Ltd. - Finance Department Senior Manager • TSC Auto ID Technology Co., Ltd.. - Director (Corporate Rep.)	None	None	None	None
Director	ROC	Chen Ming Yi	Male 51~60	2025.6.17	3	2022. 6. 17	50,000	0.11%	50,000	0.11%	0	0%	0	0%	• Department of Mechanical Engineering, National Kaohsiung University of Science and Technology • Dell (Taiwan) B.V.	• TSC Auto ID Technology Co., Ltd. - Director/General Manager • Tianjin TSC Auto ID Technology Co., Ltd. - Director (Corporate Rep.) • TSC Auto ID Technology EMEA	None	None	None	None

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term (Years)	Date first elected	Shares Held at the Time of Election		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor			Remarks
							shares	%	shares	%	shares	%	shares	%			Position	Name	Relationship	
															Taiwan Branch - Assistant General Manager of Engineering	GmbH - Director (Corporate Rep.) • Mosfortico Investments sp. z o. o. - Chairman (Corporate Rep.) (Note 2) • MGN sp. z o.o. - Director (Corporate Rep.) • Bluebird Inc. - Director (Corporate Rep.)				
Independent Director	ROC	Ma Chia Ying	Male 61~70	2025.6.17	3	2008.06.20	0	0%	0	0%	0	0%	0	0%	• Ph.D., Lehigh University College of Business and Economics • Master of Accounting, Utah State University • Bachelor of Accounting, National Chengchi University • Soochow University - full-time professor at the Department of Accounting • National Chengchi University - Adjunct Professor at the Department of Public Finance • National Chiao Tung University College of Biological Science and Technology - Adjunct Professor • World Bank, Department of Regional Economy - Finance and economics consultant • Lehigh University Computing Center - Senior Technical Consultant • Martin Dell Private Enterprise Research Center - Researcher • IDEAS System - Researcher • PwC Taiwan - Senior Auditor	• Soochow University - Professor at the Accounting Department • TSC Auto ID Technology Co., Ltd.. - Independent Director • Medeon Biodesign, Inc. - Independent Director • RichWave Technology Corporation - Independent Director • Hiyes International Co Ltd. - Independent Director • Union Insurance Co., Ltd. - Director (Corporate Rep.) • Da Tung Electric Industry Co., Ltd. - Director	None	None	None	None

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Term (Years)	Date first elected	Shares Held at the Time of Election		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director or supervisor			Remarks
							shares	%	shares	%	shares	%	shares	%			Position	Name	Relationship	
Independent Director	ROC	Lin Tuo Zhi	Male 41~50	2025.6.17	3	2022.6.17	42,583	0.09%	42,583	0.09%	0	0%	0	0%	• B.S. in Industrial Engineering, University of California, Berkeley, USA • Master of Science, Massachusetts Institute of Technology • Responsible person of Property Acquisition, Great China Region, Prudential Financial • The Carlyle Group Inc.'s Asian Private Equity Investment Business	• TSC Auto ID Technology Co., Ltd.. - Independent Director	None	None	None	None
Independent Director	ROC	Lin Hsin Tien	Male 31~40	2025.6.17	3	2025.6.17	0	0%	0	0%	0	0%	0	0%	• Ph.D., Institute of Energy Science, Kyoto University, Japan • Master/Bachelor of Mechanical Engineering, National Taiwan University • National Cheng Kung University Associate Professor at the Department of Environmental Engineering Associate Professor/Assistant Professor	• National Taiwan University - Associate Professor at the Department of Mechanical Engineering, • TSC Auto ID Technology Co., Ltd.. - Independent Director	None	None	None	None

Note 1: Independent director Li Chun Chi resigned on June 17, 2025.

Note 2: MGN and Mosfortico completed their merger on Feb. 27, 2026. MGN is the surviving company after the merger.

2. For representatives of corporate shareholders, the names and shareholding percentages of major shareholders (the top 10) in each corporate shareholder are further disclosed:

Apr. 18, 2026

Name of corporate shareholder	Major shareholders of corporate shareholders and shareholding percentage (%)
Taiwan Semiconductor Manufacturing Co., Ltd.	1. TSC Auto ID Technology Co., Ltd. (6.06%) 2. Wang Shiu Ting (4.84%) 3. Arthur Investment Co., Ltd. (4.12%) 4. UMC Capital (2.25%) 5. Nian Tzu Investment Co., Ltd. (1.76%) 6. Tu Shui Cheng (1.05%) 7. HSBC Custody Macquarie Bank Limited Special Account (1.02%) 8. JP Morgan Custody Advanced Starlight Advanced Global Combined International Stock Index Fund Investment Special Account (0.88%) 9. JP Morgan Chase Bank, Taipei Branch, Trustee Custody of Vanguard Group Company Manager's Vanguard Emerging Markets Stock Index Fund Investment Special Account (0.87%) 10. Lin Jiang Yan (0.74%)

3. Where the major shareholder is a corporate entity, the names and shareholding percentages of the corporate entity’s major shareholder and top-ten shareholders

Apr. 18, 2026

Name of corporate entity	Major shareholders of corporate shareholders and shareholding percentage (%)
TSC Auto ID Technology Co., Ltd.	The name and shareholding ratio of the top ten shareholders in the most recent period has been disclosed in "III. Fundraising I. Capital and Share (II) Major Shareholders List" of this annual report.
Arthur Investment Co., Ltd.	Chou A Chui (19.90%), Wang Hsing Lei (55.74%), Wang Wan Yu (16.00%)
UMC Capital	United Microelectronics Corporation (100%)
Nian Tzu Investment Co., Ltd.	Wang Shiu Ting (99.97%), Wang Hsing Lei (0.03%)

4. Disclosure of Directors' Professional Qualifications and Independent Directors' Independence:

Criteria / Name	Professional Qualifications and Experience	Independence Status	No. of positions as independent director in other public companies
Wang Shiu Ting	Educational Background: • Department of Mechanical Engineering, Tatung University Current position: • Taiwan Semiconductor Company Limited - Chairman • TSC Auto ID Technology Co., Ltd. - Director and President • Yangxin Everwell Electronic Co., Ltd. - Chairman (Corporate Rep.) • Tianjin Everwell Technology Co., Ltd. - Chairman (Corporate Rep.) • EVER ENERGETIC INTERNATIONAL LTD. - Chairman (Corporate Rep.) • EVER WINNER INTERNATIONAL CO., LTD. - Chairman (Corporate Rep.) • SKYRISE INT'L LTD. - Chairman (Corporate Rep.) • Tianjin TSC Auto ID Technology Co., Ltd. - Chairman (Corporate Rep.) • Nian Tzu Investment Co., Ltd. - Chairman Past experience: • Texas Instruments Incorporated - Manager Expertise: • Director Wang Shiu Ting has practical experience, strategic management, leadership and academic ability. He has focused on the operation and strategic management of the semiconductor components industry for more than 40 years, and has the professional ability in financial accounting, commerce, marketing, and technology industry related operation planning, operation management and corporate sustainability.	Please refer to "Board Independence"	None
Wang Hsing Lei	Educational Background: • MBA, Massachusetts Institute of Technology Current position: • Taiwan Semiconductor Manufacturing Co., Ltd. - General Manager and Director (Corporate Rep.) • Tianjin Everwell Technology Co., Ltd. - Supervisor (Corporate Rep.) • TAIWAN SEMICONDUCTOR JAPAN LTD. - Director (Corporate Rep.) • Taiwan Semiconductor Europe GmbH - Director (Corporate Rep.) • TSC Auto ID Technology Co., Ltd. - Chairman • TSC Auto ID (HK) Ltd. - Chairman (Corporate Rep.) • Tianjin TSC Auto ID Technology Co., Ltd. - Director (Corporate Rep.) • TSC Auto ID Technology America, Inc. - Chairman (Corporate Rep.)	Please refer to "Board Independence"	None

	• Diversified Labeling Solutions Inc. - Chairman (Corporate Rep.) • Precision Press & Label, Inc. - Chairman (Corporate Rep.) • TSC Auto ID Technology India Pvt Ltd. - Chairman (Corporate Rep.) • Bluebird Inc. - Chairman (Corporate Rep.) • Arthur Investment Co., Ltd. - Director • Nian Tzu Investment Co., Ltd. - Director Past experience: • McKinsey & Company - Consultant Expertise: • Chairman, Wang Hsing Lei, has professional experience in finance, accounting, commerce, marketing, technology, business management, corporate governance and corporate sustainability.		
Taiwan Semiconductor Company Limited Company Rep. : Luo Yue Gui	Academic degree: • Taipei Institute of Business Administration, Taipei College of Business Current position: • Taiwan Semiconductor Company Limited - Finance Department Senior Manager • TSC Auto ID Technology Co., Ltd. - Director (Corporate Rep.) Past experience: • Taiwan Songwang Electronics Co., Ltd. - Bonded Warehouse Officer • Kuender & Co., Ltd. - Finance and Accounting Officer Expertise: • Director Luo Yue Gui has professional and experienced talents in finance, accounting, international trade, taxation, and corporate governance.	Please refer to "Board Independence"	None
Chen Ming Yi	Educational Background: • Department of Mechanical Engineering, National Kaohsiung University of Science and Technology Current position: • TSC Auto ID Technology Co., Ltd. - Director and General Manager • Tianjin TSC Auto ID Technology Co., Ltd. - Director (Corporate Rep.) • TSC Auto ID Technology EMEA GmbH - Director (Corporate Rep.) • Mosfortico Investments sp. z o. o. - Chairman (Corporate Rep.) (Note 2) • MGN sp. z o. o. - Director (Corporate Rep.) • Bluebird Inc. - Director (Corporate Rep.) Past experience: • Dell (Taiwan) B.V. Taiwan Branch - Assistant General Manager of Engineering Expertise: • Director Chen Ming Yi possesses professional experience in technology, industry, business, marketing, finance, corporate governance, and corporate sustainability.	Please refer to "Board Independence"	None
Ma Chia Ying (Independent Director)	Educational Background: • Ph.D., Lehigh University College of Business and Economics • Master of Accounting, Utah State University • Bachelor of Accounting, National Chengchi University	1. Neither he/she or his/her spouse or relative within the second degree of kinship is also serving as a director, supervisor or employee at the Company.	3

	Current position: • Soochow University - Professor at the Accounting Department • TSC Auto ID Technology Co., Ltd. - Independent Director • Medeon Biodesign, Inc. - Independent Director • RichWave Technology Corporation - Independent Director • Hiyes International Co Ltd. - Independent Director • Union Insurance Co., Ltd. - Director (Corporate Rep.) • Da Tung Electric Industry Co., Ltd. - Director Past experience: • Soochow University - full-time professor at the Department of Accounting • National Chengchi University - Adjunct Professor at the Department of Public Finance • National Chiao Tung University College of Biological Science and Technology - Adjunct Professor • World Bank, Department of Regional Economy - Finance and economics consultant • Lehigh University Computing Center - Senior Technical Consultant • Martin Dell Private Enterprise Research Center - Researcher • IDEAS System - Researcher • PwC Taiwan - Senior Auditor Expertise: • Independent Director Ma Chia Ying has professional experience in finance, accounting, taxation, management, corporate governance and corporate sustainability, and is a certified public accountant of the Republic of China. Although he has served as an independent director for more than 3 terms (9 years) of the Company, during his tenure as an independent director, he has raised many suggestions for the Company, which are of great help to the Company's operations. Therefore, the independent directors and the audit committee may rely on their expertise to improve the quality of corporate governance management of the board of directors and the oversight function of the audit committee.	2. Neither he/she or his/her spouse or relative within the second degree of kinship (or under the name of another person) possess the Company's shares. 3. Is not serving as a director/supervisor/employee at specific companies with financial/business relationship with the Company (refer to Article 3, Section 1 Clauses 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies for details). 4. Has not provided commercial, legal, financial or accounting services at the Company or any of its affiliated businesses in the past 2 years.	
Lin Tuo Zhi (Independent Director)	Educational Background: • Master of Science, Massachusetts Institute of Technology • B.S. in Industrial Engineering, University of California, Berkeley, USA Current position: • TSC Auto ID Technology Co., Ltd. - Independent Director Past experience: • Responsible person of Property Acquisition, Great China Region, Prudential Financial • The Carlyle Group Inc.'s Asian Private Equity Investment Business Expertise: • Independent Director Lin Tuo Zhi has work experience in finance, commerce, investment, engineering and management.	1. Neither he/she or his/her spouse or relative within the second degree of kinship is also serving as a director, supervisor or employee at the Company. 2. Neither his/her spouse and relative within the second degree of kinship (or under the name of another person) possess the Company's shares. 3. Is not serving as a director/supervisor/employee at specific companies with financial/business relationship with the Company (refer to Article 3, Section 1 Clauses 5-8 of the Regulations Governing Appointment of Independent	None

		Directors and Compliance Matters for Public Companies for details). 4. Has not provided commercial, legal, financial or accounting services at the Company or any of its affiliated businesses in the past 2 years.	
Lin Hsin Tien (Independent Director)	Educational Background: • Ph.D., Institute of Energy Science, Kyoto University, Japan • Master/Bachelor of Mechanical Engineering, National Taiwan University Current position: • National Taiwan University - Associate Professor at the Department of Mechanical Engineering, • TSC Auto ID Technology Co., Ltd.. - Independent Director Past experience: • National Cheng Kung University Associate Professor at the Department of Environmental Engineering • National Cheng Kung University, Department of Environmental Engineering, Assistant Professo Expertise: • Independent Director Lin Hsin Tien has work experience in Machinery, Energy , corporate sustainability.	1. Neither he/she or his/her spouse or relative within the second degree of kinship is also serving as a director, supervisor or employee at the Company. 2. Neither he/she or his/her spouse or relative within the second degree of kinship (or under the name of another person) possess the Company's shares. 3. Is not serving as a director/supervisor/employee at specific companies with financial/business relationship with the Company (refer to Article 3, Section 1 Clauses 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies for details). 4. Has not provided commercial, legal, financial or accounting services at the Company or any of its affiliated businesses in the past 2 years.	None

Note 1： All directors of the Company hadn't violation of Article 30 of the Company Act.
Note 2： MGN and Mosfortico completed their merger on Feb. 27, 2026. MGN is the surviving company after the merger.

5. Board diversity policy and independence

(1)Board diversity policy and goals:

Pursuant to the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall take factors such as the development of the Company, its major shareholder status and actual operational needs into consideration and the Company has deemed that the Board ought to have no fewer than 5 members. In addition, composition of the Board shall be diverse in nature, with suitable diversification guidelines formulated base on factors such as the Company's nature of operation and management and its developmental needs. Board members include (but are not limited to) gender, age, professional background, professional skills and industry experience, etc., and should generally have the knowledge, skills and literacy necessary to perform their duties to achieve the ideal goals of corporate governance.

1. The board of directors shall be capable of:
   A. Operational judgment
   B. Accounting and financial analysis

C. Business management ability
D. Crisis management
E. Industry knowledge
F. International market view
G. Leadership
H. Decision making

2. Specific goals of the board diversity policy:

A. The No. of directors who also serve as managers of the Company shall not exceed 1/2 (50%) of the directors.
B. In line with the diversity policy, gender equality among members is targeted, with at least one female board member (14.3%) as the goal.
C. The goal is for the No. of independent director seats to exceed 1/3 (33.3%) of the total board seats.

(2)Implementation of the diversity policy of the Board of Directors:

All 7 current directors of the Company are of ROC nationality and possess the necessary knowledge, skills, and professional background required for their roles (Please refer to the section “Directors’ Education and Experience” above). Each director brings extensive expertise in fields such as accounting, finance, business, banking, engineering, or industrial technology. In alignment with the Company’s diversity policy, there are a total of 3 directors (42.9%, Wang Shiu Ting, Wang Hsing Lei, and Chen Ming Yi) who also serve as company managers, which does not exceed 1/2 (50%) of the total board seats; 2 female directors (Including independent director)(28.6%, Luo Yue Gui and Lin Hsin Tien), and 3 independent directors (42.9%, Ma Chia Ying, Lin Tuo Zhi, and Lin Hsin Tien). The age distribution of the directors is as follows: 1 director (14.3%, Wang Shiu Ting) is in the 71–80 age group; 1 director (14.3%, Ma Chia Ying) are in the 61–70 age group; 2 directors (28.6%, Luo Yue Gui and Chen Ming Yi) are in the 51–60 age group, 2 directors (28.6%, Wang Hsing Lei and Lin Tuo Zhi) are in the 41–50 age group and 1 director (14.3%, Lin Hsin Tien) are in the 41–50 age group.

The following table shows the implementation of the Company's policy of diversity of board members:

Items \ Directors		Wang Shiu Ting	Wang Hsing Lei	Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui	Chen Ming Yi	Ma Chia Ying	Li Chun Chi	Lin Tuo Zhi
Gender		Male	Male	Female	Male	Male	Male	Female
Age		71~80	41~50	51~60	51~60	61~70	41~50	31~40
Independent Director	< 3 Terms	N/A					✓	✓
	> 3 Terms					✓		
Required competency items	Operational judgment	✓	✓		✓	✓	✓	
	Accounting and financial analysis	✓	✓	✓	✓	✓	✓	
	Business administration	✓	✓		✓	✓	✓	✓
	Crisis management	✓	✓	✓	✓	✓	✓	
	Industry knowledge	✓	✓	✓	✓			✓
	International market view	✓	✓		✓	✓	✓	✓
	Leadership	✓	✓	✓	✓		✓	✓
	Decision making	✓	✓	✓	✓		✓	✓

(3) If the number of directors of the same gender on the board of directors of the Company is less than 1/3, the Company shall state the reasons and the measures to be taken to improve the gender diversity of the board of directors:

The company has 7 directors according to its articles of association. The current (7th) directors were elected at the shareholders' meeting on June 17, 2025. There is currently 2 female directors more than in the 6th board of the 1 female director, which met the relevant legal requirements, but still does not reach 1/3.

The Company attaches great importance to gender equality in the composition of the Board of Directors, with the goal of gradually increasing the number of female directors to more than 1/3. In the future, the Company will actively seek female talents with professional capabilities to join the Board of Directors to enhance corporate governance effectiveness and implement the policy of diversity of board members.

(4) Board Independence:

The Company's current Board of Directors consists of 7 members, including 3 independent directors. The independence status of the Board members is detailed in the table below:

Criteria / Name	Compliance of independence (Note 1)											
	1	2	3	4	5	6	7	8	9	10	11	12
Wang Shiu Ting						✓	✓		✓		✓	✓
Wang Hsing Lei					✓	✓	✓	✓	✓		✓	✓
Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui				✓		✓	✓		✓	✓	✓	
Chen Ming Yi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Ma Chia Ying	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Lin Tuo Zhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Lin Hsin Tien	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note 1: Please place a "✓" in the box if the director or supervisor met the following conditions during active duty and two years prior to the date elected.

(1) Not employed by the Company or any of its affiliated companies.

(2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).

(3) Does not aggregately hold more than 1% of the Company's outstanding shares in their own names or under the name of a spouse, underage children, or proxy shareholder; nor is a top-ten natural-person shareholder of the Company.

(4) Not a manager listed in (1), or a spouse, second-degree relative or closer or third-degree direct relative or closer to any personnel listed in (2) or (3).

(5) Not a director, supervisor, or employee of any corporate shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-five shareholder; or 3. appoints a director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of the Company Act (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).

(6) Not a director, supervisor or employee of any other company that controls directorship in the company or where more than half of the total voting rights are controlled by a single party (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).

(7) Does not assume concurrent duty as Chairman, General Manager or equivalent role, and is not a director, supervisor, or employee of another company or institution owned by a spouse (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).

(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has a financial or business relationship with the Company (however, this restriction does not apply to concurrent independent director positions held within companies or

institutions that hold more than 20% but less than 50% outstanding shares of the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).

(9) Non-professionals, sole proprietorships, partnerships, companies, or institutions that provide auditing services to the Company or its affiliates, or have received accumulative commercial, legal, financial, or accounting services of less than NT$500,000 in the most recent two years. A member of the remuneration committee, public acquisition review committee, or special committee for mergers and acquisitions that is performed by the proprietor, partner, director, supervisor, manager, or spouse in accordance with the Securities and Exchange Act or the Business Mergers And Acquisitions Act; Not subject to this restriction.

(10) Not a spouse or relative of second degree or closer to any other directors.

(11) Does not meet any of the conditions stated in Article 30 of the Company Act.

(12) Not elected as a government, corporate or other representative according to Article 27 of the Company Act.

(II) General Managers, Deputy General Managers, Assistant General Managers, and Heads of various departments and branches

Apr. 18, 2026; Unit: share; %

Job Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks
					shares	%	shares	%	shares	%			Title	Name	Relation	
General Manager	ROC	Chen Ming Yi	Male	2022.6.20	50,000	0.11%	0	0%	0	0%	• Department of Mechanical Engineering, National Kaohsiung University of Science and Technology • Dell (Taiwan) B.V. Taiwan Branch - Assistant General Manager of Engineering	• Tianjin TSC Auto ID Technology Co., Ltd. - Director (Corporate Rep.) • Mosfortico Investments sp. z o. o. - Chairman (Corporate Rep.) (Note1) • MGN sp. Z. o. o. - Director (Corporate Rep.) • Bluebird Inc. - Director (Corporate Rep.)	None	None	None	None
Deputy General Manager (Note 2)	ROC	Wu Chih Hao	Male	• 2025.07.01 (Deputy General Manager) • 2026.03.13 (Chief Sustainability Officer)	15,000	0.03%	0	0%	0	0%	• Master of Electrical Engineering, National Tsing Hua University • Compal Group - Head of the Product Division	• None	None	None	None	None
Deputy General Manager	ROC	Chou Hsueh Yi	Female	2024.07.15	1,000	0.002%	0	0%	0	0%	• Master of Business Administration, National Taipei University of Business • Manager, Advantech Co., Ltd.	• Bluebird Inc. - Supervisor (Corporate Rep.)	None	None	None	None
Senior Assistant General Manager	ROC	Lee Cheng Chung	Male	2015.02.26	123,454	0.26%	0	0%	0	0%	• Department of Electronic Engineering, National Chin-Yi Institute of Technology • EMBA, National Ilan University • Pro Arch Technology Inc. - Product Manager	• TSC Auto ID Technology India Private Ltd. - Corporate Rep.	None	None	None	None
Assistant General Manager	ROC	Chang Mu Lan	Male	2017.08.01	20,000	0.04%	0	0%	0	0%	• MBA, University of Leicester (UK) • Tymphany Acoustic Technology Limited - Plant Manager • LiteOn Group Automotive Electronics Department - Senior Manager of Global Procurement/Plant Manager • Knowles Electronics Taiwan Ltd. - Procurement Manager, Asia-Pacific	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks
					shares	%	shares	%	shares	%			Title	Name	Relation	
Assistant General Manager	ROC	Hu Chiu Chih	Female	2019.03.26	20,000	0.04%	0	0%	0	0%	• Department of Information Management, Shih Hsin University • CipherLab Co., Ltd. - Assistant General Manager of the Technical Support Department	None	None	None	None	None
Finance and Corporate governance officer (Note 3)	ROC	Chen Yen Han	Male	• 2024.12. 27 (Corporate governance officer) • 2025.03.14 (Head of Finance)	0	0%	0	0%	0	0%	• Master of Accounting, National Taiwan University • Manager, TECO ELECTRIC & MACHINERY CO., LTD. • Manager, Les enphants Co., Ltd. • Assistant General Manager, PwC Taiwan	None	None	None	None	None
Accounting officer (Note 3)	ROC	Lan Yi Hsuan	Female	2025.8.8	0	0%	0	0%	0	0%	• Department of Finance, Lan Yang Institute of Technology • YENYO Technology Co., Ltd. - Deputy Section Chief of the Finance Department • Solteam Incorporation - Chief of the Finance Department	None	None	None	None	None

Note 1： MGN and Mosfortico completed their merger on Feb. 27, 2026. MGN is the surviving company after the merger.
Note 2：The Board of Directors appointed Deputy General Manager Wu Chih Hao as Chief Sustainability Officer on Mar. 13, 2026.
Note 3： Assistant General Manager Huang Zhen fang (also Head of Finance) resigned on Jan. 24, 2025. The Board of Directors appointed Chen Yan Han, Senior Accounting Manager, as the Head of Finance on Mar. 14, 2025. The Board of Directors appointed Lan Yi Hsuan, Accounting Manager, as Accounting officer, on Aug. 8, 2025 and the former Accounting officer, Chen Yan Han, Senior Accounting Manager, resigned from his position.

II. Remuneration paid during the most recent fiscal year to Directors, Supervisors, the General Manager, and Deputy General Manager

(I) Compensation to non-independent and independent directors

Unit: NT$ thousand

Title	Name	Directors' remuneration								The sum of A, B, C and D as a percentage of net income (Note 10)		Compensation received as employee								The sum of A, B, C, D, E, F and G as a percentage of net income (Note 10)		Compensation from business investments other than subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Severance payment and pension (B)		Remuneration to directors (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Severance payment and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the Financial Statements (Note 7)	The Company	All companies included in the Financial Statements (Note 7)	The Company	All companies included in the Financial Statements (Note 7)	The Company	All companies included in the Financial Statements (Note 7)	The Company	All companies included in the Financial Statements (Note 7)	The Company	All companies included in the Financial Statements (Note 7)	The Company	All companies included in the Financial Statements (Note 7)	The Company		All companies included in the Financial Statements (Note 7)		The Company	All companies included in the Financial Statements (Note 7)	
																Amount paid in cash	Amount paid in	Amount paid in cash	Amount paid in			
Director	Wang Shiu Ting	0	0	0	0	24,926	24,926	0	0	24,926 2.67%	24,926 2.67%	17,977	19,547	108	108	3,384	0	3,384	0	46,395 4.97%	47,965 5.14%	None
Director	Wang Hsing Lei																					
Director	Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui																					
Director	Chen Ming Yi																					
Independent Director	Ma Chia Ying	0	0	0	0	6,480	6,480	1,077	1,077	7,557 0.81%	7,557 0.81%	0	0	0	0	0	0	0	0	7,557 0.81%	7,557 0.81%	None
Independent Director	Lin Tuo Zhi																					
Independent Director	Lin Hsin Tien																					
Independent Director	Li Chun Chi (Resign 2025.06.17)																					

1. The policy, system, standards, and structure by which independent director compensation is paid, and the association between the amount paid and independent directors' responsibilities, risks and time committed: The remuneration paid by the Company includes cash compensation, stock options, dividends, retirement benefits or severance pay, various allowances, and other measures with substantive incentives; its scope is consistent with the remuneration for the directors, supervisors and managers as stated in the Regulations Governing Information to be Published in Annual Reports of Public Companies for the establishment of a sound directors and managers remuneration system of the Company. The Company has appointed a Remuneration Committee and has established the "Remuneration Committee Charter". In accordance with this Charter, the Remuneration Committee is to faithfully perform the following functions and powers, and submit recommendations to the Board of Directors for discussion: (I) Establishment and regular review of annual and long-term performance targets for directors and managers of the Company, as well as their salary/compensation policy, system, standard, and structure. (II) Regular evaluation and determination of directors' and managers' salary and compensation. The Remuneration Committee shall abide by the following principles when performing the duties mentioned in the preceding paragraph: (I) Ensure that the Company's compensation arrangements comply with all relevant laws and are capable of attracting top talent. (II) Directors' and managers' performance shall be evaluated and compensated in comparison to industry peers, while taking into consideration their individual achievements, the Company's overall performance, and association with future risks. (III) The compensation should not entice directors and managers into seeking high returns by acting outside the Company's risk appetite. (IV) Short-term performance bonuses to directors and senior executives and the timing of variable salary payments/compensations shall be set according to industry characteristics and the Company's business nature. When discussing compensation proposals from the Remuneration Committee, the board of directors takes into consideration the amount of compensation proposed, the method of payment, and risks that the Company may be prone to in the future. The Company's Chairman is authorized by the board of directors to determine managers' compensation based on the nature of their work, their duties, education, experience, skills, and potential. After the Company's directors' remuneration and employees' remuneration have been approved by the Board of Directors and reported to the shareholders' meeting, the director's remuneration shall be distributed in accordance with the Company's "Director's Remuneration Planning Scale" of the Company; the No. of bonuses to be paid to each employee is based on the employee's work performance, years of service, job grade and special contribution for determining the bonuses amount to be distributed to the employee. The remuneration that the Company pays to its directors and independent directors is based on the Company's policy, system, standards and structure for the payment of remuneration to directors and independent directors, and based on the responsibilities, risks, time invested, and other factors. The correlation between the recognition and the payment of remuneration is handled in accordance with the "Articles of Incorporation" and related "Management Regulations" of the Company. 2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Compensation brackets table

<table>
<tr><th rowspan="3">Range of compensation paid to directors</th><th colspan="4">Name of director</th></tr>
<tr><th colspan="2">Sum of first 4 compensations (A+B+C+D)</th><th colspan="2">Sum of first 7 compensations (A+B+C+D+E+F+G)</th></tr>
<tr><th>The Company (Note 8)</th><th>All companies included in the Financial Statements (Note 9) H</th><th>The Company (Note 8)</th><th>All companies included in the Financial Statements (Note 9) I</th></tr>
<tr><td>Below NT$1,000,000</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>NT$1,000,000 (inclusive) - NT$2,000,000 (non-inclusive)</td><td>Lin HsinTien、Li Chun Chi</td><td>Lin HsinTien、Li Chun Chi</td><td>Lin HsinTien、Li Chun Chi</td><td>Lin HsinTien、Li Chun Chi</td></tr>
<tr><td>NT$2,000,000 (inclusive) - NT$3,500,000 (non-inclusive)</td><td>Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui、Ma Chia Ying、Lin Tuo Zhi</td><td>Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui、Ma Chia Ying、Lin Tuo Zhi</td><td>Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui、Ma Chia Ying、Lin Tuo Zhi</td><td>Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui、Ma Chia Ying、Lin Tuo Zhi</td></tr>
<tr><td>NT$3,500,000 (inclusive) - NT$5,000,000 (non-inclusive)</td><td>Wang Shiu Ting、Chen Ming Yi</td><td>Wang Shiu Ting 、Chen Ming Yi</td><td>None</td><td>None</td></tr>
<tr><td>NT$5,000,000 (inclusive) - NT$10,000,000 (non-inclusive)</td><td>None</td><td>None</td><td>Wang Shiu Ting,</td><td>Wang Shiu Ting</td></tr>
<tr><td>NT$10,000,000 (inclusive) - NT$15,000,000 (non-inclusive)</td><td>Wang Hsing Lei</td><td>Wang Hsing Lei</td><td>None</td><td>None</td></tr>
<tr><td>NT$15,000,000 (inclusive) - NT$30,000,000 (non-inclusive)</td><td>None</td><td>None</td><td>Wang Hsing Lei、Chen Ming Yi</td><td>Wang Hsing Lei、Chen Ming Yi</td></tr>
<tr><td>NT$30,000,000 (inclusive) - NT$50,000,000 (non-inclusive)</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>NT$50,000,000 (inclusive) - NT$100,000,000 (non-inclusive)</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>NT$100,000,000 and above</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>Total</td><td>8</td><td>8</td><td>8</td><td>8</td></tr>
</table>

Note1: Directors’ names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between independent and non-independent directors, while the amount of benefits are presented in aggregate sums. For directors and General Manager or Deputy General Manager, fill out this form and the “General Manager and Deputy General Manager Remuneration Table”.

Note 2: Refers to directors’ compensation in the last year (including salary, allowance, severance pay, various bonuses, incentives, etc.).

Note 3: Represents the amount of director remuneration in the last year that the board has proposed as part of the latest earnings appropriation.

Note 4: Refers to directors' business-related expenses (including travel expenses, special allowances, various stipends, accommodation, cars, etc.) in the most recent year. If there are expenses for providing housing, cars and other transportation tools or dedicated personnel, disclose the nature and cost of the assets provided, the actual or fair market value of rent, fuel, and other benefits. If there is a driver, please specify the remuneration paid to the driver by the company, but it is not to be included in the remuneration.

Note 5: Refers to the salary, allowance, severance pay, various bonuses, incentive payments, travel allowance, special allowance, various subsidies, dormitory, company vehicles and other objects provided to the director, who is concurrently an employee (such as General Manager, Deputy General Manager, Manager, or other employee), in the most recent year. If there are expenses for providing housing, cars and other transportation tools or dedicated personnel, disclose the nature and cost of the assets provided, the actual or fair market value of rent, fuel, and other benefits. If there is a driver, please specify the related remuneration paid to the driver by the company, but it is not to be included in the remuneration. Recognize salary expenses based on IFRS 2 “Share-based Payment”, which includes employee stock option, restricted stock awards, and subscription of shares for participating in cash capital increase, and so forth, and shall be included in remuneration.

Note 6: Refers to any compensation that the director received (in cash or in shares) in the last year for assuming the role of an employee (such as General Manager, Deputy General Manager, Manager, or other employee). The amount of employee remuneration proposed by the board of directors in the last year should be disclosed (where the amount cannot be estimated, use the percentage of the amount paid in the last year to calculate the pro-forma amount for the current year). The “Name of managers who distribute employee compensation and distribution status table" should be filled in separately.

Note 7: The disclosure should include all companies covered by the consolidated Financial Statements (including the Company) and represent the total amount of compensation paid by all companies to the Company's directors.

Note 8: The amount of compensation paid by the Company to each director has been disclosed in ranges.

Note 9: The details should represent the range of compensation paid by the consolidated entity (including the Company) to each director.

Note 10: Net income refers to the amount of profit shown in the latest parent company only or individual financial reports.

Note 11:
a. This field represents all forms of compensation that the director received from the Company's parent company or business investments other than subsidiaries (please fill in "None" if absent).
b. For directors who received compensation from the parent company or business investments other than subsidiaries, amounts received from these business investments or the parent company should be added to column I of the compensation brackets table. In this case, column I should be renamed "parent company and all business investments."
c. Compensation refers to any return, remuneration (including remuneration received as an employee, director, and supervisor) and professional service fee that the Company's director received for serving as director, supervisor, or manager in the parent company or business investments other than subsidiaries.

* The basis of compensation disclosed above is different from the basis of the Income Tax Act, hence the above table has been prepared solely for information disclosure, and not for tax purpose.

(II) Remuneration to supervisors: During the shareholder meeting held on June 18, 2010, the Company assembled an Audit Committee and elected three independent directors to replace supervisors, hence no compensation has been paid to supervisors since then.

(III) Compensation to the General Managers and Deputy General Manager

Unit: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Remuneration (A) (Note 2)</th><th colspan="2">Severance payment and pension (B)</th><th colspan="2">Bonuses and special allowances (C) (Note 3)</th><th colspan="4">Employees remuneration (D) (Note 4)</th><th colspan="2">The sum of A, B, C and D as a percentage of net income (%) (Note 8)</th><th>Compensation from business investments other than subsidiaries</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the Financial Statements (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the Financial Statements (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the Financial Statements (Note 5)</th><th colspan="2">The Company</th><th colspan="2">All companies included in the Financial Statements (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the Financial Statements (Note 5)</th><th rowspan="2">(Note 9)</th></tr>
<tr><th>Amount paid in cash</th><th>Amount paid in shares</th><th>Amount paid in cash</th><th>Amount paid in shares</th></tr>
<tr><td>General Manager</td><td>Chen Ming Yi</td><td rowspan="3">11,673</td><td rowspan="3">11,673</td><td rowspan="3">324</td><td rowspan="3">324</td><td rowspan="3">6,447</td><td rowspan="3">6,447</td><td rowspan="3">4,682</td><td rowspan="3">0</td><td rowspan="3">4,682</td><td rowspan="3">0</td><td rowspan="3">23,126
2.48%</td><td rowspan="3">23,126
2.48%</td><td rowspan="3">0</td></tr>
<tr><td>Deputy General Manager</td><td>Wu Chih Hao (Note)</td></tr>
<tr><td>Deputy General Manager</td><td>Chou Hsueh Yi</td></tr>
</table>

Note: The Board of Directors appointed Deputy General Manager Wu Chih Hao as Chief Sustainability Officer on Mar. 13, 2026.

Compensation brackets table

To General Manager and Deputy General Managers Compensation brackets	Names of General Manager and Deputy General Managers	
	The Company (Note 6)	All companies included in the Financial Statements (Note 7)
Below NT$1,000,000	None	None
NT$1,000,000 (inclusive) – NT$2,000,000 (non-inclusive)	None	None
NT$2,000,000 (inclusive) – NT$3,500,000 (non-inclusive)	None	None
NT$3,500,000 (inclusive) – NT$5,000,000 (non-inclusive)	None	None
NT$5,000,000 (inclusive) – NT$10,000,000 (non-inclusive)	Wu Chih Hao、Chou Hsueh Yi	Wu Chih Hao、Chou Hsueh Yi
NT$10,000,000 (inclusive) - NT$15,000,000 (non-inclusive)	Chen Ming Yi	Chen Ming Yi
NT$15,000,000 (inclusive) - NT$30,000,000 (non-inclusive)	None	None
NT$30,000,000 (inclusive) - NT$50,000,000 (non-inclusive)	None	None
NT$50,000,000 (inclusive) - NT$100,000,000 (non-inclusive)	None	None
NT$100,000,000 and above	None	None
Total	3	3

Note 1: Names of the General Manager and Deputy General Manager should be listed separately. The amounts paid by each category should be disclosed in aggregate form. If a director also served as the General Manager or Deputy General Manager, the details should be completed in this table and the "Table for the Remuneration of Ordinary Directors and Independent Directors"

Note 2: Refers to salaries, allowances, and severance pay made to General Manager and Deputy General Managers in the last year.

Note 3: Fill in the various bonuses, incentive payments, travel allowance, special allowance, various subsidies, dormitory, company vehicles and so on objects, and other remuneration amount provided to the General Manager and Deputy General Manager in the most recent year. If there are expenses for providing housing, cars and other transportation tools or dedicated personnel, disclose the nature and cost of the assets provided, the actual or fair market value of rent, fuel, and other benefits. If there is a driver, please specify the related remuneration paid to the driver by the company, but it is not to be included in the remuneration. Recognize salary expenses based on IFRS 2 "Share-based Payment", which includes employee stock option, restricted stock awards, and subscription of shares for participating in cash capital increase, and so forth, and shall be included in remuneration.

Note 4: Represents the amount of employee remuneration allocated to General Manager and Deputy General Managers (in cash or in shares), which the board of directors has proposed as part of the latest earnings appropriation. Where the amount cannot be estimated, use the percentage of the amount paid in the last year to calculate the pro-forma amount for the current year. Fill in separately the "Manager Names Who Are Distributed the Employee Remuneration and the Distribution Table".

Note 5: Compensation should be presented in aggregate of all amounts paid by all companies covered by the consolidated Financial Statements (including the Company) to the Company's General Manager and Deputy General Managers.

Note 6: The amount of compensation paid by the Company to its General Manager and Deputy General Managers are disclosed separately in ranges.

Note 7: The disclosure should include all companies covered by the consolidated Financial Statements (including the Company) to the Company's General Manager and Deputy General Managers. The names of General Manager and Deputy General Managers have been disclosed separately in ranges.

Note 8: Net income refers to the amount of profit shown in the latest parent company only or individual financial reports.

Note 9: a. This field should disclose all forms of compensation that General Manager and Deputy General Managers received from the Company's parent company or business investments other than subsidiaries (please fill in "None" if absent)

b. For General Manager and Deputy General Managers who received compensation from parent company or business investments other than subsidiaries, amounts received from these business investments or parent company should be added to column E of the compensation brackets table. In this case, column E will be renamed "parent company and all business investments."

c. Compensation refers to any return, remuneration (including remuneration received as an employee, director, and supervisor) and professional service fee that the Company's General Manager and Deputy General Managers received for serving as director, supervisor, or manager in the parent company or business investments other than subsidiaries.

* The basis of compensation disclosed above is different from the basis of the Income Tax Act, hence the above table has been prepared solely for information disclosure, and not for tax purpose.

(IV) Names of names and distributions of employee profit-sharing compensation to managerial officers entitled to employee remuneration and amount entitled

Unit: NT$ thousand

	Title	Name	Amount paid in shares	Amount paid in cash	Total	%
Manager	President	Wang Shiu Ting	0	8,593	8,593	0.92%
	Chairman	Wang Hsing Lei				
	General Manager	Chen Ming Yi				
	Deputy General Manager	Wu Chih Hao (Note 4)				
	Deputy General Manager	Chou Hsueh Yi				
	Senior Assistant General Manager of the Sales Dept.	Lee Cheng Chung				
	Assistant General Manager of the Production Dept.	Chang Mu Lan				
	Assistant General Manager of the Product Management Dept.	Hu Chiu Chih				
	Finance and Corporate governance officer	Chen Yen Han (Note 5)				
	Accounting officer	Lan Yi Hsuan (Note 5)				

Note 1: Names and titles should be disclosed separately, whereas the amount of profit sharing should be disclosed in aggregate.

Note 2: Fill in the amount of employee remuneration (including stocks and cash) distributed to managerial officers approved by the board of directors in the most recent year. If it is impossible to estimate, it will be calculated based on the proportion of the actual distribution amount last year to calculate. The proposed distribution amount from the net profit after tax this year refers to the net profit after tax amount of the most recent year. If the IFRSs are adopted, net profit after tax refers to the net profit after tax of the standalone or individual financial report in the most recent year.

Note 3: Pursuant to FSC Letter Tai-Cai-Zheng-III-Zi No. 0920001301 dated March 27, 2003, the role of manager covers the following positions:
(1) General Manager or equivalent; (2) Deputy General Manager or equivalent; (3) Assistant General Manager or equivalent; (4) Head of financial department; (5) Head of accounting department; (6) Other promising candidates of Company management and signature authority.

Note 4 ： The Board of Directors appointed Deputy General Manager Wu Chih Hao as Chief Sustainability Officer on Mar. 13, 2026.

Note 5 ： The Board of Directors appointed Chen Yan Han, Senior Accounting Manager, as the Head of Finance on Mar. 14, 2025. The Board of Directors appointed Lan Yi Hsuan, Accounting Manager, as Accounting officer, on Aug. 8, 2025and the former Accounting officer, Chen Yan Han, Senior Accounting Manager, resigned from his position.

(V) The total remuneration, as a percentage of net income stated in the parent company only financial reports financial reports, as paid by this company and by each other company included in the consolidated Financial Statements during the past 2 fiscal years to directors, general managers, and Deputy General Manager, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Compensation paid to the Company's Directors, General Managers, and Deputy General Managers in the last 2 years, and percentages relative to standalone net income.

Year / Item	2024		2025	
	The Company	Consolidated Financial Statements	The Company	Consolidated Financial Statements
Total director compensation as a percentage of net income (%)	6.84%	7.08%	5.78%	5.95%
Total compensation to General Managers and Deputy General Managers as a percentage of net income (%)	2.24%	2.24%	2.48%	2.48%

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The distribution of remuneration to the Company's directors and employees is carried out in accordance with the Company's Articles of Incorporation and dividend policy. Taking into consideration the Company's profitability and future operational needs, the Remuneration Committee proposes the remuneration, which is then implemented following discussion and approval by the Board of Directors. The General Manager and Deputy General Manager Remuneration is processed regardless of operating profit or loss. When the Company's Board of Directors discusses the recommendation by the Remuneration Committee, the compensation paid to the managers is paid in accordance with industry standards taking into account the remuneration amount, the payment method and the Company's future risks. The board of directors authorizes the Chairman to determine and approve the remuneration to be paid with considerations of the nature of their work and responsibilities, as well as factors such as education, experience, skills, and potential development; in summary, there should be no impact on future risks.

III. Corporate governance Operations：

(I) Board of Directors' Operations:

A total of 7 board of directors meetings (A) were held in 2025; below are directors' attendance records:

Title	Name	No. of in-person attendances (B)	No. of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Director	Wang Shiu Ting	5	2	71.4	Re-elected on 2025.06.17
Chairman	Wang Hsing Lei	7	0	100	
Director	Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui	7	0	100	
Director	Chen Ming Yi	7	0	100	
Independent Director	Ma Chia Ying	7	0	100	
Independent Director	Lin Tuo Zhi	7	0	100	
Independent Director	Lin Hsin Tien	5	0	100	Newly elected on 2025.06.17
Independent Director	Li Chun Chi	2	0	100	Resigned on 2025.06.17

Other mandatory disclosures:

I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed motions, independent directors' opinions and how the Company has responded to such opinions:
   1. Conditions described in Article 14-3 of the Securities and Exchange Act: None.
   2. Any other documented objections or reservations raised by independent director against board resolutions in relation to matters other than those described above: None.

II. Disclosure regarding avoidance of motions involving conflict of interest, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process:

Director	Motion	Reason for ecusal for onflict of interest	Voting Participation
Chen Ming Yi	Appointment of the General Manger	Involving personal interests	Not participating in the discussion and voting
Ma Chia Ying、Lin Tuo Zhi、Lin Hsin Tien	Appointment of members to the 6th term of the "Remuneration Committee"		
Chen Ming Yi、Ma Chia Ying、Lin Hsin Tien	Appointment of members to the 2nd terms of the "Sustainable Development Committee"		

III. Cycle, period, scope, method, and detail of board performance self (peer) evaluation:

Evaluation cycle	Once a year
Evaluation period	Jan. 1, 2025 to Dec. 31, 2025
Scope of evaluation	The performance evaluation of the board as a whole, the individual directors, and functional committees.
Evaluation method	1. Board evaluation 2. Board members' individual self-evaluation and overall assessment. 3. Functional committee evaluation
Evaluation details	
Board of Directors	• Board performance evaluation uses a total of 45 indicators covering five major aspects: (1) Degree of participation in company operations, (2) Enhancement of the quality of board decisions, (3) Board composition and structure, (4) Election and continuous professional development of directors and (5) Internal control • Outcome of the evaluation: Excellent (score : 4.98).
Members of Board of Directors	• The performance self-evaluation indicators encompass six major dimensions, totaling 23 indicators: (1) Understanding of the Company's goals and missions, (2) Awareness of directors' duties, (3) Level of participation in company operations, (4) Management and communication of internal relationships, (5) Professional expertise and continued education of directors, and (6)Internal control • Outcome of the evaluation: Excellent (score : 4.96).
Audit Committee	• Board performance evaluation uses a total of 22 indicators covering five major aspects: (1) Level of participation in company operations, (2) Awareness of the duties of functional committees, (3) Improvement of decision-making quality in functional committees, (4) Composition of functional committees and selection of members, and (5) Internal control • Outcome of the evaluation: Excellent (score : 5.00).
Remuneration Committee	• The performance evaluation indicators include four major dimensions, with a total of 19 indicators. (1) Level of participation in company operations, (2) Awareness of the duties of functional committees, (3) Improvement of decision-making quality in functional committees, and (4) Composition of functional committees and selection of members • Outcome of the evaluation: Excellent (score : 5.00).
Sustainable Development Committee	• The performance evaluation indicators include four major dimensions, with a total of 17 indicators. (1) Level of participation in company operations, (2) Awareness of the duties of functional committees, (3) Improvement of decision-making quality in functional committees, and (4) Composition of functional committees and selection of members • Outcome of the evaluation: Excellent (score : 5.00).

IV. Enhancements to the functionality of the board of directors in the current and the last year (e.g. assembly of an Audit Committee, improvement of information transparency, etc.), and progress of such enhancements:

1. The Company voluntarily assembled an Audit Committee in place of supervisors in accordance with Article 14-4 of the Securities and Exchange Act on June 18, 2010.
2. Enhancements to the functionality of the board of directors, and progress of such enhancements:
   (1) Among the seven incumbent directors, three are independent directors, more than 1/3 of the members are independent. The three independent directors are also concurrently serving as the Audit Committee and Remuneration Committee. Additionally, The Sustainable Development Committee was established, appointing 1 Director and 2 Independent Directors on Nov. 8, 2024. To assist and supervise the Board of Directors and report periodically to the Board on the status of their operations.
   (2) Directors' Continuing Education: The Company arranges diversified external training courses for directors to enhance their professionalism, faithful execution of business, and good administrator's duty of care, and to help the directors fully utilize their operational decision-making and leadership, as well as maintain their core values and professional competence.
   (3) In an effort to improve information transparency, the Company has established a "Stakeholder" section on its corporate website to information pertaining to "Corporate Governance" and "Corporate Social Responsibility ."In addition, vital information pertaining to decisions made by the board has also been made public on the Market Observation Post System website and our corporate website.
   (4) To ensure that directors are adequately protected from the potential risks arising from their duties, the Company has provided liability coverage for all directors each year. Contents of their liability coverage have been reviewed periodically to ensure that the insurance payout and scope of courage are adequate.
   (5) Pursuant to the "Rules for Performance Evaluation of Board of Directors," the Company has been conducting performance evaluation for the Board of Directors and the functional committees on a yearly basis. An annual evaluation is conducted regularly, and the results of the 2025 evaluation were submitted for review by the Remuneration Committee and reported to the Board of Directors on Mar. 13, 2026.

(II) Information on the operation of the Audit Committee:

A total of 7 Audit Committee meetings (A) were held in 2025; independent directors' attendance records are summarized below:

Title	Name	No. of in-person attendances (B)	No. of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Independent Director (Convener)	Ma Chia Ying	7	0	100	Re-elected on 2025.06.17
Independent Director	Lin Tuo Zhi	7	0	100	
Independent Director	Lin Hsin Tien	5	0	100	Newly elected on 2025.06.17
Independent Director	Li Chun Chi	2	0	100	Resigned on 2025.06.17

Other mandatory disclosures:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the independent directors' dissenting opinions, qualified opinions, or major recommendations, the Audit Committee's resolution, and how the Company has responded to Audit Committee's opinions:

1. Conditions described in Article 14-5 of the Securities and Exchange Act:

Meeting Date	**Term**	**Major resolutions**	**Dissenting opinions, qualified opinions, or major recommendations of independent directors**	**Resolution by Audit Committee**	**Action taken by the Company per Audit Committee's opinion**
2025.03.14	5 The 5th Meeting of the 19th	1. Acknowledged appointment of the "Head of Finance and Spokesperson" 2. "Statement of Internal Control System" for 2024 3. Adjustment of the Company's "Organizational Structure 4. Presentation of the 2024 business report and financial statements 5. Presentation of the 2024 earnings appropriation 6. Amendments to the Company's Articles of Incorporation 7. Change of CPA in conjunction with Deloitte Taiwan's internal rotation arrangement 8. Evaluation of the independence and suitability of CPAs	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None

Meeting Date	Term	Major resolutions	Dissenting opinions, qualified opinions, or major recommendations of independent directors	Resolution by Audit Committee	Action taken by the Company per Audit Committee's opinion
		9. Lending of funds to an indirectly 100%-owned subsidiary of the Company, MGN sp. z o. o.			
2025.05.09	The 5th Meeting of the 20th	1. The Consolidated Financial Report for 2025 Q1 2. Amendment to the "Regulations Governing the Management of Properties" 3. Provision of Funding to the Company's 100%-owned subsidiary in Poland, Mosfortico Investments sp. z o. o.	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2025.06.17	The 6th Meeting of the 1st	Election of the Convenor and Chairperson of the Audit Committee	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2025.06.26	The 6th Meeting of the 2nd	1. Change of CPA firm and attesting CPA 2. Evaluation of the independence and suitability of CPAs. 3. Repeal of the "Procedure of Pre-approval Review Procedures for Non-Assurance Services" 4. Establishment of general principles for the Company's policy on pre-approval of non-assurance services 5. Establishment of the appropriation of earnings for 2024	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2025.08.08	The 6th Meeting of the 3rd	1. The Consolidated Financial Report for 2025 Q2 2. Change of the Chief Accounting Officer of the Company. 3. Amendment to the Company's "Table of Approval Authorities" 4. Amendment to the Company's "Internal Audit System and Enforcement Rules" 5. Provision of loaning funds from 100%-owned Subsidiary Diversified Labeling Solutions, Inc. to the Company	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2025.11.07	6th Term The 4th meeting	1. The Consolidated Financial Report for 2025 Q3 2. Establishment of the Scope of Entry-Level Employees of the Company 3. Amendments to the "Operating Procedures for Lending of Funds to Others" and the "Procedures for Prevention of Insider Trading and Handling Material Inside Information"	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None

Meeting Date	Term	Major resolutions	Dissenting opinions, qualified opinions, or major recommendations of independent directors	Resolution by Audit Committee	Action taken by the Company per Audit Committee's opinion
		4. Amendment to the "Internal Control System" 5. Provision of an endorsement and guarantee for an 100%-owned Polish subsidiary of the Company, MGN sp. z o. o.			
2025.12.26	6th Term The 5th meeting	1. Formulation of the 2026 Audit plan 2. Amendment to the "Internal Control System" 3. Amendment to the "Personal Data Protection Management Regulations" 4. Lending of funds to an indirectly 100%-owned Polish subsidiary of the Company, MGN sp. z o. o. 5. Provision of an endorsement and guarantee for an indirectly 100%-owned Polish subsidiary of the Company, MGN sp. z o. o.	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2026.03.13	6th Term The 6th meeting	1. "Statement of Internal Control System" for 2025 2. Presentation of the 2025 business report and financial statements. 3. Presentation of the 2025 earnings appropriation. 4. Evaluation of the independence and suitability of CPAs 5. Amendment to the "Accounting System" 6. Amendment to the "Organizational Regulations of the Sustainable Development Committee" 7. Provision of an endorsement and guarantee for an indirectly 100%-owned Polish subsidiary of the Company, MGN sp. z o. o.	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None

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

II. Avoidance of involvement in discussions involving conflict of interest by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process: None.

III. Status of communication with independent directors and chief internal auditor (shall include the items, methods and outcomes of corporate finance, sales performance and so forth):

1. Communication between independent directors and internal auditing officers:

Date	Method of communication	Issues discussed	Outcome
2025.03.14	Audit Committee	1. Report on the implementation of internal audit operations for 2024 Q4. 2. Declaration of Internal Control System for 2024.	No objections
2025.05.09		Report on the implementation of internal audit operations for 2025 Q1.	
2025.08.08		Report on the implementation of internal audit operations for 2025 Q2.	
2025.11.07		Report on the implementation of internal audit operations for 2025 Q3.	
2025.12.26		The 2026 Audit plan	
2026.03.13		1. Report on the implementation of internal audit operations for 2025 Q4. 2. Declaration of Internal Control System for 2025.	

2. Status of Communication With Independent Directors and CPAs:

Date	Method of communication	Issues discussed	Outcome
2025.03.14	Convened independent meeting	Outcome of 2024 Financial Statement audit/Consolidated entities for 2024/ Key Audit Matters/Other Communication Matters	Consulted and no other suggestions
2025.08.08		Ethics and Independence/Firm Quality Management System/Types of Review Conclusions / Review Findings/Other Communication Matters/Important Information and Explanation of New Laws	
2025.11.07		Ethics and Independence / Firm Quality Management System / Types of Review Conclusions / Review Results / Other Communication Matters / Important Law Updates / 2025 Audit Plan	
2026.03.13		Ethics and Independence / Firm Quality Management System / Responsibilities of Auditors in Auditing Financial Statements / Scope of Audit / Audit Findings / Other Communication Matters / Important Law and Regulations Updates / 2024 Audit Quality Indicator Report	

IV. Summary of the Annual Work Focus of the Audit Committee:

1. The Audit Committee of the Company operates with the following primary matters of oversight:
   (1) Fair presentation of the Company's Financial Statements
   (2) Selection, termination, independence, and performance of the CPAs.
   (3) Effective implementation of the Company's internal control.
   (4) The Company's compliance with relevant laws and regulations.
   (5) Control of existing or potential risks of the Company.
2. Matters reviewed in 2025 include the following:
   (1) Audit of Financial Statements
   (2) Annual Audit plan
   (3) Internal control system and related policies and procedures
   (4) Assessment on the competency and independence of CPAs
   (5) Changing Accounting firms and CPAs
   (6) Significant loans, endorsements, and guarantees
   (7) Appointment and dismissal of the Chief Fiance Officer and Chief Accounting Officer
   (8) Revise the company's relevant management regulations and internal control cycle

(III) Corporate governance and deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
I. Has the Company established and disclosed its corporate governance principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established a Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies," which has been approved by the Board of Directors and disclosed on the Company's website and the Market Observation Post System for stakeholders' reference.	In compliance
II. Shareholding structure and shareholders' interests (I) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	✓		The Company has a spokesperson system and a shareholder service unit in place; contact details have been fully disclosed on the Company's webpages and MOPS, so that shareholders may express opinions through telephone or e-mail and have their queries handled properly according to relevant procedures.	In compliance
(II) Is the Company constantly informed of the identities of its major shareholders with actual control of the Company and their ultimate controllers?	✓		The Company makes monthly regulatory reports and establishes the identities of its controlling shareholders and major shareholders through a stock transfer agent. The Company contacts its major shareholders if necessary.	In compliance
(III) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	✓		Pursuant to Article 14, Chapter 2 of the Company's Corporate Governance Principles, the management objectives, authorities and responsibilities of the personnel, assets, and finance between the Company and its affiliates should be clearly defined, and risk assessments should be conducted and appropriate firewalls should be established. The business and accounting are operated independently and are handled by dedicated personnel. These are audited from time to time by the parent company. In addition, the Company follows the "Operating Procedures for Financial and Business Transactions with Related Parties" and the "Regulations for the Supervision and Management of Subsidiaries."	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
(IV) Has the Company established internal policies that prevent insiders from trading securities using non-public information?	✓		The Company has established robust procedures and systems for handling and disclosing material insider information, which not only prevent inappropriate leakage of information but also ensure the consistency and accuracy of information disclosed to outsiders. The Company has also implemented internal policies including the "Procedures for Insider Trading Prevention and Handling Material Inside Information", and "Ethical Behavior Guidelines" to prevent insider trading, and published details in the Corporate Governance section of its website to serve as reference for investors and employees.	In compliance
III. Composition and responsibilities of the board of directors				
(I) Has the Board of Directors established a diversity policy and specific management objectives, and implemented such measures?	✓		The Company has outlined criteria for the diversity of the Board as part of its Corporate Governance Code of Conduct to ensure that the Board consists of directors with different skill sets, backgrounds, and experience. The professional ability, gender ratio, age distribution, structure, and composition of directors are evaluated and reviewed simultaneously at each election. Please refer to Pages 15~16 for the Company's Board diversity policy, specific management goals and implementation.	In compliance
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓		In addition to establishing the Remuneration Committee and Audit Committee in accordance with legal requirements, the Company voluntarily established the "Corporate Sustainability Development Committee" on Nov. 8, 2024. This committee is responsible for formulating sustainability policies, making decisions, and overseeing sustainability-related operations to strengthen the governance of sustainable development. Other functional committees will be established as needed.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
(III) Has the Company established Rules for Performance Evaluation of Board of Directors and its evaluation method, and conducts annual and periodic performance evaluations? Also, the performance evaluation results are reported to the board of directors and used as a reference for individual directors' remuneration and nomination for re-election?	✓		The Board of Directors of the Company approved the "Rules for Performance Evaluation of Board of Directors" on Mar. 21, 2020. Since then, annual performance evaluations have been conducted for the Board as a whole, individual Board members, and all functional committees (including the Audit Committee, the Remuneration Committee and Sustainable Development Committee). The evaluation results are subsequently reported to the Remuneration Committee and the Board of Directors. The performance evaluation of the Board of Directors for the year 2025 was reported to the Remuneration Committee and the Board of Directors on Mar. 13, 2026. In accordance with the "Board Performance Evaluation Policy," the evaluation results have been used as a reference for determining individual directors' remuneratin and for the nomination of reappointments. For details of the "Board Performance Evaluation Results for 2025," please refer to Page 29.	In compliance

<table>
<tr><th rowspan="2">Assessment criteria</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td>(IV) Is the independence of external auditors assessed on a regular basis?</td><td>✓</td><td></td><td>1. The Company refers to the Audit Quality Indicators (AQIs) report at least once a year, and the Audit Committee regularly evaluates the independence of the certified public accountants. The Committee reviews the CPAs' independence declarations and reports the evaluation results to the Board of Directors.
2. To comply with the internal rotation policy of Deloitte, the Company's CPA has been changed as approved by the Board of Directors on Mar. 14, 2025. Starting from the 2025Q1, the Company's attesting CPAs have been changed from Chang Li Chun and Fan You Wei to Chang Li Chun and Kuo Wen Chi.
3. Due to the Company's business and internal management needs and to strengthen corporate governance, the Board of Directors approved on Jun. 26, 2025, to change the Accounting Firm&CPAs, Guo Yan Glun and Xiao Pei Ru from 2025Q2.
4. The Company has never not changed its CPAs for seven consecutive years.
5. The Audit Quality Indicators (AQIs) report issued by the CPAs of the Company was reviewed and approved by the Audit Committee and the Board of Directors on Mar. 13, 2026. Please refer to Appendix 1 (Pages 45~47) for the assessment of the independence and suitability of CPAs.</td><td>In compliance</td></tr>
</table>

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
IV. Has the TWSE/GTSM listed company allocated an adequate No. of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	✓		1. The Company has assigned an adequate number of qualified corporate governance personnel. On Dec. 27, 2024, the Board of Directors appointed Chen Yen Han, Senior Manager of the Finance Department, as the Corporate Governance Officer. Mr. Chen meets the qualification requirements, having served in a managerial position for over three years in departments related to finance, stock affairs, and corporate governance in a public company. His responsibilities regarding corporate governance affairs include the following: (1) Handling of board meeting and shareholder meeting affairs in accordance with laws. (2) Preparation of board/shareholder meeting minutes. (3) Assisting directors with their duties and ongoing education (4) Providing directors with the information needed to perform duties (5) Assisting directors with compliance issues (6) Report to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and term of office. (7) Matters with regard to the change of directors. (8) Other matters stipulated in the Company's Articles of Incorporation or contracts, etc. 2. The corporate governance manager completed 18 hours of professional training on 2025.	In compliance
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		1. The Company has established a stakeholder section and designated contact on its official website to appropriately respond to stakeholders' concerns regarding key corporate social responsibility issues. Please refer to Appendix 2 (Pages 48~57) for the 「2025 Report on the Communication Channels with Stakeholders」. 2. The Company's has also set up a dedicated page for "Corporate Social Responsibility" to disclose the status of the Company's sustainable development. Please refer to Please refer to Appendix 4 (Pages 87~93) for "2025 Sustainable Development Implementation Status".	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
VI. Does the Company engage a stock transfer agent to handle shareholder meeting affairs?	✓		The Company has commissioned the Agency Department of CTBC Bank to handle its shareholders'meeting and share administration affairs.	In compliance
VII. Information disclosure				
(I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	✓		The Company's Chinese and English websites provide financial business and corporate governance related information and are maintained and updated by dedicated staff.	In compliance
(II) Has the Company adopted other means to disclose information (e.g. an English website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, and broadcasting of investor conferences via the company website)?	✓		1. The Company has set up an English website and designated dedicated personnel to be responsible for the collection and disclosure of corporate information. It has set up the system of spokesperson and deputy spokesperson, and set up an investor mailbox to respond to investors' questions immediately. 2. In 2025, the Company was invited by the securities dealer to hold a total of 2 institutional investor conferences to explain the Company's operating performance to investors. At least one institutional investor conference video and audio files are disclosed on the MOPS for investors to review.	In compliance
(III) Does the Company publish and officially file annual financial reports within two months after the end of the accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance before the designated due dates?	✓		After the end of the fiscal year, the Company announces and reports its annual Financial Statements by the deadline stipulated in Article 36 of the Securities and Exchange Act, and completes the announcement and reporting of the financial reports for the first to third quarters and the operating status of each month by the prescribed deadlines. Please refer to the Market Observation Post System for details of the above announcement.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurement criteria, implementation of customer policy, and liability insurance for directors and supervisors)?	✓		1. Employee rights and care: Please refer to the "labor-management relations" section of this annual report. 2. Investor Relations: The Company discloses relevant financial and business information on the Market Observation Post System in accordance with applicable regulations to safeguard the rights and interests of stakeholders. 3. Supplier relations: The Company convenes supplier conferences at its subsidiary locations around the world from time to time to learn suppliers' needs and to enhance supplier relations. 4. Rights of stakeholders: The Company discloses a designated contact persons and contact information for stakeholders on its official website, serving as a channel for stakeholders to express opinions and communicate relevant information with the Company. 5. Board members' continuing education: All members of the Board possess relevant academic and professional backgrounds as well as practical management experience. The Company periodically provides training information for their reference. Please refer to Pages 107~108 for the "Directors' continuing education in 2025 ". 6. Implementation of risk management policy and risk assessment standards:Please refer to Appendix 3 (Pages 58~69) for the "2025 Risk Management Operations Report". 7. Implementation of customer policies: The Company conducts an annual customer satisfaction survey to understand customer issues and needs, thereby maintaining strong relationships. 8. The Company purchases liability insurance for directors every year. The insurance period was from Apr. 18, 2026 to Apr. 17, 2027. The insured amount is US$4 million. The insurance was presented to the board of directors on May, 2026.	In compliance

IX. Please explain the improvements made, based on the fflatest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified:

(I) Improvement progress

NO	Item
1	The Company has formulated concrete measures to enhance its corporate value, reported them to the Board of Directors, and disclosed the relevant information in the “Corporate Value Enhancement Plan Zone” on the MOPS website.
2	The Company has established a cybersecurity risk management structure, formulated cybersecurity policies and specific management solutions, and committed resources to cybersecurity management. This information has been disclosed on the Company’s website and in its annual report. Additionally, the ISO 27001 information security management system standard has been implemented.
3	The ESG information relevant to SASB standards has been disclosed in the Company’s sustainability report.
4	The sustainability report prepared by the Company has been verified by a third party.
5	The Company has uploaded the English version of the sustainability report to the MOPS and the Company’s website.
6	The Company has established an environmental management system and discloses its implementation status on its website, in its annual report, or in its sustainability report. The Company has adopted the ISO 14001 environmental management system standard and obtained third-party verification.
7	The Company’s annual report or sustainability report discloses the website and establishes supplier management policies, requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights, and specifies the implementation status.
8	The Company has disclosed relevant information regarding its governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework.
9	The Company has invested in energy-saving or green energy-related environmentally sustainable machinery and equipment, in Taiwan’s green energy industry (e.g. renewable energy power plants), or has issued or invested in sustainable development bonds, and discloses its investment details and specific benefits.
10	The Company has assessed the risks and opportunities to the Community and taken corresponding measures, and discloses the specific measures implemented and their effectiveness on its corporate website, annual report, or sustainability report.
11	The sustainability report prepared by the Company has been submitted to the Board of Directors for approval.
12	The Company has established a greenhouse gas reduction management policy, including reduction targets, implementation measures, and progress updates, and has disclosed its 2030 carbon reduction target, strategy, and action plan.
13	The company disclosed the three categories of greenhouse gases and their annual emissions over the past year.
14	The Company has established an energy management system and discloses its implementation status on its website, in its annual report, or in its sustainability report.
15	The Company has introduced internal carbon pricing to estimate the impact of climate change on the Company’s financial performance.
16	The Company has established an employee training and development program to enhance employee career skills and has disclosed its content and implementation status.
17	The company has conducted regular employee satisfaction surveys and disclosed the

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	

	implementation status and improvement plans.
18	The Company has established a personal data protection policy and disclosed its content and implementation status.
19	The Company has established policies and complaint procedures to protect the rights and interests of consumers or clients regarding issues such as product and service safety, marketing, or labeling.
20	The Company has established a Sustainable Development Committee at the board level, comprising no fewer than three members. Committee members should possess professional expertise and capabilities in corporate sustainability, and at least one director must participate in its oversight. Moreover, the Company discloses information regarding its composition, responsibilities, and operations.

(II) Priority enhancements and measures

According to the "Corporate Governance 3.0 - Sustainable Development Blueprint", more than half of the independent directors are planned to serve no more than three consecutive terms.

(Appendix 1)

Assessment of the independence and suitability of CPAs

Assessment criteria	Suitability and Independence
1. Financial interest matters: 1.1 Has "direct financial interest" with the audit client. 1.2 Has "material indirect financial interest" with the audit client. 1.3 Has "material financial interest" with another company that the audit client has control and influence over.	**1. Financial interest matters:** 1.1 None. 1.2 None. 1.3 None.
2. Financing and Guarantees: 2.1 Has acquired financing/guarantees from a financial institution via illegitimate business conduct. 2.2 Has acquired financing/guarantees from a non-financial institution audit client. 2.3 Has offered reciprocal financing/guarantees to a non-financial institution audit client.	**2. Financing and Guarantees:** 2.1 None. 2.2 None. 2.3 None.
3. Close business relationship with audit client: 3.1 Has close business relationship with audit client. 3.2 Has close business relationship with the director /supervisor/manager of the audit client.	**3. Close business relationship with audit client:** 3.1 None. 3.2 None.
4. Being employed by or serving at audit client's company: 4.1 The attesting CPA is currently serving (or has served in the past two years) as a director/supervisor/manager at the audit client's company or being appointed/employed to assume a position that has material impact on the audit. 4.2 Is currently serving as a director/supervisor/ manager at the audit client's company or being employed to assume a position that has material impact on the audit. 4.3 Has served as a director/supervisor/manager at the audit client's company or being employed to assume a position that has material impact on the audit during the audit period. 4.4 Has been confirmed to become a director/ supervisor/manager at the audit client's company or employed to assume a position that has material impact on the audit.	**4. Being employed by or serving at audit client's company:** 4.1 None. 4.2 None. 4.3 None. 4.4 None.

Assessment criteria	Suitability and Independence
4.5 Is serving as a director/supervisor at another company that the audit client has control and influence over. 4.6 Is providing services in the capacity equivalent to a director/supervisor/manager or other similar positions for the audit client. 4.7 Has been previously working under the commissioning or audit client in the capacity of a regular position and receiving fixed remuneration.	4.5 None. 4.6 None. 4.7 None.
5. Non-audit related items: **5.1 Rating service related items:** 5.11 Has provided a portion of the audit client's financial statement, providing material influence and highly subjective rating in the statement. 5.12 Has provided a portion of the audit client's financial statement, providing non-material/relatively less subjective rating in the statement. **5.2 Bookkeeping services:** 5.21 Has provided bookkeeping services that are non-compliant to the code of ethics for CPA. **5.3 Internal audit services:** 5.31 Has assisted or undertaken internal audit services that are non-complaint to generally accepted auditing standards. 5.32 Has assisted or undertaken internal audit services relating to the audit client's corporate operations. **5.4 Short-term personnel dispatch services:** 5.41 Has dispatched internal staff to assist the audit client to perform works relating to management decision-making, contract/document approval or signing, custody of signed financial notes and so forth. 5.42 Has dispatched internal staff to assist the audit client to perform works relating to non-management decision-making, contract/document approval or signing, custody of signed financial notes and so forth. **5.5 Recruitment of senior managers:** 5.51 Has recruited senior managers who have direct and material impact on the audit case on behalf of the audit client. **5.6 Financial management service for the Company:** 5.61 Has recommended, promoted or sold stocks or other securities issued by the audit client.	**5. Non-audit related items:** **5.1 Rating service related items:** 5.11 None. 5.12 None. **5.2 Bookkeeping services:** 5.21 None. **5.3 Internal audit services:** 5.31 None. 5.32 None. **5.4 Short-term personnel dispatch services:** 5.41 None. 5.42 None. **5.5 Recruitment of senior managers:** 5.51 None. **5.6 Financial management service for the Company:** 5.61 None.

Assessment criteria	Suitability and Independence
5.62 Has represented the audit client in transaction or promised terms/conditions for transaction. 5.63 Has assisted audit client in the development of corporate strategies. 5.64 Has provided matchmaking service of funding sources for audit client. 5.65 Has provided structural suggestions for audit client's transaction or influenced the client's accounting analytics.	5.62 None. 5.63 None. 5.64 None. 5.65 None.
6. Other Matters: **6.1 Gifts and presents:** 6.11 Has receive gift or present of significant monetary value from the audit client. 6.12 Has received a gift or present of significant monetary value from the director/supervisor/manager of the audit client. **6.2 Remuneration and commission:** 6.21 Has entered into agreement with audit client involving contingent fees. 6.22 Has requested, accepted offers or any illegitimate commission.	**6. Other Matters:** **6.1 Gifts and presents:** 6.11 None. 6.12 None. **6.2 Remuneration and commission:** 6.21 None. 6.22 None.

(Appendix 2)

2025 Stakeholder Engagement Report

Board of directors report date: Dec. 26, 2025

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
Customer	Ensuring the provision of high-quality products and services that meet needs and expectations, enhancing customer satisfaction and loyalty, and building long-term partnerships	Direct contact by Sales Department via phone and email	Ad hoc	• Product Quality and Safety • Sustainable Supply Chain • Innovation Management	• Annual customer surveys are used to quickly adjust and improve customer satisfaction, strengthen customer relationships, and deepen business partnerships. • Every year, online/offline seminars around the world are held from time to time to improve direct and effective business communication, ensure understanding of customer needs, and enhance customer satisfaction. • Conduct customer surveys from time to time. • Direct contact with customers via telephone, emails and video conferences from time to time. • Cooperate with local sales and engineers from time to time to provide immediate assistance and solve global business and engineering problems.
		Company website and social media (e.g., Facebook)	Ad hoc		
		Physical events for distributors	Ad hoc		
		Customer satisfaction survey	Semiannually		
Staff	Creating an empowering, diverse, inclusive, and healthy work environment; promoting professional development and well-being; strengthening employee	Internal e-newsletters	Quarterly	• Corporate governance • Information Security and Privacy • Occupational Health and Safety	• Through policies of the quarterly staff meetings, monthly global management meetings, and headquarters management meetings, are communicated more accurately and cross-departmental discussions and collaboration are enhanced. • Apart from the policy communication, the all-hands meeting also includes sharing cross-departmental activities, such as club events and team-building sessions, to enhance exchange and understanding among colleagues in other departments and plants.
		All-hands meetings	Quarterly		
		Global strategy meetings	Regularly		
		Employee engagement surveys	Annually		

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
	identification with and loyalty to the Company	Employee suggestion mailbox	Real-time		• The global strategy seminar has been held continuously throughout 2025, inviting senior executives from all over the world to participate in the formulation of the Company's strategy for the next 3–5 years, allowing for more comprehensive strategic thinking and more consensus and commitment in execution. • The issue of Global News Quarterly was published to share important information from each branch office and to recognize outstanding employees, so that employees distributed across different locations can stay informed about one another and become more cohesive overall. • Annual promotion and salary reviews ensure that employees are the right fit for their roles and receive appropriate remuneration accordingly. • The Company continuously revised the internal control procedures for the payroll and human resources cycles to ensure legal compliance, enhance operational efficiency, and provide clear guidelines for employees, thereby mitigating the risk of labor disputes. • The Company has implemented an employee stock purchase system to streamline the stock purchase process for employees. • From 2025 onwards, the Company will provide a "TSC Fertility Treatment Leave" that exceeds legal requirements. We hope this will help employees and their spouses reduce psychological stress during their journey to conceive, encourage shared participation and responsibility between partners, and further establish a gender-equal and family-friendly work environment. • The Company continues to offer employee referral bonuses to encourage employees to recommend
		Labor-management conference	Regularly		
		Labor safety conference	Regularly		
		Foreign migrant worker meetings	Monthly		
		Employee Benefits Committee	Regularly		

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
					outstanding candidates who embody TSC's core values, thereby fostering a cohesive, high-performing team built on shared consensus. • In 2025, new overseas business travel safety management guidelines were introduced to protect employees' rights and safety during business trips. • The Company conducts annual health check-ups for all employees to safeguard their physical well-being. Through various screening programs, the Company aims to help employees detect and treat potential hidden health issues at an early stage. The Company also allows employees' family members to participate in the corporate health check-up program at their own expense under preferential terms, thereby extending care to employees' family lives. • The company is organizing a "TSC Baby Camp" and will fully subsidize employees' children to attend the Carnegie summer character camp. Childhood is a crucial time for developing self-discipline and emotional management skills, which lay the foundation for self-confidence, communication, and interpersonal skills. Parents' participation in the process also contributes to the shared growth of family members and positive interpersonal interactions between families. • The first TSC Family Day was held at Taipei Dome in 2025, where employees and their families enjoyed an exciting baseball game and quality family time together. The Company Continues to practice family friendliness and employee care to create a workplace culture with a sense of belonging.

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
					• Implement annual performance management. Through goal setting at the beginning of the period, real-time feedback improvement during the period, and year-end evaluation, align the efforts of colleagues with the company's strategy to achieve organizational goals together. • The Company conducts a quarterly outstanding employee selection program and recognizes the awardees at the all-hands meeting. This initiative enhances employees' motivation for learning and professional development. Through the nomination system, employees are encouraged to identify and acknowledge the strengths of others, thereby fostering a positive workplace culture. • The Company continues to operate the innovation committee and the employee innovation proposal program, offering substantial financial incentives to encourage innovation. It also provides the necessary resources to support employees in transforming their ideas into practical applications, enabling them to realize their full potential. • The Company launched the "Innovator DNA" Book Club, encouraging self-study and knowledge sharing to instill the principles of the innovators' DNA into employees' behaviors, enhance their innovation capabilities, and foster a common organizational language and network. • Through the promotion and implementation of Individual Development Plans, employees can continuously grow their skills while achieving the Company's objectives, gradually accomplishing their

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
					personal learning goals and advancing their career development. • The Company organizes leadership experience workshops to enhance supervisors' leadership skills and team collaboration, thereby strengthening internal organizational connections and performance. • The Company updates the bookrack with new titles every month, allows employees to recommend books, and strengthens promotional activities. The goal is to cultivate employees' habits of continuous and self-directed learning while fostering a corporate culture of learning and knowledge sharing. • The Company has established a two-way communication platform between employers and employees through regular labor-management meetings, labor safety meetings and monthly meetings for migrant worker to create a healthy and friendly workplace. • In 2025, the Company continued to conduct the global employee opinion survey and provided versions in English and local languages to further strengthen the spirit of diversity, equality, and shared prosperity. Employees were also invited to discuss directions for improvement to create an outstanding workplace. The overall response rate across the company reached 99%, up from last year, reflecting employees' strong commitment to jointly creating a better workplace. In addition to the annual survey, employees may also provide feedback on their ideas and opinions to the Company through the suggestion mailbox at any time.

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
					• In 2025, the Company continued to provide 24/7 year-round psychological counseling services and expanded promotion channels to make this resource more easily accessible to employees. The consultation topics cover managerial aspects, and through professional counseling combined with the monthly Sunny Mind Digest, employees are provided with more comprehensive mental health care. • The Company continues to offer health and life seminars, expanding beyond everyday legal topics and international communication series to include music appreciation and dessert workshops, enabling employees to achieve stress relief through these activities. • A biweekly health newsletter is published regularly to introduce common diseases and infectious illnesses, enhancing employees' preventive knowledge and response capabilities for an extra layer of health protection. • In 2025, a Mindfulness Week event was held to guide employees in practicing self-awareness and focus amidst their busy work schedules through simple mindfulness exercises and interactive activities. This initiative aimed to strengthen emotional regulation skills, enhance psychological resilience, and promote mind-body balance. • The new employee buddy program enables senior employees from different departments to provide support to new employees in their daily lives. In 2025, the budget for the new employee buddy program was increased to provide more opportunities for cross-

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
					departmental interaction and help new employees quickly adapt to the corporate culture and working environment.
Business Partners	Promoting win-win collaboration, sharing market information and resources, achieving mutual growth and value creation, and ensuring collaborative efficiency and maximum results	Distributor conferences	Ad hoc	• Innovation Management • Sustainable Supply Chain • Product Quality and Safety	• Ad hoc distributor conferences: These events facilitate the exchange of cooperation strategies, sharing of market trends and product plans, and strengthen partner communication to boost business performance. • Ad hoc visits and meetings: We conduct regular visits and meetings to gain a deep understanding of distributor needs, offer technical and business support, promptly address any issues in the partnership, and ensure partner satisfaction. • The Product Management Department and the Sales Department maintain close contact via telephone and email: They quickly respond to partners' inquiries, ensure accurate information delivery, and maintain efficient communication. • Arranging online or in-person seminars as needed: Technological exchange and market insights are promoted; partner capabilities are enhanced; innovation and competitiveness are driven forward.
		Site visits and meetings	Ad hoc		
		Direct contact by Product Management and Sales Departments via phone and email	Real-time		
Supplier	Ensuring supply chain stability, establishing fair and transparent procurement practices, promoting joint development, and enhancing overall sustainable competitiveness	Supplier conferences	Ad hoc	• Product Quality and Safety • Business Integrity • Sustainable Supply Chain	• Suppliers' incoming material quality and on-time delivery rates are regularly evaluated to ensure a stable supply of production materials that meet quality requirements. • The Company takes actions consistent with the Responsible Business Alliance Code of Conduct in the supply chain, establishes a supplier code of conduct, requires manufacturers to sign and complete the RBA self-assessment form, and cooperates with on-site audits and corrective actions.
		On-site audits	RBA audits: 3 times/year Quality audits: 12 times/year		
		Direct contact by Procurement and Quality Control	Real-time		

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
		Departments via phone and email			• Two REACH surveys have been updated by GPM in 2025 to ensure that the materials used in production comply with green regulatory requirements. • Carbon emissions survey of the top 10 suppliers' transportation.
Shareholders / Investors	Providing accurate and transparent financial information, maintaining regular communication, ensuring business performance and returns meet investor expectations, and enhancing investment confidence	Annual Report	Annually	• Information Security and Privacy • Innovation Management	• From time to time, the Company's financial performance, operating status and future prospects are disclosed through the Market Observation Post System, the Company's website and annual reports. • Published the first Chinese and English sustainability report. • A shareholders' meeting (i.e. June 17, 2025) is convened annually to explain operating performance to investors. Shareholders' questions and the Company's responses are recorded in the meeting minutes, and the video and audio files of the meeting are also disclosed on the Company's website for investors to access. • Two institutional investor conferences were held in 2025 to enhance the company's exposure and transparency and to increase dialogue with investors. At least one audio or video file was also disclosed on the Market Observation Post System for investors to access. • The spokesperson and acting spokesperson communicate with investors through the spokesperson hotline and investor relations contact email on an ad hoc basis. • The Company provides English versions of shareholder meeting notices, meeting manuals, annual reports, meeting minutes, quarterly financial reports, and major announcements to enhance information transparency and increase international visibility.
		Sustainability report.	Annually		
		Shareholders' meeting	At least once a year		
		Investor conference	At least once a year		
		Company website	Ad hoc		
		Market Observation Post System	Ad hoc		

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
Government	Comply with laws and regulations to ensure lawful and compliant operations, actively participate in policy dialogue and public affairs, and support the government's goals for sustainable economic, social, and environmental development.	Direct contact by Finance Department via phone and email	Ad hoc	• Corporate governance • Business Integrity • Climate Change Response	• The Company responded promptly to inquiries from regulatory authorities via phone, email, and official correspondence. • The Company periodically disclosed its operational information through the corporate website and the Market Observation Post System. • The Company complied with relevant regulatory laws and regulations by completing all required disclosures for the year, with no legal violations. • The Company organized integrity and ethical business conduct awareness courses on an ad-hoc basis. • The Company participated in regulatory and policy briefing sessions as needed. • The Company engaged in the industrial park's regional joint defense organization. • The Company took part in tree adoption and greening activities within the industrial park.
		Correspondence and official documents	Ad hoc		
		Company website	Ad hoc		
		Statutory disclosures (e.g. annual reports, financial reports the sustainability report, various filings)	Ad hoc		
		Ministry of Economic Affairs Longde and Lize Industrial Park Service Center	Ad hoc		
Local Communities	Supporting community development, engaging in public welfare and infrastructure projects, minimizing negative operational impacts, and promoting	NPO CSR activities	Ad hoc	• Social Engagement • Diversity and Inclusion • Human Rights Management	• In 2025, the Company established the CSR Passport system. Through a point-and-reward mechanism, it encourages employees to actively participate in various CSR activities, collectively building TSC's culture of social responsibility while fostering cohesion and a sense of belonging within the Company. • CSR activities continued in 2025. The Company has partnered with Eden Foundation to support D.D. Angels (children with developmental delays) through two volunteer-led companionship activities and offline event
		Community visits (Chengxing Village)	Ad hoc		

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern	Implementation Result
	harmonious coexistence and mutual benefits between the Company and the community				sponsorship, demonstrating tangible support for underprivileged children. • The first "Arbor Day" event was held in 2025 to encourage employees to support environmental sustainability through practical actions and put their green commitments into practice. The Company organized activities and invited employees' family members and friends to participate, thereby promoting interaction between employees and their loved ones and strengthening team cohesion. • The Company collaborated with the Huashan Social Welfare Foundation to care for seniors through companionship and conversation, paying attention to their medication usage, meal conditions, physical health, recent significant life events, and daily care reminders, with the aim of providing support and companionship. The activities included: 1. Shoulder massage 2. Blood pressure measurement 3. Home visits and caring outreach 4. Dementia prevention card games A total of 10 seniors were visited at their homes. • The Company collaborated with the Genesis Social Welfare Foundation on "Step by Step for Love, Sustainable Journey Together" and donated 1,200 diapers to 20 patients in a vegetative state. The Company also participated in the Luodong Sports Park walking event to promote health, exercise, and social welfare, spreading love and building a sustainable community together.

(Appendix 3)

2025 Risk management operations Report

Board of directors report date: Dec. 26, 2025

The Company has established its "Risk Management Policies and Procedures" in accordance with the "Risk Management Best-Practice Principles for Taiwan Stock Exchange and Taipei Exchange listed Companies" formulated by the Taipei Exchange. These procedures were approved by the Board of Directors on November 8, 2024, and serve as guiding principles for risk management to enhance corporate governance. In order to fully document the risk management procedures and their execution results, the Risk Management Group shall compile the results and report them regularly to the Sustainable Development Committee and the Board of Directors.

(1) Risk management scope

The Company defines risk categories related to corporate operations, including Environmental, Social, Governance, and Others, in accordance with the principle of materiality. After each department reviews the Company's characteristics, operations, risk categories, and specific items along with their implications, risk items are identified based on the principle of risk materiality and incorporated into management as listed in the table below.

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
Environmental Protection	**Sustainability Risk**	**Energy Consumption**	Direct or indirect energy usage (e.g., fuel and electricity) in office buildings, factories, or commercial operations may cause excessive energy use and environmental pollution if not properly managed.	TSC continues to identify energy hotspots and evaluate the feasibility of equipment upgrades and replacements to improve energy efficiency and ensure energy management aligns with goals for energy saving, carbon reduction, and environmental sustainability.
		Improper Waste Management	The raw materials and consumables used in production may generate waste due to production processes or defects. Without robust internal controls or vendor compliance, environmental harm could result.	The Company has established a sound waste classification, recording, and tracking system to ensure all waste is properly handled in accordance with relevant regulations and contractual obligations. TSC also promotes source reduction and resource reuse strategies while actively seeking recyclable materials and technologies.

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
	Climate Change Risks	**Greenhouse Gas Emissions**	Operational activities directly (office/factory) or indirectly (business operations) emit greenhouse gases, which may impact the environment and worsen global warming.	Annual GHG inventory is conducted based on international standards (e.g., ISO 14064--1), covering Scope 1, 2, and part of Scope 3. Data analysis is used to identify emission hotspots and drive improvements. TSC aims to reduce emissions by 20–40% by 2030 from the base year and includes energy-saving and renewable energy strategies in daily operations. A carbon management digital platform is also implemented to strengthen climate risk management.
	Environmental Risk	**Ecological Destruction**	Operational activities may contaminate surrounding water sources, air, and ecosystems, leading to biodiversity loss.	TSC continuously works to minimize its operational impact on the surrounding ecology by regularly monitoring wastewater, air quality, and noise levels to comply with environmental laws and standards. Pollution control facility maintenance and operational management are also reinforced to prevent the leakage of hazardous substances.
Social Responsibility	**Human Resource Risks**	**Difficulty in Talent Recruitment**	Under a social structure of declining birth rate, aging population, and population outflow, labor shortages have become severe. Recruiting and retaining talent is increasingly difficult for enterprises. Delays in new employee onboarding increase the workload of existing staff, which may impact operations.	TSC Auto ID believes that human capital is the cornerstone of sustainable corporate development and remains committed to recruiting and retaining talent. By valuing human rights, promoting diversity and inclusion, fostering a friendly workplace, and enhancing employee well-being, TSC strives to create a Great Place to Work and achieve the goal of sustainable operations. Specific response measures are as follows: 1. Conduct strategic workforce planning based on the Company's operational direction and develop a comprehensive recruitment plan. and may Perform an annual labor market salary competitiveness analysis in line with the recruitment plan and market trends. 2. Review recruitment efficiency on a monthly basis and evaluate positions with prolonged vacancies. 3. Expand recruitment channels, including job platforms, social media, job fairs, campus recruitment briefings, internship programs, recruitment consultants, and internal referral systems, to broaden

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
				the talent pool and attract high-potential candidates. 4. By establishing the official "TSC Career" Instagram account, various recruitment and CSR activities are shared to promote a friendly workplace employer brand image and attract top talent to join. 5. Continuously optimize the interview process by incorporating competency and suitability assessments during interviews to ensure new hires meet job requirements and quickly integrate into the team. 6. Interview experience questionnaires are given to job seekers to gather real-time feedback on their perceptions of the interview process, interactions with interviewers, and job descriptions. This helps the Company identify blind spots in the process and optimize recruitment quality. Real-time feedback and adjustments help enhance corporate image, reduce post-offer rejections and recruitment risks, making the recruitment system more stable, effective, and competitive. 7. If applicants encounter unfair or unethical treatment during the interview process, TSC provides a grievance mechanism and has established procedures for investigation and handling to safeguard all applicants' rights. 8. Continuously enhance effective employee retention measures, including an employee care mechanism to identify and retain staff at risk of resignation. Pair new hires with cross-departmental buddies to support their daily adaptation and conduct an interview 1.5 months after onboarding to understand their adjustment and provide timely assistance. 9. Actively integrate various welfare measures through diversified benefits policies (e.g., offering vacation days superior to industry standards for new hires) to increase job appeal and enhance employees' sense of

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
				recognition and belonging toward a happy workplace. 10. Additionally, to meet the diverse life-stage needs of employees, TSC offers parental leave, reduced working hours for childcare, and flexible working hours and the “TSC Family Care Leave” and “Fertility Treatment Leave” – both exceeding legal requirements – to help employees better achieve work-life balance. 11. A comprehensive talent development system is in place. From the start of employment, new employees undergo a three-month onboarding training program to familiarize themselves with the Company’s culture, organizational structure, and core competencies. After the probation period, the Individual Development Plan (IDP) system is introduced, setting a personal development roadmap aligned with organizational goals and individual capabilities. This enables employees to strengthen their professional skills and career planning while achieving the Company’s objectives. 12. The Company conducts annual exit analysis to gain insights into the specific reasons behind employee resignations through resignation interviews, and proactively reviews the findings internally to develop effective solutions.
		Human Rights Violations	Failure to manage human rights issues appropriately or the lack of relevant management regulations may lead to human rights violations such as forced labor, discrimination, exploitation, or suppression of freedom of speech. These incidents can damage the Company’s reputation and employee relations, and may also result in	TSC Auto ID supports and respects international labor and human rights standards, referencing frameworks such as the International Labour Conventions and the United Nations Universal Declaration of Human Rights. The Company also adopts actions consistent with the Responsible Business Alliance (RBA) Code of Conduct, formulating and implementing policies aligned with business ethics, environmental and social issues, human rights, and other public policy commitments. TSC’s

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
			broader social inequality or conflict.	Human Rights Policy is published on the Company website. Additionally, the "Human Rights Management Regulations" were established on August 20, 2024, to prevent unequal treatment in the workplace based on gender, nationality, education, or other factors. Specific response measures are as follows: 1. Complying with labor laws to protect employees' legal rights, including legally provisioning retirement funds and maintaining open communication between labor and management to understand and reasonably meet employee needs. An Employee Welfare Committee has also been established to manage various welfare initiatives. 2. In 2024, TSC legally updated its "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Regulations" and its rules on unlawful workplace conduct. Internal and external reporting mailboxes were integrated, and a dedicated complaint hotline was established to ensure employee safety and provide a secure working environment. 3. The "External Provider Management Procedures" were established, requiring suppliers to sign a "Supplier Code of Conduct Compliance Statement" and adhere to the RBA Code of Conduct. All supplier business activities must comply with the laws and regulations applicable in their operating countries. 4. The organization conducts regular communication, assessments, and audits to identify and evaluate potential human rights risks and implements continuous improvement plans based on the identified risks. 5. To enhance human rights awareness, the Company regularly conducts training and awareness programs for internal employees and supply chain partners on personnel protection issues, promoting the full integration of human rights and sustainability across the

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
				value chain.
	Occupational Safety Risk	**Occupational Accidents**	Inadequate workplace safety measures may lead to occupational accidents, causing employee injuries and infringing on their rights. This can result in compensation claims, lawsuits, public scrutiny, and a negative image of the industry.	TSC has implemented and passed ISO 45001 Occupational Health and Safety Management System certification, establishing a systematic risk identification and control process, regularly reviewing potential workplace hazards, and strengthening accident prevention and emergency response mechanisms. In alignment with the RBA Code of Conduct, TSC enforces occupational safety standards covering workplace safety, machine guarding, and emergency response training for all operators and contractors. A Workplace Health and Safety Committee is in place to promote cross-departmental collaboration and employee participation, continually improving the work environment and safety culture. Through training, audits, and reporting mechanisms, TSC raises safety awareness among all personnel, reduces the risk of occupational accidents, and ensures employee health and operational stability.
Corporate Governance	**Operational Risk**	**Deficiencies in Quality and Safety Requirements and Inspections**	If any incidents related to product safety or quality occur, or if there is non-compliance with applicable regulations, it may affect product sales or user health. This could lead to legal liability, fines, or compensation claims, resulting in loss of domestic and international customers and a potential decline in national industry competitiveness.	TSC has established a comprehensive quality management system certified to ISO 9001, ensuring that every stage from product design to manufacturing and delivery adheres to strict quality standards. All products undergo safety and quality inspections in accordance with relevant regulations, with regular monitoring of regulatory updates to ensure compliance with international standards, legal requirements, and customer requirements. Through regular internal and external quality audits, TSC conducts product testing and defect analysis to minimize quality-related risks. The Company also proactively monitors the market to swiftly address potential quality and safety issues, avoiding incidents and maintaining strong customer trust and accountability.

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
	Information Security Risk	**Sensitive Information Leakage**	In the event of cybersecurity vulnerabilities, or if customer data is disclosed or used without consent, both the Company's and customers' confidential information may be exposed. This may result in privacy violations, legal claims, compensation obligations, and could undermine customer trust and competitive advantage.	To ensure information security, TSC established an Information Security Task Force and, in 2025, implemented the ISO 27001 Information Security Management System. The Task Force is responsible for conducting regular cybersecurity risk assessments and vulnerability scans to ensure system security. The Company also provides employee training on information security to strengthen awareness of data protection and compliance with rules for handling sensitive information. Enhanced data encryption technologies and access control mechanisms are implemented to ensure the security of customer information during storage, processing, and transmission. In the event of a cybersecurity incident, the Company will activate its emergency response plan, immediately notify relevant parties, and take prompt action to minimize losses and customer impact according to ISO 27001 framework.
	Sustainability Risk	**Corporate Corruption and Unethical Conduct**	Failure to uphold principles of ethical business conduct may lead to corruption or bribery incidents, damaging corporate reputation, weakening supply chain and customer trust, and ultimately harming stakeholder interests and Taiwan's global competitiveness.	TSC adheres to the principles of integrity and has established robust anti-corruption and anti-bribery policies, requiring all employees and partners to comply. Regular anti-corruption risk assessments, internal control mechanisms, and whistleblower systems are in place to ensure transparent and ethical business practices. TSC also provides periodic training on ethics and anti-corruption for employees to strengthen compliance and ethical awareness. The Company rigorously enforces all preventive measures to avoid corruption and unethical behavior, safeguarding its reputation and competitive position.
	Supply Chain Risk	**Incomplete Environmental and Social Assessments of Suppliers**	If suppliers are not selected based on comprehensive environmental and social criteria, corporate activities may lead to negative social and environmental impacts within the	TSC adheres to the Responsible Business Alliance (RBA) Code of Conduct by formulating and implementing its own Supplier Code of Conduct, requiring all suppliers to sign and comply with the standards covering labor conditions, workplace safety, environmental protection, and business

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
			supply chain. This includes risks such as increased raw material costs, supply chain disruptions, child labor, forced labor, and workplace health and safety violations.	ethics. In addition to establishing the Code of Conduct, TSC conducts regular on-site audits to evaluate supplier compliance. Non-compliant suppliers are required to submit improvement plans. These efforts help mitigate social and environmental risks in the supply chain and ensure that supplier operations align with the Company's sustainability objectives and international standards.
	Legal Risk	**Lack of Intellectual Property Protection**	Failure to manage trade secrets and patent assets effectively may compromise the Company's intellectual property and negatively impact its market leadership.	TSC has implemented a comprehensive intellectual property (IP) management system to protect trade secrets, patents, trademarks, and other IP assets. The Company regularly assesses related risks to ensure that all IP is properly safeguarded internally. Dedicated legal professionals are responsible for overseeing patent registrations and trademark protections, and for enhancing employee awareness of confidentiality obligations and legal responsibilities. In the event of a potential data breach or infringement, the Company will initiate an emergency response procedure and take legal or other necessary action to protect its intellectual property rights.
Others	**Market Risks**	**Market Competition**	The Company faces various market risks, both domestic and international, including political instability, economic fluctuations, regulatory changes, technological advancements, and industry restructuring. These risks may intertwine and significantly impact overall market competitiveness, operational efficiency, and long-term strategic development.	1. Product perspective • Short-term: Accelerate integration, address product gaps, strengthen competitiveness, build group synergy and standardization, launch integrated core scenario solutions, and complete the product line. • Mid- and long-term: Continue to promote innovation and product upgrades for mobile computers, label printers, and RFID readers. Through comprehensive technological enhancements, the Company actively invests in R&D for hardware and system technologies related to the AI, IoT, and automated identification industries. In addition, it develops cloud solutions, integrated hardware–software products, and system

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
				integration services, collaborating with partners to build a unified cloud platform ecosystem. These efforts aim to meet diverse enterprise needs in AIDC applications while ensuring that products offer scalability and flexible configurations to adapt to future developments. At the same time, the Company will continue to uphold its environmental sustainability values by investing in eco-friendly materials, low-carbon printing solutions, and energy-efficient products, aiming to develop products that are energy-saving, recyclable, and have low carbon emissions. By positioning ESG as a core competitive advantage, the Company aims to attract more procurement from international end customers. 2. Marketing perspective • Short-term: In the next one to two years, TSC will deepen its presence in core vertical markets such as retail, logistics, manufacturing, and healthcare. Through scenario-based solutions and success stories, we will strengthen enterprise customers' trust in our product innovation and integration capabilities while capturing growth momentum from large-scale projects. With the integration of DLS, MGN, and Bluebird in place, the Company will fully implement the "One TSC" communication framework. By integrating group-wide brand language, technical content, and marketing tools, we aim to create a consistent and scalable end-to-end solution image. At the same time, we will strengthen our global distribution network by enhancing the core partner program, joint marketing efforts, and standardized solution packages to improve promotion efficiency. Additionally, through international trade shows, TSC Solution Days, and regional insights, we aim to increase brand visibility and accelerate market

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
				penetration. • Mid- and long-term: TSC will continue to strengthen its position as a global leader brand. Through investments in multilingual content such as technical white papers, success stories, and ESG narratives, the company will strengthen its professional mindshare within the global AIDC ecosystem and enhance key customers' and strategic partners' recognition of its long-term value. The Group will center its strategy around the "One Brand" initiative and global marketing platform, integrating product lines and regional market resources to build a unified marketing ecosystem. It will also adopt data-driven marketing to enhance promotional precision and accelerate synergies across product lines and markets. Additionally, the Company will continue to strengthen its global distribution ecosystem, enhancing its market cultivation capabilities through standardized cooperation systems, long-term empowerment, and solution tools. Facing trends such as IoT, AI, and smart logistics, TSC will expand its strategic role in key application scenarios, driving technology adoption and enhancing brand influence. Through global brand building and integrated marketing 3. Production perspective • Short term: Focus on optimizing production lines and site allocation to improve manufacturing efficiency and capacity, mitigate the impact of tariffs, and enhance product sales margins and price competitiveness. • Mid- and long term: Continue optimizing production equipment to improve manufacturing efficiency and yield while adopting green manufacturing technologies to reduce energy consumption and

Risk Category	Risk Items	Risk Name	Risk Implication	Countermeasures
				waste, thereby achieving sustainable development goals. The solar panel program had completed and successfully connected to the Taiwan Power Company grid, achieving the goal of green energy conservation.
	Financial and Accounting Risks	1. Credit Risks 2. Liquidity Risks 3. Exchange Rate Risks 4. Interest Rate Risks 5. Price Risks 6. Risk Related to the Application and Changes of Accounting Policies **7.** Taxation Risk	1. Inability to recover receivables from customers, resulting in bad debts 2. Cash flow constraints, leading to inability to pay liabilities 3. Appreciation of the New Taiwan dollar, causing foreign exchange losses 4. Rising interest rates, increasing funding costs 5. The decline in the share price of the invested target resulted in a valuation loss of financial assets. 6. Misstatement of financial statements 7. Increasing the Company's income tax burden	1. Customer credit assessments and accounts receivable management are reinforced, with appropriate credit insurance and collection measures in place to reduce credit risk. 2. TSC strengthens liquidity management through regular cash flow forecasting and risk assessment, and maintains emergency financial reserves. TSC reviews its balance sheet structure regularly to ensure a rational and stable capital framework. TSC also actively maintains close cooperation with banks to secure favorable and stable financing facilities, supporting potential liquidity needs. 3. Use hedging instruments for flexible risk management. 4. Utilize equity instruments to reduce the company's funding costs. 5. Investments in New Taiwan dollar are strategic in nature; therefore, the associated risk is accepted. 6. Work closely with professional financial advisors to ensure financial statements are accurate, transparent, and compliant with relevant accounting standards. 7. Collaborate closely with professional tax advisors to ensure tax handling complies with applicable laws and regulations.

(2) Risk Management Framework and Reporting Mechanism

Board of Directors

- **Responsible for approving risk management policies and major risk management systems, and supervising the implementation of risk management systems.**

Sustainable Development Committee

- **The Sustainable Development Committee assists the Board of Directors in executing and supervising risk management responsibilities and is responsible for reviewing various risk management issues.**

Risk Management Task Force

- **The Risk Management Task Force is responsible for preparing risk management reports, integrating and coordinating cross-departmental risk management issues, communicating key risk management matters, and implementing and tracking risk management resolutions made by the Board of Directors or the Sustainable Development Committee.**

Departments

- **Department personnel serve as the first line in identifying, assessing, and controlling risks. Department heads are responsible for compiling and executing relevant business risk management measures and, in response to changes in internal and external environments, proposing corresponding risk mitigation strategies.**

(IV)Disclose the composition, responsibilities, and functioning of Remuneration Committee, if available:

1. Responsibilities of the Remuneration Committee:

   The Committee shall exercise the due care of a good administrator according to the above Charter in performance of the following duties and to propose recommendations to the Board of Directors as needed:

   (1) Review the Charter regularly and propose amendments as needed.

   (2) Establish and regularly review performance evaluation standards of the Company's directors and manager, as well as salary/remuneration structure, system, and policies.

   (3) Regular evaluation and determination of directors' and managers' salary and compensation.

2. Information of the Remuneration Committee members:

Apr. 18, 2026

Role \ Criteria / Name		Professional Qualifications and Experience	Independence Status	Number of positions as Remuneration Committee member in other public companies
Independent Director	Ma Chia Ying	All members are independent directors. Plesae refer the "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence."		3
Independent Director	Lin Tuo Zhi			0
Independent Director	Lin Hsin Tien			0

3. Functionality of the Remuneration Committee:

   (1) The Company's Remuneration Committee consists of 3 members, all of whom are independent directors.

   (2) Duration of service of the current board: from June 26, 2025, to June 16, 2028. The Remuneration Committee held 4 meetings (A) in 2025. The attendance of the members is detailed as follows:

Title	Name	No. of in-person attendances (B)	No. of proxy attendances	Actual attendance rate (%)(B/A)	Remarks
Convener	Ma Chia Ying	4	0	100	Re-elected on 2025.06.26
Committee member	Lin Tuo Zhi	4	0	100	
Committee member	Lin Hsin Tien	2	0	100	Newly elected on 2025.06.26
Committee member	Li Chun Chi	2	0	100	Resigned on 2025.06.17

4. Other mandatory disclosures:

(1) If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.

(2) Objections or reservations voiced by members of the Remuneration Committee on record/written statement regarding decisions resolved: None.

(3) Summary of Discussion Items, Resolutions, and Key Work Focus of the Compensation Committee:

<table>
<tr><th>Date</th><th>Meeting</th><th>Major resolutions</th><th>Outcome of resolution</th><th>Action taken by the Company per Remuneration Committee’s opinion</th></tr>
<tr><td>2025.03.14</td><td>The 5th Meeting of the 9th</td><td>1. Review of the 2024 Board of Directors performance evaluation
2. 2024 employee and irector remuneration.</td><td rowspan="5">After consultation with the Chair, all members present had no objections, and the proposal was passed as submitted.</td><td rowspan="5">The resolution has been followed. Outcome of resolution</td></tr>
<tr><td>2025.06.26</td><td>The 6th Meeting of the 1st</td><td>Election of the 6th Terms of the Convenor and Chairperson of the Remuneration Committee</td></tr>
<tr><td>2025.11.07</td><td>The 6th Meeting of the 2nd</td><td>Amendments to the "Personnel Appointment Regulations", "Employee Transfer and Promotion Regulations" and "Employee Retirement Regulations</td></tr>
<tr><td>2025.12.26</td><td>The 6th Meeting of the 3rd</td><td>1. Review of the 2025 Managerial Officers' Performance Evaluation
2. Assessment of remuneration for directors and managers in 2026.</td></tr>
<tr><td>2026.03.13</td><td>The 6th Meeting of the 4th</td><td>1. Review of the 2025 Board of Directors performance evaluation
2. 2025 employee and director remuneration.</td></tr>
</table>

(V) Composition, responsibilities, and operation of the Sustainability Development committee:

1. Information of the Sustainability Development Committee members:

Apr. 18, 2026

Title	Name	Professional qualifications and experience
Director	Chen Ming Yi	Please refer the "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence" and "2025 Directors' Trainnig".
Independent Director	Ma Chia Ying	
	Lin Hsin Tien	

2. Responsibilities of the Sustainability Development committee

On November 8, 2024, the Company established the Sustainability Development Committee, composed of one director and two independent directors. Under the authorization of the Board of Directors, the committee shall exercise due diligence as a good manager and faithfully perform the following duties, and report to the Board of Directors:

(1) Formulation, promotion and improvement of the Company's sustainable development policy, annual plan and strategies, etc..
(2) Review on sustainable development policies and implementation and reporting to the Board of Directors (at least once per year).
(3) Supervision of sustainable information disclosure and review of the sustainability report.
(4) Supervision of business under the Company's Sustainable Development Best Practice Principles and other sustainable development duties resolved by the Board of Directors.

3. Functionality of the Sustainability Development committee

(1) The Sustainability Development committee consists of 3 members
(2) Duration of service of the current board: from June 26, 2025, to June 16, 2028. The Sustainability Development Committee held 4 meetings (A) in 2025. The attendance of the members is detailed as follows:

Title	Name	No. of in-person attendances (B)	No. of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Director (Convener)	Chen Ming Yi	4	0	100	Re-elected on 2025.06.26
Independent Director	Ma Chia Ying	4	0	100	
	Lin Hsin Tien	3	0	100	Newlyelected on 2025.06.26
	Li Chun Chi	1	0	100	Resigned on 2025.06.17

(4) Item of discussion and decisions resolved by Sustainability Development Committee:

Date	Meeting	Major resolutions
2025.03.14	The 1st Meeting of the 3rd	1. Report on the "Sustainable Development Implementation Status" for Year 2024 2. Work Plan for Year 2025
2025.06.26	The 2nd Meeting of the 1st	Proposal to elect the Convener and Chairperson of the 2nd Terms Sustainable Development Committee
2025.08.08	The 2nd Meeting of the 2nd	2024 Sustainability Development Report'
2025.12.26	The 2nd Meeting of the 3rd	1. Report on the Communication Channels with Stakeholders for Year 2025 2. Report on the Risk Management Operations for Year 2025
2026.03.13	The 2nd Meeting of the 4th	1. Report on the "Sustainable Development Implementation Status" for Year 2025 2. The work Plan for Year 2026 3. Amendment to the ″Organization Rules of the Sustainable Development Committee″

(VI) Status of sustainable development promotion and deviations and causes of deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:

<table>
<tr><th rowspan="2">Promoting projects</th><th colspan="3">Execution progress</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td>I. Has the Company established and promoted its governance structure for sustainable development and established a department that is fully (or partially) committed to the promotion of sustainable development by senior management with authorization from the Board of Directors perform relevant tasks, under the supervision of the Board of Directors?</td><td>✓</td><td></td><td>1. The Company established a Sustainability Development Committee under the Board of Directors in 2024. The Committee comprises four functional subgroups: Corporate Governance, Environmental Sustainability, Social Responsibility, and Risk Management. These subgroups work collaboratively to promote corporate sustainability initiatives and enhance information disclosure.
2. The Company's Sustainability Development Committee holds at least one meeting per year to formulate sustainability development policies, annual plans, and strategies. In 2025, reports on future work plans, the sustainability development report, and the results of sustainability development implementation were presented to the Board of Directors on March 14, August 8, and Dec. 26, respectively. For significant resolutions of the Sustainability Development Committee, please refer to 'Disclosure of the Composition, Duties, and Operations of the Sustainability Development Committee.'
3. The Company’s Sustainable Development Committee meets at least once a quarter to formulate sustainable development implementation strategies, adjust implementation directions, and report on implementation progress. The Company presented the “2025 Sustainability Implementation Status” to the Sustainability Development Committee and the Board of Directors on March 13, 2026. Please refer to Appendix 4 (Pages 87~93).
4. To strengthen sustainability governance, on March 13, 2026, the Board of Directors approved the appointment of Mr. Wu Chih Hao, Deputy General Manager of the R&D Engineering Department, as Chief Sustainability Officer to oversee sustainability development affairs and enhance the company's sustainability management effectiveness.</td><td>In compliance</td></tr>
</table>

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
II. Has the Company conducted risk assessment on environmental, social, and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on the principle of materiality?	✓		1. In accordance with the "Sustainable Development Best Practice Principles," the Company has implemented corporate governance and conducted risk assessments related to environmental, social, and governance issues pertinent to its operations. 2. On November 8, 2024, the Board of Directors approved the establishment of the "Risk Management Policy and Procedures." The "2025 Risk Management Implementation Status" was subsequently reported to the Sustainability Development Committee and the Board of Directors on Dec. 26, 2025. Please refer to Appendix 3 (Pages 58~69).	In compliance

III. Environmental Issues (I) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?	✓		1. The company consistently upholds environmentally friendly values. While pursuing business performance development, we also prioritize environmental protection work and, in accordance with relevant regulations, establish the "Environmental, Safety, and Health Management Project Operating Procedures." Through the implementation of the ISO14001 system and regular audit mechanisms, we conduct greenhouse gas inventories and set targets to actively reduce carbon emissions. At the same time, we review the consumption of energy and resources within the plant, implement energy-saving, water-saving, and waste reduction plans and strategies, comply with all environmental regulatory requirements, strive to minimize the environmental impact of business activities, and strengthen our efforts in environmental protection and pollution prevention. 2. To improve waste management effectiveness, TSC Technology has established clear environmental performance goals and gradually promoted waste reduction and recycling programs. The main recycling items cover process and domestic waste, such as paper, plastics, and reusable packaging materials. In 2021, a waste recycling rate of 76% was set as one of the environmental performance indicators, with a target to increase by 1% annually, aiming for a recycling rate of 80% by 2026. In 2025, TSC achieved a waste recycling rate of 80.3%, reaching the set target ahead of schedule. 3. The company obtained the ISO 14001 Environmental Management System certification in Aug. 2007 and, following the company's environmental policy, actively promotes the following environmental principles: • Legal compliance: Conduct self-inspections and management regarding the discharge of exhaust gases and wastewater, the disposal of waste, and noise control, in order to continuously comply with laws, regulations, and other signed requirements. • Zero incidents: Implement environmental awareness campaigns, maintain proper environmental signage, and prevent potential disasters. • Waste reduction: Apply waste segregation and resource recycling to reduce waste generation. • • Pollution reduction: Use better pollution control technologies and equipment to minimize pollution.	In compliance

<table>
<tr><th rowspan="2">Promoting projects</th><th colspan="3">Execution progress</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>• • Energy conservation: Improve management practices and use high-efficiency equipment to save energy consumption.
4. Our company passed external verification by DNV in September 2018, obtaining ISO 14001:2015 Environmental Management System certification, and completed the recertification in Aug. 2025. The validity period of the latest certificate is from Aug. 8, 2025, to Aug. 7, 2028.</td><td></td></tr>
<tr><td>(II) Is the Company committed to improving energy efficiency and using renewable materials that produce less impact on the environment?</td><td>✓</td><td></td><td>1. The company actively promotes various energy reduction measures and plans, selects equipment with high energy efficiency and energy-saving designs, reduces energy consumption for the enterprise and its products, and expands the use of renewable energy to optimize energy efficiency.
2. Energy management and reduction plans were continuously implemented in 2025. Please see the table below for details:
<table>
<tr><th>No</th><th>Execution Content</th><th>Execution Status</th></tr>
<tr><td>1</td><td>Gradually replace inefficient and energy-intensive air conditioning equipment.</td><td>Replace two 30-ton floor-standing air conditioners in 2025 to reduce energy consumption.</td></tr>
<tr><td>2</td><td>Install energy-saving lighting and controls in the finished goods warehouse and 2nd-floor material warehouse.</td><td>Continuously maintain energy reduction practices.</td></tr>
<tr><td>3</td><td>Equip the finished goods warehouse with high-speed rolling doors to prevent cold air leakage.</td><td>Continuously maintain energy reduction practices.</td></tr>
</table></td><td>In compliance</td></tr>
</table>

<table>
<tr><th rowspan="2">Promoting projects</th><th colspan="3">Execution progress</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>4</td><td>Solar panels were installed on the roof of the Yilan plant.</td><td>• From Aug. to Dec. 2025, the plant generated approximately 400,000 kWh of electricity, which was used for its own consumption and surplus electricity was sold in bulk.
• The plant's self-consumption of renewable energy was 705.96 gigajoules (GJ), reducing CO2e by approximately 171 metric tons annually.</td></tr></table>3. The Company has installed energy-efficient lighting control systems to reduce energy consumption without compromising the quality of existing operations. By adopting a robust operating system, the Company is able to ensure total compliance with RoHS in regards to production procedures and materials management, and thereby minimize the environmental burdens of manufacturing activities.</td><td></td></tr>
<tr><td>(III) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?</td><td>✓</td><td></td><td>The Company follows the TCFD (Task Force on Climate-related Financial Disclosures) framework to assess potential risks and opportunities arising from climate change from four perspectives: governance, strategy, risk management, and metrics and targets. In response, the Company has implemented energy-saving, carbon reduction, and renewable energy initiatives and strategies.</td><td>In compliance</td></tr>
<tr><td>(IV) Does the Company maintain statistics on greenhouse gas emissions, water usage, and total waste volume in</td><td>✓</td><td></td><td>The company conducts greenhouse gas inventory according to ISO 14064-1:2018 standard, and the annual statistics of greenhouse gas emissions, water consumption and total weight of waste are as follows:
1. Greenhouse gas inventory information:
The greenhouse gas inventory data of the company in the past two years are as follows:</td><td>In compliance</td></tr>
</table>

<table>
<tr><th rowspan="2">Promoting projects</th><th colspan="3">Execution progress</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td>the last two years, and implement policies aimed at reducing greenhouse gases, water and other waste?</td><td></td><td></td><td>
(Unit: metric tons CO2e)
<table>
<tr><th>Year</th><th>Scope 1</th><th>Scope 2</th></tr>
<tr><td>2024</td><td>46.7492</td><td>452.4738</td></tr>
<tr><td>2025</td><td>49.5373</td><td>360.6467</td></tr>
</table>
According to the inventory results, purchased electricity was the main source of greenhouse gas emissions of Yilan Factor, and the Company sought to control and regulate temperature settings for air conditioning and minimize indirect greenhouse gas emissions. Since 2023 is the first carbon inventory, the main expected users are the requirements of the Financial Supervisory Commission. The ISO 14064-1:2018 standard is adopted and 2023 is set as the base year.
2. Water usage: :
<table>
<tr><th>Year</th><th>Total water consumption (degrees)</th></tr>
<tr><td>2024</td><td>3,914</td></tr>
<tr><td>2025</td><td>4,309</td></tr>
</table>
In order to improve the efficiency of water resource utilization, the company continues to optimize equipment operation and adopt a No. of water-saving measures for domestic water use, including the comprehensive introduction of water-saving devices in offices and public areas, and monitoring water resource usage through each water bill to reduce unnecessary water use. We evaluate the introduction of more efficient water-saving measures and strive to continuously improve water use efficiency to ensure that water management is in line with the Company's sustainable development concept.
3. Total amount of waste
2024 (Year) : 91.016metric tons ;
2025 (Year) : 82.528 metric tons.
(Unit: metric tons)
<table>
<tr><th>Year</th><th>General waste</th><th>Waste mixed hardware</th><th>resource recycling</th></tr>
<tr><td>2024</td><td>13.399</td><td>0.34</td><td>48.578</td></tr>
<tr><td>2025</td><td>12.37</td><td>0.358</td><td>42.72</td></tr>
</table>
Note: The hazardous industrial waste in previous years has been considered as general industrial waste after the Environmental Protection Agency approved the change in the waste treatment plan in 2024. Therefore, our company does not generate
</td><td></td></tr>
</table>

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
			any hazardous industrial waste. 4. As part of our environmental performance initiatives, we implemented a project to enhance the waste recycling rate. In 2025, the recycling rate reached 80.378%, an increase of 2.3% compared to 2024, achieving the set target value.	
IV. Social Issues (I) Has the Company developed its policies and procedures in accordance with laws and International Bill of Human Rights?	✓		1. The Company is committed to creating a diverse, equal and inclusive working environment, and takes actions consistent with the Responsible Business Alliance (RBA) Code of Conduct, and treats all employees with dignity and respect. 2. For details regarding the Company's human rights protection policies and specific management programs, as well as the relevant regulations and international human rights conventions adhered to, please refer to the “labor-management relations” section in this annual report.	In compliance
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		For information regarding the Company’s workplace diversity and equality, employee welfare measures (including compensation, leave, and other benefits), as well as policies and practices for appropriately reflecting business performance or results in employee compensation, please refer to the “labor-management relations” section of this annual report.	In compliance

<table>
<tr><th rowspan="2">Promoting projects</th><th colspan="3">Execution progress</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td>(III) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?</td><td>✓</td><td></td><td>1. The Company has been certified by the ISO 45001 (certificate validity period from Aug. 27, 2024 to Aug. 26, 2027) for occupational safety and health management system. It protects and provides employees with a safe, clean and healthy working environment, enables the organization to identify and prevent related risks, and reduces accidents and to reduce the likelihood of occupational diseases and improve compliance with laws and regulations, and regularly organizes employee health checkups, safety and health seminars, and fire safety drills every year, as well as regular inspections and maintenance of related equipment.
2. There was no fire incident in the Company in 2025.
3. The Company provides occupational safety and health education to every new employee, helping them understand the Company's environmental safety standards and health guidelines. Regular initiatives include health seminars, the release of biweekly health newsletters, and workplace injury case studies. These efforts aim to equip employees with relevant health and lifestyle knowledge, enhance their life skills, and support the development of a safe, healthy, and high-quality way of living.
4. Information on safety and health-related education and training in 2025 is detailed below: ：
<table>
<tr><th>Training</th><th>Course</th><th>People</th><th>Hour</th></tr>
<tr><td>Safety and Health Education and Training</td><td>23</td><td>1,243</td><td>1,227</td></tr>
<tr><td>Health Lectures</td><td>2</td><td>123</td><td>123</td></tr>
</table></td><td>In compliance</td></tr>
<tr><td>(IV) Has the Company implemented an effective training program that helps employees develop skills over their career?</td><td>✓</td><td></td><td>For details regarding the scope, areas covered, and implementation of the Company’s employee training programs, please refer to the “labor-management relations” section of this annual report.</td><td>In compliance</td></tr>
</table>

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
(V) Has the Company complied with laws and international standards with respect to issues such as customers' health, safety, and privacy, marketing and labeling of all products and services offered, and implemented consumer or customer protection policies and complaint procedures?	✓		1. The Company complies with relevant regulations regarding product labeling and testing, adhering to a quality-first principle. To ensure customers receive the highest quality products and the best service, every stage—from product design and manufacturing to after-sales support—meets strict quality and environmental management standards. We are committed to understanding and fulfilling customer needs. 2. Upholding a customer-first philosophy, the Company strives to provide comprehensive services and to be a reliable partner that supports customers' success by exceeding their expectations. Through regular customer visits, conference calls, training sessions, satisfaction surveys, and annual distributor meetings, we continuously gather and understand customer needs and feedback, enabling us to further improve service quality. 3. A formal complaint handling process and a dedicated department have been established, and contact information for product support is available on the Company's website.	In compliance
(VI) Has the Company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health, or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	✓		The Company has established the "External Provider Operation Guidelines" and formulated a "Supplier Code of Conduct," adopting action requirements aligned with the Responsible Business Alliance (RBA) standards. Suppliers are required to comply with the RBA's five key areas: Labor, Health and Safety, Environment, Ethics, and Management Systems. The supplier code of conduct compliance declaration has been issued, with a signing rate of 96.65%.	In compliance
V. Does the Company prepare sustainable development reports or any reports of non-	✓		1. The company has prepared a "Sustainability Report" in accordance with internationally accepted reporting standards and guidelines. This report was verified by a third-party verification agency (KPMG) in 2025Q2 and publicly released in 2025Q3.	In compliance. The company has proceeded with the preparation of the sustainability

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Y	N	Summary description	
financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by the assurance or opinion of a third-party certifier?			2. Furthermore, the Company have established a "Corporate Social Responsibility" section on our website, and in 2025, we added an " Sustainability" section. Relevant information will be disclosed on the company website and MOPS.	report in accordance with the relevant guidelines and standards.
VI. If the Company has established Sustainable Development principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles: The Company has established its “Sustainable Development Best Practice Principles” in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”, and has also established a comprehensive internal control system and related regulations, which have been gradually implemented. There is no difference.				
VII. Other information useful for the understanding of sustainable development: (I) Environmental protection duties: The Company enforces the requirements of RoHS and WEEE directives in the design and manufacturing of its products, and makes declarations of compliance with environmental protection laws of the EU for its main products. The Company’s Yilan Plant has been certified for ISO 14001, and the treatment of industrial waste is fully compliant with rules. (II) Other measures to promote the implementation of social responsibility can be found in the “labor-management relations” chapter of this annual report.				

(VII) Climate-related information of listed companies

1. The execution of climate-related information

Item	Execution progress
1. Describe the monitoring and governance of climate-related risks and opportunities by the board of directors and the management. 2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).. 3. Describe the financial impact of extreme climate events and transformation actions.. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.. 5. If scenario analysis is used to evaluate the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be explained.. 6. If there is a transformation plan in place to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.. 8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained on the exchange for the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs)..	1-1 Board of directors (1) The Board of Directors is the highest body of the Company's climate risk management. Its goal is to comply with laws and regulations, supervises the Company's overall climate-related risk management, understand the risks to its operations, and ensure the effectiveness of risk management. (2) The above climate-related actions, if involving major investments or plans, are also supervised by the Board of Directors. 1-2 Management (1) Continuously focusing on global sustainable development issues, the Company has established a Sustainability Development Committee and appointed sustainable of officer to define the Company's development direction in the three areas of environment, society, and corporate governance. The company is also developing environmentally friendly and recyclable products to reduce its environmental impact. (2) Strengthen the importance of ESG and make ESG one of the important strategies of the Company in 3 to 5 years. The plans launched through OKR and other strategies are extended to the work goals of each supervisor and employee, and each work item completed by colleagues, ensuring the achievement of the Company's ESG strategic goals. 2. How the identified climate risks and opportunities affect the Company's business, strategy and finance (short-term, medium-term, and long-term): Please refer to the following table. 3–8. Under planning

9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.	1. In accordance with the "Roadmap for Sustainable Development of TWSE/TPEx Listed Companies" issued by the Financial Supervisory Commission in Mar. 2022, the Company, with a paid-in capital of under NT$5 billion, is categorized under the third stage for the adoption of greenhouse gas inventory and verification (i.e., completing inventory in 2026 and verification in 2028). 2. Please refer to "Recent two-year greenhouse gas inventory and verification situation of the company".

How the recognition of climate risks and opportunities affects business, strategies, and finances (short-term, medium-term, long-term)

Risks/ opportunities	Risk categories and opportunities	Short-term (≦1 year)	Mid-term (2025–2030)	Long-term (2030–2050)
Transformation risks	Risks related to the low-carbon transition process that may occur due to changes in policies and regulations, technology, markets, society, and economic conditions.	No significant risks	• Customer behavior change (demand for low-carbon processes) • Low-carbon alternatives to existing products and services.	• Stricter product energy efficiency regulations. • Carbon taxes/fees • Negative feedback from stakeholders.
Physical Risks	Physical risks from climate change, which may have immediate or long-term effects based on climate patterns These physical risks could cause financial impacts to the organization, such as direct damage to assets or indirect effects from supply chain disruptions	No significant risks	• Extreme rainfall • Global temperature rise	Increased frequency of extreme weather events
Opportunities	Efforts to mitigate and adapt to climate change will create opportunities for the organization	Use of renewable energy	• Sustainable product certifications • Development of energy-efficient products • Development of low-carbon products	• Enhanced corporate reputation • Compliance with green finance

2. Recent two-year greenhouse gas inventory and verification situation of the company

(1) Greenhouse Gas Inventory Information

The Company's Yilan Plant has collected greenhouse gas data for the most recent two years and the results are as follows: (Unit: metric ton CO2e)

Year	Scope 1	Scope 2
2024	46.7492	452.4738
2025	49.5373	360.6467

According to the inventory results, purchased electricity was the main source of greenhouse gas emissions of Yilan Factor, and the Company sought to control and regulate temperature settings for air conditioning and minimize indirect greenhouse gas emissions. Since 2023 is the first carbon inventory, the main expected users are the requirements of the Financial Supervisory Commission. The ISO 14064-1:2018 standard is adopted and 2023 is set as the base year.

(2) Greenhouse Gas Assurance Information

The greenhouse gas emission information of the company's Taipei headquarters and Yilan factory for the year 2025 will be disclosed in the 2025 Sustainability Report, and will be assured by KPMG, and it is expected to received a limited assurance report from the auditors.

(3) Greenhouse gas reduction goals, strategies and concrete action plans

The Company is committed to reducing greenhouse gas emissions and has established a clear goal, strategies, and action plans. The goal is to achieve at least a 20% global carbon reduction by 2030. To meet this goal, the Company is implementing a three-phase strategy: carbon inventory, carbon reduction measures, and carbon neutrality. Greenhouse gas inventories have been completed for the Taiwan headquarters, Yilan factory and Tianjin factory. The Company is actively promoting energy conservation and carbon reduction programs and the use of renewable energy. In Aug. 2025, the Yilan factory put into operation a solar power generation system. In the future, we will continue to deepen carbon reduction actions and move towards the goal of carbon neutrality.

(Appendix 4)

2025 Sustainability implementation status Report

Board report date: March 13, 2026

With the global trend of heightened attention to ESG issues, TSC is committed to integrating its operational strategies and sustainability goals to ensure steady growth and demonstrate a positive impact on environmental sustainability, social welfare, and corporate governance. TSC hopes to integrate its vision, governance, products, and services to strengthen communication with stakeholders and to exert a positive influence on suppliers and consumers, working together for a better society.

I. Foster a sustainable environment

The Company aims to comply with international environmental requirements and reduce carbon emissions, and continues to promote energy-efficient products, reduce waste generation, and enhance energy recycling and reuse while encouraging participation in various environmental protection initiatives as the primary direction of its sustainable environmental development policy.

The Yilan factory and Tianjin factory have obtained ISO 14001:2015 and GB/T 24001-2016 environmental management system certifications. We continue to improve waste recycling rates, introduce new plant equipment and utilize green energy, regularly review energy consumption within the facilities, and implement various energy-saving programs and strategies.

At the same time, through system-based operational management, the Company fully complies with the requirements of the RoHS Directive and the WEEE Directive in both manufacturing processes and materials management, and incorporates these requirements throughout its product design and manufacturing processes. In addition, self-declaration statements are issued for major products in accordance with the relevant EU environmental regulations, demonstrating the Company's commitment to reducing the environmental impact arising from product manufacturing. The main performance in 2025 is as follows:

(I) In Aug. 2025, the Company launched the rooftop solar power generation system at the Yilan factory to reduce dependence on fossil fuel energy. The system generated a cumulative total of approximately 400,000 kWh of electricity, and surplus power was sold back to Taiwan Power Company, thereby enhancing the efficiency of green energy utilization.

(II) In 2025, the Yilan factory achieved a waste recycling rate of 81.3%. It continued to promote environmental protection and energy-saving measures to reduce waste and promote resource recycling for reuse, mitigating the impact on the environment.

(III) In 2025, the Company promoted the introduction of recycled materials for various models, and designed and adopted eco-friendly packaging, gradually launching them into the market. All mainstream product models have begun using recycled metal materials or recycled plastic pellets, which account for more than 10% of their total weight. In addition, over 80% of printer components are recyclable and reusable, thereby supporting the realization of a circular economy. The outer boxes are FSC-certified eco-friendly cardboard, with at least 70% of the pulp sourced from FSC-certified forests. The cushioning materials are made of recycled pulp to reduce the environmental impact.

(IV) All products manufactured in 2025 continued to incorporate comprehensive energy-saving designs and complied with the U.S. Energy Star, California Energy Commission (CEC), and EU Energy-related Products (ErP) energy efficiency certifications, demonstrating the Company's commitment to reducing energy consumption and protecting the environment.

(V) The total carbon emissions of the Taiwan Headquarters and the Tianjin subsidiary in 2025 were 939 tons of CO_2e, which decreased by 8.64%compared to the previous year. Continuing to move toward carbon reduction goals.

II. Social responsibility

TSC Auto ID Technology is committed to becoming an outstanding and people-centered enterprise. The Company will continue to empower talent, enhance employee health and well-being, promote a diverse, equitable, and inclusive environment, support disadvantaged groups, and actively contribute to the sustainable development of communities, with the aim of building a more inclusive society. The main performance highlights in 2025 are described as follows:

(I) Strengthening communication: Through various communication channels, the Company conveys its policies and promotes understanding and collaboration between the organization and individuals, thereby enhancing overall organizational cohesion.

1. Through quarterly all-hands meetings, global management meetings, and monthly headquarters management meetings, the Company transparently and accurately communicates its policies and operational status while fostering cross-departmental discussions and collaboration.
2. In addition to communicating corporate policies, the all-hands meetings also include sharing of cross-departmental activities, such as the promotion of employee clubs and the sharing of team-building initiatives, thereby deepening employee interactions and fostering meaningful shared experiences.
3. The Company continues to publish the “Global News Quarterly” to share important updates from each branch and recognize outstanding employees, enabling employees across all locations to stay informed about one another and strengthening employee cohesion.
4. The Company has established a two-way communication platform between employers and employees through regular labor-management meetings, labor safety meetings, and monthly meetings for migrant workers to create a diverse, equitable, and inclusive workplace.
5. The Company promotes additional communication channels, including suggestion boxes, innovation proposals, performance journals, and grievance mailboxes, encouraging employees to actively share their ideas and feedback, and providing regular responses to employee input.
6. The Company continues to conduct annual employee engagement surveys and expands their scope globally. After the survey, the Company invites employees to jointly discuss and develop improvement initiatives, incorporates them into the Company’s annual objectives for execution and tracking, and works together to create an excellent workplace at TSC. In 2025, the Company provided English and localized language versions for the first time, reinforcing the principles of diversity, equality, and shared prosperity. In 2025, the overall response rate across the company reached 99%, up from last year, reflecting employees’ strong commitment to jointly creating a better workplace.

(II) Talent Empowerment: The Company implements diverse learning programs and supports employees in achieving their learning goals through self-developed “Individual Learning Plans,” further fostering a culture of learning that enables employees to leverage their strengths and driving continuous organizational progress.

1. In alignment with Company policies and training needs assessments, the Company plans a series of competency-based learning activities to enhance employees’ communication, proposal development, and collaboration skills, thereby supporting the achievement of organizational goals.
2. The Company organizes leadership experience workshops to enhance supervisors’ leadership skills and team collaboration, thereby strengthening internal organizational connections and performance.
3. Through the promotion and implementation of Individual Development Plans, employees can continuously grow their skills while achieving the Company’s objectives, gradually accomplishing their personal learning goals and advancing their career development.
4. To enhance employees’ innovative thinking, the Company launched the “Innovator DNA” Book Club and includes it as a mandatory course for new hires, encouraging self-study and knowledge sharing to instill the principles of the innovators’ DNA into employees’ behaviors, enhance their innovation capabilities, and foster a common organizational language and network.
5. The Company continues to enrich its book collection with new titles, encourages employees to recommend books, and strengthens promotional initiatives to foster a culture of shared reading and knowledge exchange while cultivating habits of continuous and self-directed learning among employees.
6. The Company implements annual performance management by aligning employees’ performance with team strategies through goal setting at the beginning of the period, ongoing real-time feedback and improvement, and end-of-period evaluations in order to collectively achieve the Company’s objectives.
7. The Company conducted quarterly outstanding employee selections through a nomination system, cultivating employees’ ability to recognize and appreciate others, and recognized awardees at all-hands meetings, reinforcing positive workplace behaviors and fostering a positive work environment.
8. The Company continues to operate the innovation committee and the employee innovation proposal program, offering substantial financial incentives to encourage innovation. It also provides the necessary resources to support employees in transforming their ideas into practical applications, enabling them to realize their full potential.

(III) Fostering a friendly workplace: The Company has established a number of measures to care for employees’ physical and psychological health and expanded care for employees’ daily lives.

1. The Company continued to provide new employees with annual leave benefits exceeding legal requirements, along with a buddy program for new hires. The Company established an employee care mechanism to support new hires during their transition, conducted interviews with them 1.5 months after onboarding to understand their adjustment, and provided timely assistance as needed. This aims to increase the retention rate of new hires (with a 92.59% probation pass rate in 2025) and enhance the Company’s competitiveness in the talent market.
2. The Company increases funding support for the buddy program, expands opportunities for interaction between new hires and experienced employees across departments, helps new employees quickly adapt to the corporate culture and work

environment, provides support in daily life, and enables employees to feel the Company's care and commitment to them.

3. The Company comprehensively reviews its internal policies and streamlines various procedures in compliance with the regulations, enabling employees to follow clear guidelines and improving operational efficiency.
4. The Company provides "TSC Family Care Leave," which exceeds legal requirements, offering employees additional leave beyond statutory entitlements and reducing the likelihood of employees taking unpaid leave or leaving the workforce to care for family members.
5. From 2025 onwards, the Company will provide a "TSC Fertility Treatment Leave" that exceeds legal requirements. We hope this will help employees and their spouses reduce psychological stress during their journey to conceive, encourage shared participation and responsibility between partners, and further establish a gender-equal and family-friendly work environment.
6. In 2025, new overseas business travel safety management guidelines were introduced to protect employees' rights and safety during business trips.
7. The Company implements a "Psychological Counseling Service," providing a toll-free consultation hotline available 24 hours a day, 365 days a year, including management-related consultation services. Through third-party professional and objective support, it helps employees resolve issues, relieve stress, and achieve physical and mental balance. The Company supplements this with a monthly "Sunny Mind Digest" to provide employees with more comprehensive psychological support.
8. In 2025, the first Mindfulness Week was held, featuring simple mindfulness practices and interactive activities to help employees maintain awareness and focus amid busy work, relieve stress, strengthen emotional regulation, and enhance psychological resilience and physical and mental balance.
9. Various employee benefits and care initiatives are integrated, and the "TSC Lohas Guidelines" is updated to provide employees with a more comprehensive understanding of available support and enable them to access it when needed.
10. Travel subsidies are provided to employees to allow them to fully rest outside of work, relieve stress from their environment and society, and recognize their continued dedication in their positions.
11. Team-building activities create opportunities for cross-departmental interaction, enabling employees to connect with employees they do not interact with in their work, build strong relationships, and foster greater collaboration.
12. Continue to provide a series of health and lifestyle seminars to increase daily functions and establish a high quality of life.
13. The company is organizing a "TSC Baby Camp" and will fully subsidize employees' children to attend the Carnegie summer character camp. Childhood is a crucial time for developing self-discipline and emotional management skills, which lay the foundation for self-confidence, communication, and interpersonal skills. Parents' participation in the process also contributes to the shared growth of family members and positive interpersonal interactions between families. In 2025, the second "TSC Baby Camp" was held, and children of employees who participated in the first camp were invited to return as camp mentors. Through interaction with participants, they internalized what they learned in the previous year and enhanced their leadership, influence, and self-management skills.
14. The first TSC Family Day was held at Taipei Dome in 2025, where employees and their families enjoyed an exciting baseball game and quality family time together. From pre-event introductions to basic baseball knowledge to the distribution of specially designed TSC caps on the day of the event, team cohesion was collectively demonstrated. Aiming to create wonderful memories unique to TSC for our

employees and their families, the Company continues to practice family friendliness and employee care to create a workplace culture with a sense of belonging.

(IV) Promoting diversity, equity, and inclusion: The Company jointly implements social responsibilities with the government and private sectors, hoping to create a more harmonious and inclusive society through the efforts of employees, families, and the Company.

1. In 2025, the Company received the RBA VAP Platinum Recognition and adhered to the requirements across the five key areas—labor, health and safety, environment, ethics, and management systems—to implement corporate social responsibility and meet stakeholder expectations while driving value chain partners to strengthen risk management and resilience across upstream and downstream supply chains.
2. In its second year of participation, the Company joined the “TALENT, in Taiwan: Taiwan Talent Sustainability Action Alliance,” and is creating a diverse and inclusive workplace through six strategic action principles: “Purpose and Value,” “Diversity and Inclusion,” “Rewards and Incentives,” “Well-Being and Health,” “Development and Growth,” and “Communication and Experience.”
3. Efforts are made to enhance awareness of sustainability and social responsibility, and to encourage employees to participate in ESG-related training, covering key topics such as overall corporate sustainability management, TCFD risk identification, corporate governance evaluations, DEI and inclusive workplaces, and information security.
4. The CSR Committee continues to operate, bringing employees together to discuss social responsibility issues and engaging them in a series of initiatives to fulfill social responsibilities. In 2025, participation in CSR activities reached a total of 212 instances, contributing 1,687 hours, with a total of 995 beneficiaries.
5. In 2025, the Company established the CSR Passport system. Through a point-and-reward mechanism, it encourages employees to actively participate in various CSR activities.
6. In collaboration with the nonprofit organization Eden Social Welfare Foundation, a series of initiatives were carried out to support children with developmental delays (“slow-flying angels”), with employees participating in companionship activities and donation programs to show their support through concrete actions. In 2025, a total of 330 hours were contributed to the Eden project, with charitable donations reaching NTD 216,101 and a total of 441 beneficiaries.
7. The first “Arbor Day” event was held in 2025 to encourage employees to support environmental sustainability through practical actions and put their green commitments into practice. The activities were also open to employees’ family members and friends, with a total of 100 employees and their relatives participating in the tree-planting event. Under professional guidance, land preparation and planting were completed, enhancing greenery and improving biodiversity at the site. Through collaboration and hands-on experience, employees’ awareness of sustainability issues was deepened, while also strengthening interaction and team cohesion among employees, their families, and friends.
8. Support the government's "Safe Employment Plan" to reward all units for hiring unemployed workers, successfully re-employ unemployed workers, and provide a diversified workforce.
9. The Company continues to participate in the “Industry–Academia Internship Program” jointly organized by the Financial Supervisory Commission and the Ministry of Education, and regularly conducts campus recruitment activities. By offering internship opportunities and recruiting fresh graduates, students are able to

gain early exposure to the workplace, helping to reduce graduate unemployment while promoting the employer brand.

III. Promote corporate governance

The Company has made a conscious effort to create a profit for our shareholders and strengthen our governance and ethical corporate management, and we continue to improve our operational information transparency as our pivotal policy toward corporate governance. In addition to providing general guidelines of conduct for directors and managers, the Company continues to achieve stable operating profits through product development, market development, and cost control. When the Company makes a profit, it also appropriately returns the profit to shareholders in accordance with the dividend policy set forth in the Articles of Incorporation. The main performance in 2025 is as follows:

(I) In 2025, the Company's ROIC (Return on Invested Capital) reached 10.06%, demonstrating efficient use of capital. The Company's ROE (Return on Equity) reached 17.85%, indicating effective utilization of shareholders' equity to generate strong returns.

(II) In 2025 (the 12th Corporate Governance Evaluation), the Company's corporate governance score increased from 70.58 to 89.91, ranking within the 6% ~ 20% tier among TPEx-listed companies. The Company continues to improve and refine its ranking in the corporate governance evaluation of TPEx-listed companies.

(III) In 2025, one additional female independent director was appointed, bringing the total number of female directors to two and promoting gender diversity on the Board. The Company continues to enhance directors' professional knowledge and competencies, and actively implements corporate governance practices, with its seven directors completing a total of 81 hours of continuing education.

(IV) Since 2024, a "Sustainability Development Committee" has been established, and its "Sustainability Development Committee Charter" has been formulated, current with one director and two independent directors(include one female director) appointed as members to strengthen the Company's sustainability governance.

(V) The "ISO/IEC 27001 Information Security Management System" certification was obtained (valid from Dec. 29, 2025 to Dec. 28, 2028), reinforcing the Company's information security culture.

(VI) Continued to improve information transparency and strengthen information disclosure to domestic and foreign investors as follows:

1. The Company was invited by the securities dealer to hold a total of 2 institutional investor conferences to explain the Company's operating performance to investors. Video and audio files for at least one institutional investor conference were disclosed on the MOPS for investors to review.
2. Record the Company's responses to shareholders' questions in the minutes of the shareholders annual general meeting. The video and audio files of the annual general meeting are also placed on the Company's website for investors to refer to.
3. Material information is published in English and on the Market Observation Post System (MOPS) and on the Company's website, the English version of the Shareholders Meeting Notice, Shareholder Meeting Handbook, Shareholder Meeting Annual Report, Shareholder Meeting Minutes, and Financial Report are disclosed at the same time.
4. The Company has formulated "concrete measures to enhance its corporate value," submitted them to the Board of Directors, and disclosed the relevant information on the Market Observation Post System under the "Corporate Value Enhancement Plan Zone," actively engaging in communication with shareholders and stakeholders.

(VII) Details of intellectual property management for 2025 are provided below and are also disclosed on the Company's official website:

1. The inventory of Bluebird's patents and trademarks has been completed.
2. Patent searches on major competitors have been completed.
3. The "Regulations Governing the Management of Patent and Trademark Rights" and the "Regulations Governing the Management of Copyrights and Trade Secrets" have been implemented.

(VIII) A contract has been signed with the Taiwan Depository & Clearing Corporation to adopt its "Shareholder Services eCounter Platform" for processing shareholder services via digital signatures, enhancing service efficiency, supporting environmental sustainability, and promoting carbon reduction.

(VIII) Enforcement of business integrity, deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	**N**	**Summary description**	
I. Establishment of integrity policies and solutions (I) Has the Company established a set of board-approved business integrity policies, and stated the policies and practices it implements to maintain business integrity in its Articles of Incorporation or external correspondence? Are the board of directors and the senior management committed to fulfilling this commitment?	✓		1. To establish a culture of ethical corporate management and ensure sound development, the Company has formulated the "Ethical Corporate Management Best Practice Principles," the "Ethical Behavior Guidelines," and the "Rules of Procedures for Ethical Management and Guidelines for Conduct," all of which have been approved by the Board of Directors and disclosed on the Company's website and the Market Observation Post System. 2. In Jun. 2025, all members of the Board and senior management signed the "Statement of Compliance with Ethical Corporate Management Policy," declaring their commitment to abide by the Company's ethical standards and relevant regulatory requirements. The signing completion rate among directors and senior executives reached 100%, demonstrating the Company's commitment to ethical business practices. 3. Furthermore, all employees have signed the "Integrity Commitment Statement and Conflict of Interest Disclosure," pledging to comply with the Company's integrity policies and regulations.	In compliance
(II) Has the Company developed systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conduct that include at	✓		In accordance with the preventive measures for various behaviors outlined in Article 7, Paragraph 2 of the "Code of Conduct for Listed Companies," our company has established the "Honest Business Operation Procedures and Conduct Guidelines," which were approved by the Board of Directors on May 10, 2024. Our company regularly assesses business activities within its scope that carry a higher risk of dishonest behavior and has established corresponding preventive measures.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
least the measures mentioned in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?				
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties, and grievance systems as part of its preventive measures against dishonest conduct? Are the above measures reviewed and revised on a regular basis?	✓		1. The Company's "Ethical Corporate Management Best Practice Principles," "Code of Ethical Behavior," and "Rules of Procedures for Ethical Management and Guidelines for Conduct" clearly prohibit the acceptance or receipt of improper benefits, the disclosure of company trade secrets, trademarks, patents, copyrights, and other intellectual property to others, engaging in unfair competition, insider trading, and actions that harm the interests of stakeholders. The rules also specify disciplinary actions and grievance procedures for violations of the ethical management regulations. If a violation of ethical conduct is significant, the employee may be dismissed or terminated according to relevant laws or company policies. In severe cases, the incident may be reported to regulatory authorities, referred to judicial authorities for investigation, or legal action may be taken to request compensation for damages, in order to protect the company's reputation and interests. 2. The Company regularly reviews the above-mentioned procedures to meet practical needs.	In compliance
II. Enforcement of business integrity (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?	✓		The company conducts business activities in a fair and transparent manner, requiring integrity clauses in external contracts to prevent dishonest behavior that could harm the Company's interests.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
(II) Does the Company have a unit directly under the board of directors that enforces business integrity? Does this unit report its progress regarding the implementation of the business integrity policy and prevention against dishonest conduct to the board of directors on a regular basis (at least once a year)?	✓		The company has designated the “Ethical Management Promotion Team” as the dedicated unit, reporting to the Board of Directors, to handle the revision, implementation, and supervision of the “Ethical Management Procedures and Code of Conduct.” This team is responsible for monitoring the execution of these procedures and will report to the Board at least once annually on the implementation of the ethical management policy and measures to prevent dishonest behaviors. For the “ethical management operations in 2025,” Please refer to Appendix 5 (Pages 105~106).	In compliance
(III) Does the Company have any policy that prevents conflicts of interests, and channels that facilitate the reporting of conflicts of interests?	✓		1. The Company has adopted the “Rules of Procedure for Board of Directors Meetings” to deal with conflicts of interest of directors. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item. They may not act as another director's proxy to exercise voting rights on that matter. 2. The company has established a “Ethical Behavior Guidelines,” which clearly stipulates that all employees, directors, and managers must not seek personal gain or take advantage of company property, information, or their position for personal benefit, nor engage in competition with the company. 3. For the implementation of the Directors' abstention from resolutions involving conflicts of interest in the 2025, please refer to the "Board of Directors' Operations" section of the "Corporate Governance Operations" section of this Annual report.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
(IV) Has the Company established effective accounting and internal control systems to implement ethical business practices, and has the internal audit unit, based on the assessment of risks related to unethical conduct, formulated corresponding Audit plans to examine the implementation of anti-corruption measures? Alternatively, has the Company engaged certified public accountants to perform such audits?	✓		To ensure the implementation of ethical management practices, the Company has established effective accounting systems and internal control mechanisms. These are regularly revised in response to changes in laws and internal management needs. Internal auditors conduct periodic reviews to ensure compliance with these systems.	In compliance
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		In addition to promoting the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Behavior," and "Rules of Procedures for Ethical Management and Guidelines for Conduct" on the Company's internal website to educate employees, the Company has also set up a "Whistleblower Box" and regularly conducts integrity management-related training. For further details, please refer to Please refer to Appendix 5 (Pages105~106) of the Company's "ethical management operations for 2025."	In compliance
III. Functioning of the Company's whistleblowing system (I) Does the Company provide incentives and means for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconduct?	✓		1. The Company has established a whistleblowing system in the "Ethical Behavior Guidelines," "Ethical Corporate Management Best Practice Principles," and "Rules of Procedures for Ethical Management and Guidelines for Conduct," and protects the rights and interests of whistleblowers. On Nov. 8, 2023, the Company's board of directors approved the establishment of the "Regulations Governing the	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
			Whistleblower Reporting and Protection System" and set up a whistleblower email to provide both internal and external personnel with a platform for reporting crimes, fraud, or violations. The Company's Audit Office is the unit that accepts and investigates whistleblowing cases. 2. The information on whistleblowing channels are as follows: Email:tscwb@tscprinters.com Mailing Address: 9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City 231023, Taiwan TSC Auto ID Technology Co., Ltd., Audit Office	
(II) Has the Company implemented any standard procedures for handling reported misconduct, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	✓		1. The "Regulations Governing the Whistleblower Reporting and Protection System" stipulates the conditions for accepting whistle-blowing cases, investigation procedures, follow-up measures for investigation reports, and protection of whistle-blowers. 2. Criteria for accepting reports To obtain sufficient information on the reported incident for expediting the acceptance and investigation of the case, the whistleblower shall at least submit the following information: (1) The whistleblower's actual name, ID card number, and valid contact information. The so-called contact methods include but are not limited to telephone numbers, mailing addresses, and e-mail addresses. (2) The respondent's name or other information that is sufficiently identifiable. (3) The specific content of the reported case, the time of occurrence, and the location of the violation, with specific evidence and relevant information for investigation.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
			(4) For those who are anonymous or do not provide their real name and contact information, if the person being reported and the content of the report are specific and clear, and are accompanied by verifiable information, and the receiving unit deems it necessary to investigate, it may still be accepted. 3. Investigation procedure (1) After a case is accepted, the whistleblower's identity and the content of the report shall be kept confidential and shall not be disclosed. Persons who know the identity of the whistleblower and the reported contents due to the investigating unit initiating the investigation or for the performing of his/her duties or business, shall kept these information confidential. Any violation will result in the person being suspended from participating in the follow-up procedure and will face disciplinary measures of the Company. However, if the disclosure is approved by the whistleblower, or there is an investigation need, such as: evidence required by a court of law, or considerations of public safety, this shall not apply; the whistleblower shall also be bound by the obligation of confidentiality.	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
			(2) After the investigation unit accepts the case, it shall report to the Chairman and, if necessary, the President; if the case involves any directors or senior management with duties equivalent to associate managers or higher, the matter must be reported to the Audit Committee. (3) The investigating unit shall ascertain the relevant facts immediately, and may, if necessary, engage relevant departments for assistance, or engage external independent professionals to assist in the investigation. (4) When receiving the notice to assist the investigation, the personnel of the relevant units have the responsibility to accept the interview, reply faithfully, provide relevant information and maintain confidentiality. (5) After the completion of the investigation, if the respondent is a general employee, the investigation unit shall report to the Chairman in writing and notify the general manager; if the respondent involves a director or senior management with duties equivalent to an assistant general manager or higher, the investigation report shall be submitted to the Company's Audit Committee and the audit unit will make revisions (if any) to the report based on the opinions of the Audit Committee and submit the revised report to the Chairman for approval, and then to the Board of Directors for approval. 4. Subsequent treatment Substantiated whistleblowing cases shall be handled in accordance with the following procedures: Immediately request the person being reported to stop the relevant behavior, and pursue legal responsibility according	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
			to the relevant laws and regulations or disciplinary actions in accordance with the relevant regulations of the Company. If the circumstances are serious, the person may be subject to dismissal or termination, and if necessary, through legal proceedings to claim for damages, in order to maintain the Company's reputation and rights. (1) Relevant departments will submit a written review and improvement measures to the investigation unit to follow up until the improvement measures are completed. (2) For cases involving material violations or violations that are likely to cause material damage to the Company, the relevant departments are to report to the Audit Committee for follow-up handling and review of corrective measures. (3) When necessary, the Company shall report to the competent authorities or refer the matter to the judicial authorities for investigation and seek compensation for damages through legal proceedings, in order to protect the Company's reputation and rights. 5. Whistleblower Protection The Company shall protect whistleblowers in the following ways: (1) The identity of the whistleblower shall be kept confidential, and no information that can identify the whistleblower shall be disclosed. (2) The whistleblower shall not be dismissed, discharged, demoted or reduced salary, or damaged on the rights and interests they are entitled to according to laws, contracts, or customs, or any other unfavorable punishment due to the whistleblowing. However, the following is with exception: The Company makes organizational	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	N	Summary description	
			reorganization, merger, or abolishment for business purposes or management which is not directed at the individual whistleblower as punishment; or, when it is verified by the Company of other illegal or improper behaviors of the whistleblower. If the whistleblower or investigator has been treated unfairly, threatened, intimidated, retaliated or subjected to any other unfavorable act for reporting on or participating in the investigation, they shall report to the handling unit or the investigating unit immediately, and the handling unit or the investigating unit may, depending on the severity of the situation, report it to the police, or notify all independent directors.	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Y	**N**	**Summary description**	
(III) Does the Company have appropriate measures in place to protect whistleblowers from retaliation?	✓		1. The Company has established the "Regulations Governing the Whistleblower Reporting and Protection System." There is also a whistleblower protection system, which stipulates that the whistleblower shall not be dismissed, demoted, reduced in salary, or face damages to the rights that he/she is entitled to according to the laws, contracts, or customs of the whistleblower, or other unfavorable disposition due to whistleblowing. If the whistleblower or investigator has been treated unfairly, threatened, intimidated, retaliated or subjected to any other unfavorable act for reporting on or participating in the investigation, they shall report to the handling unit or the investigating unit immediately, and the handling unit or the investigating unit may, depending on the severity of the situation, report it to the police, or notify all independent directors. 2. The Company did not receive any whistleblowing incidents in 2025.	In compliance
IV. Enhanced information disclosure Has the Company disclosed its Ethical Corporate Management Best Practice Principles and progress on its website and MOPS?	✓		The Company discloses relevant policies such as the "Ethical Corporate Management Best Practice Principles," "Ethical Behavior Guidelines," "Corporate Governance Best Practice Principles," "Procedures for Prevention of Insider Trading and Handling Material Internal Information," and "Rules of Procedures for Ethical Management and Guidelines for Conduct" on the Market Observation Post System and the Company website (www.tscprinters.com)for the reference of investors and employees. Additionally, the Company regularly updates the progress and results of these initiatives on its website.	In compliance

<table>
<tr><th rowspan="2">Assessment criteria</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description</th></tr>
<tr><td colspan="5">V. If the Company has established business integrity policies in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles: No material difference</td></tr>
<tr><td colspan="5">VI. Other information relevant to understanding business integrity within the Company (e.g. review of business integrity principles amended by the Company): Please refer to Tables 1 through 4 for details.</td></tr>
</table>

(Appendix 5)

2025 Ethical management operations Report

Board of directors report date: Dec. 26, 2025

The Company has established the "Ethical Corporate Management Best-Practice Principles," "Code of Ethical Conduct," "Corporate Governance Best-Practice Principles," "Procedures for Preventing Insider Trading and Handling Material Inside Information," "Whistleblower Reporting and Protection System Management Measures," and "Procedures for Ethical Management and Guidelines for Conduct." These regulations have been approved by the Board of Directors to strengthen the Company's corporate culture of ethical management practices and ensure sound development.

The Company has designated the "Ethical Management Promotion Team" as the dedicated unit responsible for formulating and overseeing the implementation of ethical management policies and prevention measures, which reports to the Board of Directors. It is staffed with qualified personnel to handle the formulation, revision, and execution of the "Procedures for Ethical Management and Guidelines for Conduct." The primary responsibilities of the team are as follows, with regular reports (at least once a year) submitted to the Board of Directors.

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Planning a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effective, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policies and compliance statements, situations concerning the performance of undertakings and enforcement etc.

The Board of Directors of the Company exercises the duty of care expected of good administrators, urging the Company to prevent unethical conduct and ensuring the implementation of its ethical corporate management policies. Please refer to the table below for the implementation of ethical management this year:

No.	Description
1	All directors and senior management of the Company signed the "Declaration of Compliance with the ethical Management Policy" in 2025, pledging to adhere to the Company's Ethical Corporate Management Best-Practice Principles and the relevant ethical management regulations issued by competent authorities. The signing rate reached 100%, demonstrating a firm commitment to implementing the ethical management policy.

<table>
<tr><td>2</td><td>Directors of the Company who have a personal interest in any matter proposed for consideration by the Board shall comply with the relevant provisions on directors' recusal set forth in the Company's "Rules of Procedure for Board of Directors Meetings."</td></tr>
<tr><td>3</td><td>All employees of this Company have signed the "Integrity Commitment Statement and Voluntary Declaration of Conflict of Interest Avoidance," pledging to comply with all integrity regulations established by the Company.</td></tr>
<tr><td>4</td><td>The Company's official website features the "Ethical Corporate Management Best-Practice Principles," "Code of Ethical Conduct," "Corporate Governance Best-Practice Principles," "Procedures for Preventing Insider Trading and Handling Material Inside Information," "Whistleblower Reporting and Protection System Management Measures," and "Procedures for Ethical Management and Guidelines for Conduct" to promote awareness among employees. A dedicated "Reporting Mailbox" is also established on the company website.</td></tr>
<tr><td>5</td><td>For information regarding training on ethical management issues, please see below:
<table>
<tr><th>Education and training</th><th>No. of people</th><th>Hours</th></tr>
<tr><td>Prevention of Insider Trading and Case Analysis</td><td>334</td><td>78</td></tr>
<tr><td>Intellectual Property Rights</td><td>212</td><td>419</td></tr>
<tr><td>Introduction to Law and Life</td><td>27</td><td>27</td></tr>
</table></td></tr>
<tr><td>6</td><td>No whistleblowing incidents reported.</td></tr>
</table>

(IX) Other important information that may enhance understanding of the Company's corporate governance practices: For matters related to the Company's governance, such as religion and corporate disclosure governance, please refer to the public information placement station or the Company's website for inquiries.

1. The Company directors' continuing education in 2025 is as follows:

Title	Name	Date	Course	Hours
Chairman	Wang Hsing Lei	2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	6
		2025/08/12	Introduction to the US tariff and advance pricing agreement (APA)	
Director	Wang Shiu Ting	2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	6
		2025/08/12	Introduction to the US tariff and advance pricing agreement (APA)	
Rep. of corporate Director	Luo Yue Gui	2025/12/05	New perspectives on corporate hedging: Seminar on exchange rate challenges and asset management trends	27
		2025/11/13~ 2025/11/14	Continuing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	
		2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	
		2025/08/22	2025 TS Holdings Net Zero Summit	
		2025/08/12	Introduction to the US tariff and advance pricing agreement (APA)	
		2025/07/22	2025 TWSE/TPEx and Emerging Stock Market Insider Shareholding Seminar	
Director	Chen Ming Yi	2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	9
		2025/09/25	International Economic Situation and Taiwan's Industrial Trends Under Trump 2.0	
		2025/09/18	Digital technology, artificial intelligence trends, and risk management	
Independent Director	Ma Chia Ying	2025/11/21	2025 Seminar on Legal Compliance for Insider Equity Trading	15
		2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	

Title	Name	Date	Course	Hours
		2025/09/02	Best Practices for Fair Customer Treatment and Financial Inclusion in the Insurance Industry	
		2025/08/28	Climate Risks and Social Responsibility: The Path of Sustainable Transformation for the Financial Insurance Industry	
		2025/08/12	Introduction to the US tariff and advance pricing agreement (APA)	
Independent Director	Lin Tuo Zhi	2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	6
		2025/08/12	Introduction to the US tariff and advance pricing agreement (APA)	
Independent Director	Lin Hsin Tien	2025/10/13	ESG/CSR and Sustainable Governance: Prevailing Trend in 2025	12
		2025/09/18	Digital technology, artificial intelligence trends, and risk management	
		2025/08/12	Introduction to the US tariff and advance pricing agreement (APA)	
		2025/08/08	2025 TWSE/TPEx and Emerging Stock Market Insider Shareholding Seminar	

2. Report on the "Intellectual Property Management Plan" for 2025 (Board of Directors Report Date: Dec. 26, 2025)

I. Management objectives

TSC focuses on barcode printing, automatic identification, and labeling system products as its core business. In 2024, it acquired Bluebird Inc. (hereinafter referred to as “Bluebird”) to expand its global market presence. To address product line diversification and the need for technological integration, the objectives of intellectual property (hereinafter referred to as “IP”) management are as follows:

1. To establish a comprehensive portfolio of patents, designs, trademarks, and trade secrets to strengthen technological protection.
2. To enhance the commercialization and licensing effectiveness of IP, positioning it as an operational asset.
3. To build IP risk management mechanisms for mergers and acquisitions as well as international business operations.
4. To enhance the institutionalization and international sophistication of the organizational IP management.

II. Management strategies

1. Strengthening Technology Portfolio: From the outset of R&D, the Company conducted intellectual property searches and evaluations, filing patents and design applications for technologies including printing modules, image recognition, wireless communication, and software control, while simultaneously reviewing Bluebird's rights.
2. Market-Driven Strategy: Prioritize patent applications and maintenance based on sales markets (Taiwan, Asia, Americas, Europe) to ensure core technologies are protected in key markets.
3. System construction: Formulate the "Management Regulations for Intellectual Property Rights" to specify procedures for patent application, authorization, maintenance, confidentiality, and trade secret protection, and implement them jointly through the R&D, legal, and strategic units.
4. Confidentiality and trade secret management: R&D and design personnel are required to sign confidentiality agreements, and a "technical list + access control" system is implemented to ensure key technologies are not leaked.
5. Monitoring and defense of intellectual property: Review potential infringement risks and establish alerting and response mechanisms.
6. Incentives: Offer rewards for employee inventions to encourage R&D innovation.

III. Implementation status

1. Patents and design results: The several patents and design applications have been filed.
2. Bluebird technology integration: The review and inventory of its patents and trademarks have been completed.
3. Risk Monitoring: The Company has completed patent searches of its major competitors.
4. Institutional implementation: The "Management Regulations for Intellectual Property Rights" have been enacted, and the confidentiality agreement signing rate for new employees has reached 100%.
5. Conversion Benefits: Selected patented technologies have been integrated into next-generation label printers and handheld terminal products, and a cross-departmental technology licensing pilot program has been initiated.

IV. Discrepancies and improvements

Compared to 2024, this year's approach shifts from "application-based acquisition" to "operational transformation,", incorporating merger and acquisition integration as well as cross-border intellectual property management. The management framework, previously led by R&D units, has been upgraded to a collaborative mechanism integrating "R&D + Legal + Strategy," enhancing decision-making efficiency and international defense capabilities.

V. Plans for the next stage

1. Patent quality enhancement: Establish patent value assessment to eliminate low-value rights and focus on high-value technologies.

2. Technology licensing system: Promote internal and external licensing collaborations to strengthen intellectual property commercialization.
3. Post-merger integration deepening: Complete integration of Bluebird's technology and trademarks while managing rights maintenance and registration.
4. International Defense Strengthening: Establish infringement monitoring and response processes for US, European, and Asian markets.

Conclusion:

The 2025 IP Management Plan of TSC marks the Company's steady transition from a purely technology protection phase to an operational IP and international management phase. By fully optimizing the IP portfolio, deepening merger integration, and establishing a global defense network, we aim to ensure that innovative achievements are transformed into core competitive assets that support the Company's long-term and sustainable growth.

3. Report on the "Enterprise Value Enhancement Plan" for 2025 Disclosed on the Public Information Observation Station after being submitted to the Board of Directors Report on Dec. 26, 2025.

(X) Internal control system and execution

1. Internal Control Statement: Please go to the MOPS > Single Company> Corporate Governance > Company Rules/Internal Control > Internal Control Statement Announcement to query.
2. If the internal control system was reviewed by an external CPA, the result of such review should be disclosed: None

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

1. Major resolutions of the 2025 annual shareholder's meeting:

Date	Major resolutions	Summary of resolutions	Execution progress
2025.6.17	Acknowledgment of the 2024 Business Report and Financial Statements	Adopted by unanimous consent from all participating shareholders	Executed as resolved.
		No. of votes in favor：30,291,472 (including electronic votes：29,196,371)	
		No. of votes against：7,203 (including electronic votes：7,203)	
		Invalid votes：0	
		No. of votes abstained and non-voting votes：48,214 (including electronic votes：37,466)	
		No. of voting rights of shareholders present：30,346,889	
	Acknowledgment of the 2024 Earnings Distribution	Adopted by unanimous consent from all participating shareholders	The dividend record date was set on Jul. 28, 2025, and the dividend distribution was completed on Aug. 15, 2025 (cash dividends of NT$9.98075290 per share).
		No. of votes in favor：30,299,668 (including electronic votes：29,204,567)	
		No. of votes against：7,605 (including electronic votes：7,605)	
		Invalid votes：0	
		No. of votes abstained and non-voting votes：39,616 (including electronic votes：28,868)	
		No. of voting rights of shareholders present:30,346,889	
	Amendment to the「Articles of Incorporation」	Adopted by unanimous consent from all participating shareholders	According to the revised measures. The New Taipei City Government approved the company's application for change of
		No. of votes in favor：30,299,013 (including electronic votes：29,203,912)	
		No. of votes against：7,208 (including electronic votes：7,208)	
		Invalid votes：0	
		No. of votes abstained and non-voting votes：40,668 (including electronic votes：29,920)	

<table>
<tr><th>Date</th><th>Major resolutions</th><th>Summary of resolutions</th><th>Execution progress</th></tr>
<tr><td rowspan="7"></td><td></td><td>No. of voting rights of shareholders present：30,346,889</td><td>registration on July 18, 2025.</td></tr>
<tr><td rowspan="6">Amendment to the「Procedures for Lending Funds to Other Parties」</td><td>Adopted by unanimous consent from all participating shareholders</td><td rowspan="6">According to the revised measures and upload to the MOPS</td></tr>
<tr><td>No. of votes in favor：30,298,837
(including electronic votes：29,203,736)</td></tr>
<tr><td>No. of votes against：10,609
(including electronic votes：10,609)</td></tr>
<tr><td>Invalid votes：0</td></tr>
<tr><td>No. of votes abstained and non-voting votes：37,443
(including electronic votes：26,695)</td></tr>
<tr><td>No. of voting rights of shareholders present：30,346,889</td></tr>
<tr><td rowspan="8">2025.6.17</td><td rowspan="2">Election of Directors</td><td>• No. of votes for elected Directors：
1. Wang Shiu Ting：23,123,411
2. Wang Hsing Lei：28,308,904
3. Taiwan Semiconductor Manufacturing Co., Ltd. Rep of corporate Luo Yue Gui：21,847,492
4. Chen Ming Yi：20,894,686</td><td rowspan="2">The New Taipei City Government approved the company's application for change of registration on July 18, 2025.</td></tr>
<tr><td>• No. of votes for elected Independent Directors：
1. Ma Chia Ying：27,234,011
2. Lin Tuo Zhi：27,034,579
3. Lin Hsin Tien：26,962,323</td></tr>
<tr><td rowspan="6">Lifting of non-competition restrictions for new Directors</td><td>Adopted by unanimous consent from all participating shareholders</td><td rowspan="6">The non-compete restrictions on the newly appointed directors and their representatives have been lifted.</td></tr>
<tr><td>No. of votes in favor： 30,213,117
(including electronic ：29,185,506)</td></tr>
<tr><td>No. of votes against：27,463
(including electronic votes：27,463)</td></tr>
<tr><td>Invalid votes：0</td></tr>
<tr><td>No. of votes abstained and non-voting votes：106,309
(including electronic votes：28,071)</td></tr>
<tr><td>No. of voting rights of shareholders present:30,346,889</td></tr>
</table>

2. Major board of directors resolutions in 2025:

Date	Meeting	Major resolutions	Outcome
2025.03.14	The 6th Meeting of the 20th	1. Acknowledged appointment of the "Head of Finance and Spokesperson." 2. "Statement of Internal Control System" for 2024 3. Adjustment of the Company's "Organizational Structure 4. 2024 distribution of remuneration to employees and directors 5. Presentation of the 2024 business report and financial statements. 6. Presentation of the 2024 earnings appropriation. 7. Amendments to the Company's Articles of Incorporation 8. Election of Directors 9. List of Director candidates nominated by the Board of Directors 10. Release of non-competition restrictions for the Company's directors 11. Matters related to the convening of the 2025 annual general meeting. 12. Change of CPA in conjunction with Deloitte Taiwan's internal rotation arrangement 13. Evaluation of the independence and suitability of CPAs. 14. Lending of funds to an indirectly 100%-owned subsidiary of the Company, MGN sp. z o. o. 15. The "2025 Work Plan" of the Sustainable Development Committee 16. First and second exercise of employee warrant to common stock in 2020 17. Taiwan Bank's credit line application 18. SinoPac Bank's credit and financial transaction hedging limit application 19. CTBC Bank's credit and financial transaction hedging limit application 20. Cathay United Bank's credit and financial transaction hedging limit application	**Adopted by unanimous consent from all participating directors after consultation with the chairman**
2025.05.09	The 6th Meeting of the 21th	1. The Consolidated Financial Report for 2025 Q1 2. Amendment to the "Regulations Governing the Management of Properties 3. Provision of Funding to the Company's 100%-owned subsidiary in Poland, Mosfortico Investments sp. z o. o. 4. First and second exercise of employee warrant to common stock in 2020	**Adopted by unanimous consent from all participating directors after consultation with the chairman**
2025.06.17	The 7th Meeting of the 1st	1. Election of the 7th Chairperson of the Board 2. Appointment of the Company's General Manager	**Adopted by unanimous consent from all participating directors after consultation with the chairman**

Date	Meeting	Major resolutions	Outcome
2025.06.26	The 7th Meeting of the 2nd	1. Change of CPA firm and attesting CPA 2. Evaluation of the independence and suitability of CPAs. 3. Repeal of the "Procedure of Pre-approval Review Procedures for Non-Assurance Services" 4. Establishment of general principles for the Company's policy on pre-approval of non-assurance services 5. Establishment of the appropriation of earnings for 2024 6. Appointment of members to the 6th remuneration committee 7. Appointment of members to the 2nd sustainability committee	**Adopted by unanimous consent from all participating directors after consultation with the chairman**
2025.08.08	The 7th Meeting of the 3rd	1. The Consolidated Financial Report for 2025 Q2 2. Change of the Chief Accounting Officer of the Company. 3. Amendment to the Company's "Table of Approval Authorities" 4. Amendment to the Company's "Internal Audit System and Enforcement Rules" 5. Provision of loaning funds from 100%-owned Subsidiary Diversified Labeling Solutions, Inc. to the Company. 6. 2024 Sustainability Report 7. Application of credit limit with Taishin Bank 8. Application of credit limit with KGI Bank. 9. Application of credit limit with First Commercial Bank. 10. Credit line application of Far Eastern Commercial Bank. 11. Credit line application for DBS (Taiwan) Commercial Bank. 12. First and second exercise of employee warrant to common stock in 2020	**Adopted by unanimous consent from all participating directors after consultation with the chairman**
2025.11.07	The 7th Meeting of the 4th	1. The Consolidated Financial Report for 2025 Q3 2. Establishment of the Scope of Entry-Level Employees of the Company 3. Amendment to the "Personnel Appointment Regulations," "Employee Transfer and Promotion Regulations," and "Employee Retirement Regulations" 4. Amendments to the "Operating Procedures for Lending of Funds to Others" and the "Procedures for Prevention of Insider Trading and Handling Material Inside Information" 5. Amendment to the "Internal Control System" 6. Provision of an endorsement and guarantee for an 100%-owned Polish subsidiary of the Company, MGN sp. z o. o. 7. The second exercise of employee warrant to common stock in 2020. 8. Designation of senior management personnel to supervise and control the company's derivative transactions	**Adopted by unanimous consent from all participating directors after consultation with the chairman** n
2025.12.26	The 7th Meeting of the 5th	1. Formulation of the 2026 audit plan 2. Amendment to the "Internal Control System" 3. Amendment to the "Personal Data Protection Management Regulations" 4. Lending of funds to an indirectly 100%-owned Polish subsidiary of the Company, MGN sp. z o. o. 5. Provision of an endorsement and guarantee for an indirectly 100%-owned Polish subsidiary of the Company, MGN sp. z o. o.	**Adopted by unanimous consent from all participating directors after consultation with the chairman**

Date	Meeting	Major resolutions	Outcome
		6. Application of credit limit with CTBC Bank. 7. Application of credit limit with Yuanta Bank. 8. “2026 business plan”	
2026.03.13	The 7th Meeting of the 6th	1. “Statement of Internal Control System” for 2025 2. Presentation of the 2025 business report and financial statements. 3. 2025 distribution of remuneration to employees and directors 4. Presentation of the 2025 earnings appropriation. 5. Matters related to the convening of the 2026 annual general meeting. 6. Evaluation of the independence and suitability of CPAs. 7. Amendment to the "Accounting System" 8. Amendment to the "Organizational Regulations of the Sustainable Development Committee" 9. Appointment of a “Chief Sustainability Officer” of the Company. 10. The “2026 Work Plan” of the Sustainable Development Committee 11. Provision of an endorsement and guarantee for an indirectly 100%-owned Polish subsidiary of the Company, MGN sp. z o. o. 12. CTBC Bank’s credit and financial transaction hedging limit application 13. Taiwan Bank’s credit line application	**Adopted by unanimous consent from all participating directors after consultation with the chairman**

(XII) Documented opinions or declarations made by directors or supervisors against board resolutions in the last year and up until the publication date of the annual report: None.

IV. Information on CPA professional fees：

Unit: NT$ thousand

Name of accounting firm	Name of CPA	Auditor’s audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte	Chang Li Chun Fan You Wei	2025.01.01~ 2025.03.31	1,099	–	1,099	–
KMPG	Guo Yan Glun Xiao Pei Ru	2025.04.01 ~ 2025.12.31	4,369	5,088 (Note)	9,457	–

Note: Tax-related visas, transfer pricing, group master reports, salary information checklist for full-time employees who do not hold managerial positions, relationship report accounting review report, royalty planning, sustainability information disclosure consulting services, and limited reliance services for sustainability reports.

(I) Disclosure of any replacement of accounting firms that resulted in a reduction of audit fees paid along with the amount and reason for the reduction, as compared to the year before the replacement: None.

(II) For audit fees that reduced by 10% or more compared to the previous year, disclose the amount, percentage and reason for the reduction: None.

V. Information on changes of CPAs：

(1) About the former CPA

<table>
<tr><td>Date of replacement</td><td colspan="4">Mar. 14, 2025</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="4">In order to maintain the independence of its accountants and implement an internal rotation mechanism, Deloitte and Touche CPA Firm, has changed its certifying accountants from Ms. Chang Li Chun and Mr. Fan Youwei to Ms. Chang LiChun and Mr. Guo Wen-Ji since the 2025Q1.</td></tr>
<tr><td rowspan="3">Explanation for the appointment terminated or unaccepted by the client or the CPA.</td><td colspan="2">Party
Status</td><td>CPA</td><td>Principal</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td colspan="2" rowspan="2">N/A</td></tr>
<tr><td colspan="2">No longer accepting (continuing) appointment</td></tr>
<tr><td>Reasons for issuing opinions other than unqualified opinions in the last 2 years</td><td colspan="4">For the Company's consolidated Financial Statements for Q1, 2025 Report, because the Financial Statements of non-material subsidiaries have not been reviewed by the accountants, and the accountants have issued qualified opinion.</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">The disclosure of the accounting principles or practices report</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="2">Audit Scope or Procedure</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Note: N/A</td></tr>
<tr><td>Other disclosures
(Things to be disclosed in Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Guidelines)</td><td colspan="4">None</td></tr>
</table>

<table>
<tr><td>Date of replacement</td><td colspan="3">Jun. 26, 2025</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="3">The original auditors for the Company's Financial Statements were Chang Li-Chun and Kuo Wen-Chi of Deloitte Touche CPA Firm. Due to the needs of the Company's business and internal management and to strengthen corporate governance, starting from the 2025Q2, the auditors for the Company's financial statements have changed to Guo Yan Glun and Hsiao Pei Ru of KPMG CPA Firm.</td></tr>
<tr><td rowspan="3">Explanation for the appointment terminated or unaccepted by the client or the CPA.</td><td>Party
Status</td><td>CPA</td><td>Principal</td></tr>
<tr><td>Voluntary termination of appointment</td><td></td><td>✓</td></tr>
<tr><td>No longer accepting (continuing) appointment</td><td></td><td></td></tr>
<tr><td>Reasons for issuing opinions other than unqualified opinions in the last 2 years</td><td colspan="3">For the Company's consolidated Financial Statements for Q2 and Q3, 2025 Report, because the Financial Statements of non-material subsidiaries have not been reviewed by the accountants, and the accountants have issued qualified opinion.</td></tr>
</table>

<table>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td>The disclosure of the accounting principles or practices report</td></tr>
<tr><td></td><td>Disclosure of financial reports</td></tr>
<tr><td></td><td>Audit Scope or Procedure</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>None</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Note: N/A</td></tr>
<tr><td>Other disclosures (Things to be disclosed in Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Guidelines)</td><td colspan="3">None</td></tr>
</table>

(2) Information on the succeeding CPA

Name of firm	Deloitte Taiwan
Name of CPA	Chang Li Chun 、 Guo Wen Ji
Date of appointment	Mar. 14, 2025
Prior to the appointment, opinions and consultation results may be issued on the accounting treatment or accounting principles of specific transactions and Financial Statements	N/A
Written opinions of the successor CPA on matters of disagreement with the former CPA	None

Name of firm	KPMG
Name of CPA	Guo Yan Glun、Xiao Pei Ru
Date of appointment	Jun. 26, 2026
Prior to the appointment, opinions and consultation results may be issued on the accounting treatment or accounting principles of specific transactions and Financial Statements	N/A
Written opinions of the successor CPA on matters of disagreement with the former CPA	None

(3) The reply of the former CPA in accordance with Article 10, Paragraph 6, Item 1 and 2-3 of the Guidelines: None.

VI. Information regarding any service within the past year by the Chairperson, general manager, or managers responsible for finance or accounting at the CPA firm attesting the Financial Statements or its affiliates: None.

VII. Details of shares transferred or pledged by Directors, Supervisors, Managers, and Shareholders with more than 10% ownership interest in the last year and up until the publication date of the annual report：

(I) Changes in shareholdings and pledges of directors, managers and shareholders holding more than 10% of the shares: Please go to the MOPS > Company > Shareholding Changes/Securities Issuance > Shareholding Transfer Information Inquiry > Post-Insider Shareholding Change Report Form to query.

(II) Transfer of shareholding: None.

(III) Information on shares pledged: Not applicable as no share was pledged to related parties.

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

Apr. 18, 2026

Name	Shares held in own name		Shares held by spouse and underage children		Total shares held in the names of others		Names and relationships of top-ten shareholders characterized as spouse or second-degree relative or closer, as defined in Statements of Auditing Standards No. 6		Remarks
	No. of shares	Hold shares %	No. of shares	Hold shares %	No. of shares	Hold shares %	Name	Relation	
Taiwan Semiconductor Company Limited Company	16,995,230	35.74%	0	0	0	0	Wang Shiu Ting	Taiwan Semiconductor Company Limited - Chairman	None
Rep.: Wang Shiu Ting	See below for details	See below for details	See below for details	See below for details	See below for details	See below for details	See below for details	See below for details	None
Standard Chartered Custodianship of Fidelity Puritan Trust: Fidelity Low Price Stock Fund	2,544,911	5.35%	0	0	0	0	None	None	None
Taiwei Advanced Co., Ltd.	1,795,000	3.77%	0	0	0	0	None	None	None
Rep.: Chang Tai Wei	0	0.00%	0	0	0	0	None	None	None
Leiting Co., Ltd.	1,473,648	3.10%	0	0	0	0	None	None	None
Rep.: Lan Wan Ting	85,714	0.18%	0	0	0	0	None	None	None
Wang Shiu Ting	948,826	2.00%	0	0	362,930	0.80%	Taiwan Semiconductor Company Co., Ltd.	Chairman	None
							Wang Hsiu Peng	Second-degree relative	None
Nan Shan Life Insurance Company Ltd.	721,021	1.52%	0	0	0	0	None	None	None
Rep.: Yin Chong-Yao	0	0.00%	0	0	0	0	None	None	None
Li Fang Chiang	631,530	1.33%	0	0	0	0	None	None	None
Wang Hsiu Peng	505,902	1.06%	0	0	0	0	Wang Shiu Ting	Second-degree relative	None
Standard Chartered Bank Trustees, part of the Fidelity Group, provides employee benefit plans	500,838	1.05%	0	0	0	0	None	None	None
HSBC Custody Fidelity Puritan Trust Fidelity Low-Price Stock K6 Fund Investment Account	480,046	1.01%	0	0	0	0	None	None	None

IX. Information on investments jointly held by the Company, the Company's Directors, Supervisors, Managers, and Enterprises directly or indirectly controlled by the Company and the aggregate shareholding:

Unit: thousand shares；%

Business investment (Note 1)	The Company's investment		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Comprehensive investment	
	No. of shares	Hold shares %	No. of shares	Hold shares %	No. of shares	Hold shares %
TSC Auto ID Technology EMEA GmbH	(Note 2)	100.00	-	-	(Note 2)	100.00
TSC Auto ID (H.K.) Ltd.	12,711	100.00	-	-	12,711	100.00
TSC Auto ID Technology America Inc.	16,000	100.00	-	-	16,000	100.00
Tianjin TSC Auto ID Technology Co., Ltd.	-	-	(Note 2)	100.00	(Note 2)	100.00
TSC Auto ID Technology ME, Ltd. FZE	-	-	(Note 2)	100.00	(Note 2)	100.00
TSC Auto ID Technology Spain, S.L.	-	-	(Note 2)	100.00	(Note 2)	100.00
Diversified Labeling Solutions, Inc.	1	100.00	-	-	1	100.00
Precision Press & Label, Inc.	-	—	850	100.00	850	100.00
TSC Auto ID Technology India Private Ltd.	710	100.00	-	-	710	100.00
Mosfortico Investments sp. z o.o. (Note 4)	(Note 3)	100.00	-	-	(Note 3)	100.00
MGN sp. z o. o.	-	-	2	100.00	2	100.00
Bluebird Inc.	7,010	98.85	—	—	7,010	99.85
Bluebird USA Inc. (Note 5)	-	-	(Note 3)	100.00	(Note 3)	100.00
Bluebird India R&D Center Private Ltd. (Note 5)	-	-	990	99.00	990	99.00
Bluebird Europe SL (Note 5)	-	-	(Note 2)	100.00	(Note 2)	100.00
Bluebird Germany GmbH (Note 5)	-	-	(Note 2)	100.00	(Note 2)	100.00
Bluebird Latin America S. de R.L. de CV (Note 5)	(Note 2)	0.03	(Note 2)	99.97	(Note 2)	100.00
BLUEBIRD JAPAN Inc. (Note 5)	—	—	1	100.00	1	100.00

Note 1: All are long-term investments of the Company.

Note 2: The company license only specifies the amount of invested capital without the number of shares.

Note 3: Figure not shown as the Company held less than one thousand shares.

Note 4: MGN and Mosfortico completed their merger on Feb. 27, 2026. MGN is the surviving company after the merger.

Note 5: This refers to a subsidiary of Bluebird Inc.

Three. Fundraising situation

I. Capital and shares

(I) Source of capital

Unit: thousand shares; NT$ thousand

Month/ year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Source of capital	Paid in properties other than cash	Others
2007.03	10	80,000	800,000	100	1,000	Incorporation	0	March 19, 2007, Jing-Shou-Zhong-Zi No. 09631826720
2007.08	10	80,000	800,000	15,100	151,000	Acquisition of divestments	Non-cash net assets totaling NT$140,000 thousand	September 7, 2007, Jing-Shou-Zhong-Zi No. 09632746370
2007.08	10	80,000	800,000	20,100	201,000	Cash capital increase	0	September 10, 2007, Jing-Shou-Zhong-Zi No. 09632740820
2007.10	40	80,000	800,000	23,100	231,000		0	November 30, 2007, Jing-Shou-Zhong-Zi No. 09633132590
2008.11	25	80,000	800,000	26,180	261,800		0	Dec. 12, 2008, Jing-Shou-Zhong-Zi No. 09734128440
2010.01	15	80,000	800,000	26,560	265,600	Exercise of employee warrant	0	January 25, 2010, Fu-Chan-Ye-Shang-Zi No. 09980436010
2010.04	15	80,000	800,000	27,005	270,050		0	April 23, 2010, Fu-Chan-Ye-Shang-Zi No. 09983136100
2010.07	15	80,000	800,000	27,095	270,950		0	July 19, 2010, Fu-Chan-Ye-Shang-Zi No. 09985892100
2010.10	63.5	80,000	800,000	30,095	300,950	Cash capital increase	0	October 8, 2010, Fu-Chan-Ye-Shang-Zi No. 09988348200
2010.10	15	80,000	800,000	30,195	301,950	Exercise of employee warrant	0	October 14, 2010, Fu-Chan-Ye-Shang-Zi No. 09988661400
2011.04	15	80,000	800,000	30,550	305,500		0	April 21, 2011, Fu-Chan-Ye-Shang-Zi No. 10082778010
2011.08	10	80,000	800,000	33,605	336,050	Capitalization of earnings	0	August 12, 2011, Fu-Chan-Ye-Shang-Zi No. 10086547010
2012.01	13.6	80,000	800,000	33,663	336,625	Exercise of employee warrant	0	January 12, 2012, Fu-Chan-Ye-Shang-Zi No. 10180236100
2012.04	13.6	80,000	800,000	33,943	339,425		0	April 24, 2012, Fu-Chan-Ye-Shang-Zi No. 10182883800
2012.06	13.6	80,000	800,000	34,075	340,750		0	June 1, 2012, Fu-Chan-Ye-Shang-Zi No. 10184100910

Month/ year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Source of capital	Paid in properties other than cash	Others
2013.11	70.9	80,000	800,000	34,403	344,030	Exercise of employee warrant	0	November 21,2013 Taipei-Government-Economic-Department-1025072870
2014.01	70.9	80,000	800,000	34,428	344,280		0	January 20, 2014 Taipei-Government-Economic-Department-1035123213
2014.06	70.9	80,000	800,000	34,460	344,600		0	June 26, 2014 Taipei-Government-Economic-Department-1035159578
2014.12	68.3	80,000	800,000	34,567	345,665		0	Dec. 4, 2014 Taipei-Government-Economic-Department-1035200434
2015.01	68.3	80,000	800,000	34,572	345,715		0	January 13, 2015 New-Taipei-Government-Economic-Department-1045121825
2015.05	68.3	80,000	800,000	34,629	346,290		0	May 25, 2015 New-Taipei-Government-Economic-Department-1045151085
2015.08	10	80,000	800,000	38,092	380,919	Capitalization of earnings	0	August 11, 2015 New-Taipei-Government-Economic-Department-1045171247
2015.11	60.1	80,000	800,000	38,190	381,904	Exercise of employee warrant	0	November 09, 2015 New-Taipei-Government-Economic-Department-1045193237
2016.04	60.1	80,000	800,000	38,212	382,124		0	April 15, 2016 New-Taipei-Government-Economic-Department-1055157192
2016.06	60.1	80,000	800,000	38,235	382,354		0	June 2, 2016 New-Taipei-Government-Economic-Department-1055182375
2016.07	10	80,000	800,000	38,535	385,354	Share exchange	0	July 14, 2016 New-Taipei-Government-Economic-Department-1055214734
2016.11	57.3	80,000	800,000	38,555	385,554	Exercise of employee warrant	0	November 30, 2016 New-Taipei-Government-Economic-Department-1055326983
2019.08	10	80,000	800,000	42,411	424,109	Capitalization of earnings	0	August 7, 2019 New-Taipei-Government-Economic-Department-1088039060
2019.11	223.5	80,000	800,000	42,437	424,369	Exercise of employee warrant	0	November 22, 2019 New-Taipei-Government-Economic-Department-1088079734

Month/ year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Source of capital	Paid in properties other than cash	Others
2020.01	223.5	80,000	800,000	42,477	424,769	Exercise of employee warrant	0	January 16, 2020 New-Taipei-Government-Economic-Department-1098004172
2022.11	159.9	80,000	800,000	42,513	425,129		0	November 29, 2022 New-Taipei-Government-Economic-Department-1118085118
2023.04	159.9	80,000	800,000	42,519	425,189		0	Letter No. Xin-Bei-Fu-Jing-Si-1128022417 dated 2023.04.06
2023.06	159.9	80,000	800,000	42,522	425,219		0	Letter No. Xin-Bei-Fu-Jing-Si-1128042964 dated 2023.06.21
2023.08	10	80,000	800,000	46,774	467,741	Capitalization of earnings	0	Letter No. Xin-Bei-Fu-Jing-Si-1128059014 dated 2023.08.21
2023.09	159.9	80,000	800,000	46,864	468,641	Exercise of employee warrant	0	Letter No. Xin-Bei-Fu-Jing-Si-1128063508 dated 2023.09.04
2023.12	137.9/ 168	80,000	800,000	47,107	471,071		0	Letter No. Xin-Bei-Fu-Jing-Si-1128086440 dated 2023.12.05
2024.04	137.9	80,000	800,000	47,141	471,406		0	Letter No. Xin-Bei-Fu-Jing-Si-1138023277 dated 2024.04.08
2024.05	137.9	80,000	800,000	47,143	471,426		0	Letter No. Xin-Bei-Fu-Jing-Si-1138038058 dated 2024.05.31
2024.09	130.1/ 158.5	80,000	800,000	47,150	471,501		0	Letter No. Xin-Bei-Fu-Jing-Si-1138063915 dated 2024.09.03
2024.12	130.01	80,000	800,000	47,354	473,536		0	Letter No. Xin-Bei-Fu-Jing-Si-1138086111 dated 2024.12.04
2025.04	130.01	80,000	800,000	47,379	473,791		0	Letter No. Xin-Bei-Fu-Jing-Si- 1148023762 dated 2025.04.07
2025.06	130.1	80,000	800,000	47,485	474,851		0	Letter No. Xin-Bei-Fu-Jing-Si- 148039462 dated 2025.06.02
2025.09	130.1/ 158.5	80,000	800,000	47,539	475,396		0	Letter No. Xin-Bei-Fu-Jing-Si- 1148067657 dated 2025.09.04
2025.11	150.4	80,000	800,000	47,554	475,546		0	Letter No. Xin-Bei-Fu-Jing-Si- 1148089252 dated 2025.11.27

Unit: shares

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	47,554,634	32,445,366	80,000,000	None

(II) List of major shareholders:

Apr. 18, 2026

Shares / Name of the major shareholder	No. of shares held	Shareholding percentage (%)
Taiwan Semiconductor Co., Ltd.	16,995,230	35.74
Standard Chartered Custodianship of Fidelity Puritan Trust: Fidelity Low Price Stock Fund	2,544,911	5.35
Taiwei Advanced Co., Ltd.	1,795,000	3.77
Leiting Co., Ltd.	1,473,648	3.10
Wang Shiu Ting	948,826	2.00
Nan Shan Life Insurance Company Ltd.	721,021	1.52
Li Fang Chiang	631,530	1.33
Wang Hsiu Peng	505,902	1.06
Standard Chartered Bank Trustees, part of the Fidelity Group, provides employee benefit plans	500,838	1.05
HSBC Custody Fidelity Puritan Trust Fidelity Low-Price Stock K6 Fund Investment Account	480,046	1.01

(III) Dividend policy and execution

1. Dividend policy

   If there is a profit in the Company's final accounting each year, it shall pay tax in accordance with the law, make up for the losses of the previous years, and then set aside 10% as the legal reserve and special reserve or reversal of the special reserve as required by law. The remaining balance, together with the accumulated undistributed earnings of the previous year, shall be regarded as the earnings available for distribution, but a portion of it may be retained depending on the business conditions and then distributed as dividends to shareholders. The Company is a the growth stage, in consideration of the company’s future capital needs and operation development, the board of directors shall plan the earnings distribution plan for shareholders and proceed with the resolution of the shareholders' meeting. If an earnings distribution is resolved, the percentage to be distributed shall not be less than 10% of the distributable earnings in the current year. Dividends shall be paid in cash or shares, where the percentage of cash dividends shall not be less than 10% of the total dividends. However, if cash dividends are less than NT$0.2 per share, share dividends shall be distributed instead.

2. Dividend distribution proposed for the current annual general meeting：

   Cash dividend: NT$10 per share, totaling NT$475,546,340 to be approved in the annual general meeting.

3. If a material change in dividend policy is expected, provide an explanation: There has been no material change in the Company’s dividend policy.

(IV) Impacts of stock dividends proposed for the current annual general meeting on the Company’s business performance and earnings per share: Not applicable.

(V) Employee and director remuneration:：

1. Percentage or range of employee/director remuneration stated in the Articles of Incorporation.：

   Percentage or range of employee/director remuneration stated in Article 25 of the Articles of Incorporation:

   (1) Employee remuneration: the Company shall allocate at least 2% to 10% of the profits as employees’ remuneration, with at least 1% allocated to the grassroots employees.

   (2) Director remuneration: no more than 5% of the above profit.

   The board of directors may decide to distribute employee remuneration in shares or in cash. Remuneration can be distributed to employees of controlled or subordinate companies that meet certain criteria, and the Board of Directors is authorized to determine these criteria. However, when the company still has accumulated losses, it shall reserve in advance an amount to make up the losses first, followed by distributing remuneration to employees and directors based on the proportion stated in the preceding paragraph.

2. Basis for estimating employee and director remuneration and stock dividends, and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

   The Company recognized NT$62,811,224 of employee remuneration payable and NT$31,405,612 of director remuneration payable in 2025. These amounts were estimated by multiplying the amount of 2025 profit before tax and employee remuneration by 5% for employee remuneration and 2.5% for director remuneration. Any subsequent differences between the amount estimated and the actual amount will be treated as a change in accounting estimate.

3. Information on any approval by the board of directors of distribution of compensation:

   (1) If there is any discrepancy between the amount of employee remuneration, directors' and supervisors' remuneration distributed in cash or shares, and the estimated amount for the year, the discrepancy, cause and treatment should be disclosed.

   The Company's 2025 employee and director remuneration was approved by the Board of Directors on Mar. 13, 2026, and the amounts of cash remuneration to employees and directors' remuneration were as follows:

   A. Employee cash remuneration:NT$62,811,224(allocated to the grassroots employees, totaling NT$21,983,928)

   B. Employee stock remuneration: NT$0

   C. Director remuneration: NT$31,405,612

(2) If there is a difference between the recognized expenses and the estimated annual amount, the difference, the reason, and the handling should be disclosed:

The employee and director compensation approved by the aforementioned Board of Directors did not differ from the amount of expenses recognized in the fiscal year 2025 Financial Statements audit.

(3) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. Actual distribution of employees' and directors' remuneration in the previous year:

The employees' remuneration actually distributed in 2024 was NT$45,030,161 and the directors' remuneration is NT$22,515,081, which are the same as the amounts recognized in the Financial Statements for that year.

(VI) Buyback of the Company’s shares: None.

II. Disclosure related to corporate bonds: None.

III. Preferred shares: None.

IV. Issuance of global depositary receipts: None.

V. Employee warrants

(I) Employee warrants unexpired and outstanding as of the publication date of the annual report, and impacts on shareholders' equity

Apr. 18, 2026; unit: NT$

Type of employee warrant	First time in 2023	Second time in 2023
Effective date of filing and total No. of units	2023.07.31 1,000 units	2023.07.31 1,000 units
Issuance date	2023.08.11	2025.01.15
No. of Units Issued (Units)	855	145
No. of outstanding units	0	0
Exercisable shares as a percentage of total outstanding shares (%) (Note)	1.80%	0.30%
Duration of warrant	2023.08.11 ~ 2028.08.10	2025.01.15 ~ 2030.01.14
Method of delivery	Issuance of new shares	
Period and percentage (%) of exercise restriction	After 2 years: 50% After 3 years: 75% After 4 years: 100%	
No. of shares acquired through exercise (shares)	0	0
Amount of shares subscribed through exercise (NT$)	0	0
Number of shares unexercised(shares)	740,000 (Deducted invalid 115,000)	145,000 (Deducted invalid 0)
Subscription price per unexercised share	215.70	189.80
Number of unexercised shares as a percentage of total outstanding shares (%)	1.56%	0.30%
Effect on shareholders' interests	Dilutive effects are deemed limited.	Dilutive effects are deemed limited.

Note: Calculated based on the total no. of shares issued listed by the New Taipei City Government on Nov. 27, 2025, which is 47,554,634 shares.

(II) Names of managers who have acquired employee warrants and names of employees ranking top ten in terms of exercisable shares

Apr. 18, 2026

	Title	Name	Exercisable shares (thousand shares)	Exercisable shares as a percentage of total outstanding shares	Exercised				Not exercised			
					No. of shares exercised (thousand shares)	Subscription price of shares exercised (NT$)	Amount of shares subscribed through exercise (NT$ thousand)	No. of exercised shares as a percentage of total outstanding shares	No. of shares unexercised (thousand shares)	Subscription price of shares unexercised (NT$)	Amount of shares subscribed through exercise (NT$ thousand)	No. of unexercised shares as a percentage of total outstanding shares
Manager	President	Wang Shiu Ting	148	0.31% (Note 1)	0	215.7	0	0% (Note 1)	148	215.7	31,924	0.31%
	Chairman	Wang Hsing Lei										
	General Manager	Chen Ming Yi										
	Deputy General Manager	Wu Chih Hao										
	Senior Assistant General Manager	Lee Cheng Chung										
	Assistant General Manager	Chang Mu Lan										
	Assistant General Manager	Hu Chiu Chih										
	Deputy General Manager	Lin Shu Li (Note 2)										
	Assistant General Manager	Huang Zhen Fang (Note 2)										
	Section Chief	Lin Shu Juan (Note 2)										
Staff	Kevin Aie		97.5	0.21% (Note 1)	0	215.7	0	0% (Note 1)	97.5	215.7	21,030.8	0.21%
	John Otott											
	Lan Wei Cheng											
	Andrew W Edwards											
	Amine Soubai											
	Lu Zhi Hao											
	Li Pei Yi											
	Ken Chou											
	Julie Fang											
	William J Brown											

Note 1: Calculated based on the total No. of issued shares listed with the New Taipei City Government on Nov. 27, 2025, which is 47,554,634 shares.
Note 2: Deputy General Manager Lin Shu Li resigned on Feb. 24, 2024. Assistant General Manager Huang Zhen Fang resigned on Jan. 24, 2025. Section Chief Lin Shu Juan stepped down as Accounting Officer on Mar. 15, 2024.
Note 3: The original subscription prices for the first and second employee stock options issued in 2023 were NT$227.30 and NT$200, respectively. Due to the cash dividend issued in Aug. 15,. 2025, the subscription prices have been adjusted to NT$215.70 and NT$189.80. The employee stock options issued by the second time in 2023 have not yet become subscription.

VI. Employee restricted shares: None.

VII. Status of new share issuance in connection with mergers and acquisitions: None.

VIII. Progress on planned use of capital: None.

Four. Operational Overview

I. Business activities

(I) Scope of operation

1. Principal business activities of the Company: Manufacturing and sales of label printers and components, various types of printer labels and consumables, and enterprise mobile computers
2. Revenue mix

Unit: NT$ thousand; %

Key products \ Year	2024		2025	
	Turnover	Revenue mix	Turnover	Revenue mix
Label printers and components	4,779,440	54.32%	4,856,514	42.13%
Labels and printer consumables	3,492,089	39.69%	3,735,784	32.40%
Enterprise mobile computers	526,603	5.99%	2,936,736	25.47%
Total	8,798,132	100.0%	11,529,034	100.00%

3. Products and services currently provided by TSC
   (1) Label printers and components: Research and development, manufacturing, and sales of products such as direct thermal and thermal transfer label printers; production and sales of peripheral products and consumables for label printers, including keyboards, optional printer accessories, wash label cutters, and thermal transfer ribbons, as well as service revenue from the provision of global warranty programs.
   (2) Labels and printer consumables: production and distribution of labels and printer consumables.
   (3) Enterprise mobile computers: Various types of rugged mobile computers and RFID readers/writers.
4. New products planned for development
   (1) Thermal transfer/direct thermal industrial label printers.
   (2) Thermal transfer/direct thermal desktop label printers.
   (3) Mobile direct thermal label printer.
   (4) Bar code verification detector.
   (5) Bar code label printing solution.
   (6) Enterprise mobile computers

(II) Industry overview

1. Current situation of the industry
   The Auto ID (Automatic Identification) industry encompasses technologies such as barcode systems, mobile computers, RFID (radio frequency

identification), biometrics, OCR (optical character recognition), and the Internet of Things (IoT), which are widely applied across logistics, retail, manufacturing, healthcare, warehousing, and smart city sectors. Driven by the growing demand for digital transformation, smart manufacturing, e-commerce logistics, and supply chain management, along with the advancement of IoT, Auto ID technologies are rapidly evolving, enabling enterprises to enhance operational efficiency and strengthen data management capabilities.

(1) Continued growth in market demand
- Logistics and e-commerce: With the expansion of e-commerce, demand for Auto ID equipment (such as barcode scanners, label printers, and RFID readers) has increased significantly, supporting applications including inventory management, order fulfillment, and parcel tracking.
- Growth in healthcare applications: Hospitals and pharmaceutical supply chains emphasize patient identification (Patient ID) and UDI (Unique Device Identification) labeling to ensure patient safety and regulatory compliance.
- Smart manufacturing and Industry 4.0: The integration of industrial automation and IoT enables Auto ID technologies to enhance production line efficiency. RFID and barcode labeling are widely used for supply chain tracking and production monitoring.

(2) Technological advancements driving industry upgrades
- Transition from traditional barcodes to RFID: Many enterprises are shifting from one-dimensional (1D) barcodes to two-dimensional (2D) barcodes, and gradually adopting RFID to enhance data capture efficiency and accuracy.
- Integration of AI and Auto ID: Artificial intelligence (AI) is increasingly applied to image recognition, intelligent scanning, and automated data processing, improving the accuracy and efficiency of Auto ID equipment.
- Mobility trend: Enterprise mobile computers integrate barcode scanning, data processing, and real-time communication, enhancing operational flexibility and productivity in the field.

(3) Increasing demand for data security and privacy protection
- Data protection regulations: The GDPR(General Data Protection Regulation) of the European Union and other data protection laws are prompting enterprises to strengthen the security management of Auto ID devices and data, preventing unauthorized access and data breaches.
- Application of blockchain technology: Certain supply chain management practices are beginning to incorporate blockchain to enhance the transparency and security of Auto ID data, particularly in the food, healthcare, and pharmaceutical sectors.

- Cloud Data Management: Label files are centrally stored and managed, and captured data is directly uploaded to the cloud, enhancing real-time processing and security.

2. Industry development

(1) GS1 Sunrise 2027 transition wave: To align with the global barcode upgrade standards set for 2027, 2026 is a period of large-scale hardware upgrades. Retailers are progressively replacing traditional barcodes with 2D barcodes capable of carrying batch numbers, expiration dates, and digital links.

(2) Integration of AI and edge computing: AIDC devices are no longer limited to "reading" data; they are now equipped with built-in AI inference chips. For example, smart scanners can directly correct and decode damaged barcodes at the edge, without the need to send data back to the cloud for processing.

(3) Hybrid use of RFID and 2D barcodes

- Enterprises commonly adopt "hybrid systems," using 2D barcodes to support consumer queries and checkout, while leveraging RFID for large-scale inventory counting and anti-theft, achieving end-to-end transparency.

(4) Accelerating data processing with 5G and edge computing

5G enhances Auto ID data transmission speeds, enabling enterprise mobile computers and RFID readers to synchronize data in real time, thereby improving supply chain management efficiency.

Edge computing reduces reliance on the cloud, allowing Auto ID devices to process data locally and in real time, making it well suited for applications such as high-efficiency warehouse management and real-time retail checkout.

(5) Contactless technologies and biometric applications

- The widespread adoption of NFC (Near Field Communication) technology enables consumers and businesses to scan product labels using NFC-enabled smartphones to access product information or complete payments.
- Biometric technologies – such as fingerprint, iris, and facial recognition – are set to replace traditional access control and identity verification methods, with applications across enterprise, healthcare, and financial scenarios.

(6) Sustainability and environmental practices:

- With growing environmental awareness, enterprises are increasingly seeking sustainable solutions, and barcode label printers and mobile computers are no exception. With environmental considerations in mind, manufacturers use recycled and recyclable materials, reduce energy consumption, and minimize waste.
- The market is expected to see a growing number of eco-friendly labels, barcode printers, and mobile computers that meet energy-saving and carbon reduction requirements. Enterprises will also increasingly prioritize products with longer lifecycles and enhanced recyclability to minimize the generation of electronic waste.

(7) Cloud-based data management
- Centralized management of label files, with captured data uploaded directly to the cloud, enhances real-time processing and data security, improves scalability, and strengthens version control.
- In addition, the use of cloud platforms enables seamless collaboration across different locations and departments, thereby improving work efficiency and communication effectiveness.
- Automatic labeling systems bring convenience to industrial production and logistics. These integrated systems can effectively apply labels to products and improve the speed and accuracy of barcode printing and application, especially on high-speed production lines. They have raised efficiency and reduced error rates. These systems have become an indispensable part of industry due to their automation and reliability. With ongoing technological advancements, they will continue to drive innovation and deliver value to industrial operations.

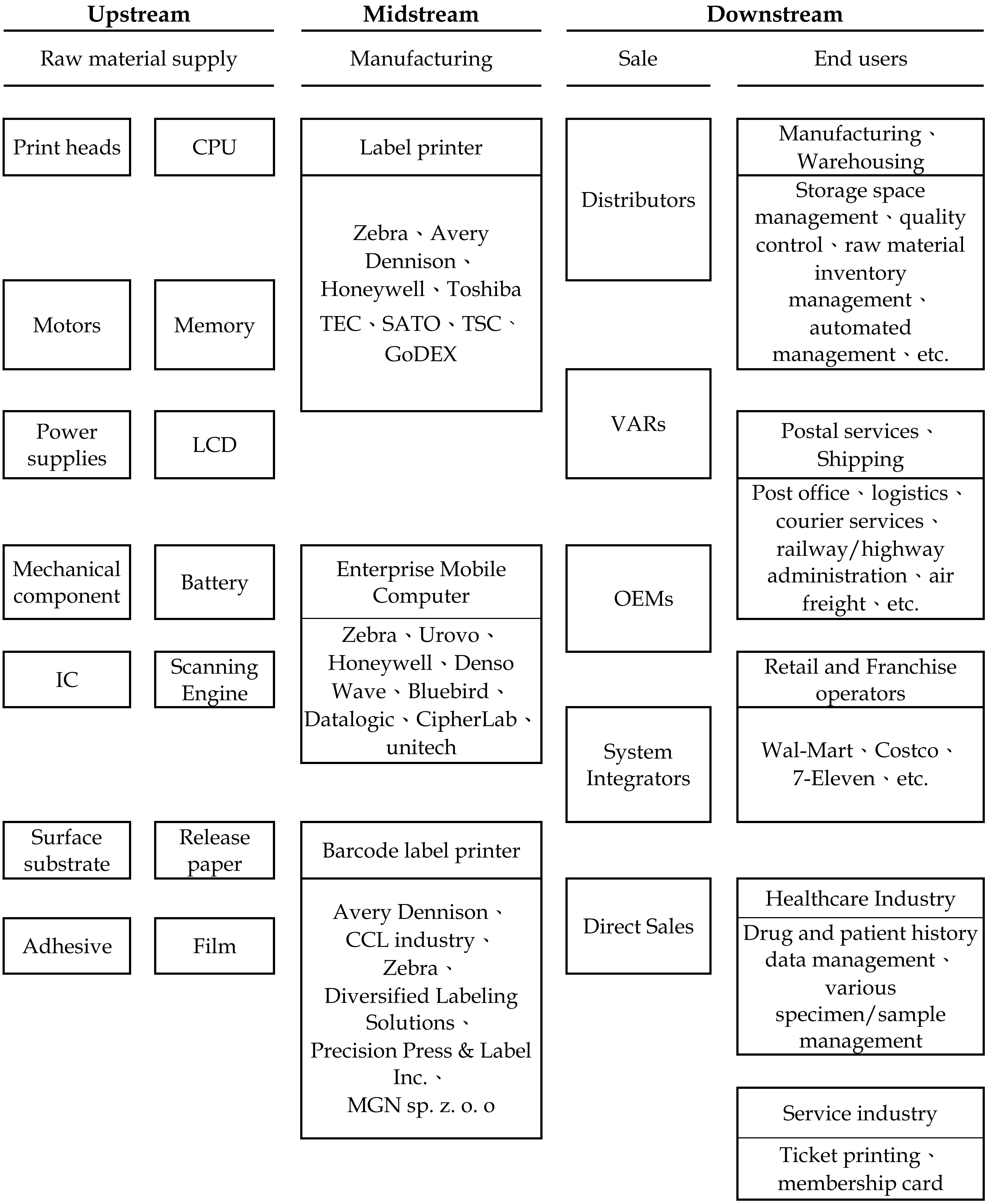
(8) Digital product passport (DPP) compliance requirements
- Driven by regulations in the European Union and other regions, AIDC technologies are widely used to establish full lifecycle traceability of products, ensuring that production processes meet sustainability and transparency standards.

The Auto ID industry is currently experiencing rapid growth, driven by technologies such as digital transformation, smart manufacturing, the Internet of Things (IoT), artificial intelligence (AI), and 5G. By effectively capturing key trends such as intelligence, automation, data security, environmental sustainability, and digital product passports, the Company can enhance its competitiveness and unlock broader market opportunities.

3. Relationship between the upstream, midstream and downstream vendors

The automatic identification and data capture industry can be divided into upstream raw material suppliers, midstream hardware and software providers, and downstream distribution channels and end users across various vertical markets. Upstream suppliers produce a wide range of components, including motors, power supplies, batteries, CPUs, ICs, memory, printheads, liquid crystal displays, scan engines, mechanical parts, label facestock materials, release liners, adhesives, and protective films. Midstream suppliers manufacture label printers and consumables, label/data reading devices, data computing equipment, device management software, label encoding and decoding software, and data management and analytics software. Downstream distribution channels include distributors, value-added resellers (VARs), original equipment manufacturers (OEMs), and system integrators. End customers span a wide range of industries, including manufacturing, warehousing, postal services, transportation, retail and chain operators, as well as healthcare and service industries.

The upstream, midstream, and downstream structure of the Automatic Identification and Data Capture industry is illustrated as follows:



4. Product development trends and competitive landscape

The future development of the label printer industry will involve several key aspects:

(1) Integration of IoT: Label printers and enterprise mobile computers will be integrated with IoT technology to achieve real-time monitoring, predictive maintenance and enhanced connectivity.

(2) Advanced printing technology: Future printers will use advanced technologies such as thermal transfer, thermal and ink jet to provide higher-resolution, faster and more durable labels.

(3) Automatic identification and data capture: The expanded adoption of automatic identification and data capture will improve productivity and support product safety and anti-counterfeiting.

(4) Enhanced network security and data security: Security features such as encryption, authentication, and regulatory compliance will be used to protect sensitive information on labels.

(5) Mobile printing solutions: Solutions that support printing from smartphones and tablet computers will become more widely used, and the development of mobile printers will be promoted through improvements in wireless technology, enabling more flexible printing in various environments.

(6) Environmentally sustainable design: The manufacturer will continue to develop energy-saving printers with environmentally friendly materials and implement a consumables recycling program.

(7) AI and machine learning: These technologies will be applied to barcode recognition and data capture, optimize the printing process, improve quality, and automate label design and layout.

(8) Customization and personalization: The printers of the future will offer more customization and personalization options to meet the needs of tailored packaging and branding across various industries.

In 2025, the three major industries – label printers, mobile computers, and RFID readers – are all showing growth trends, though their competitive landscapes and development priorities differ. The label printer market is primarily driven by demand from the retail and logistics sectors. Mobile computers continue to expand due to enterprise digitalization and the increasing need for on-site mobile operations. RFID readers are experiencing rapid growth fueled by demand for retail, warehousing, and supply chain visibility. Overall, the AIDC market maintains steady growth; however, competition continues to intensify, with the industry evolving toward deeper integration with AI, IoT, and digital supply chains.

The main competitions and development trends are as follows:

(1) Intensifying competition in vertical integration and cross-product bundling
Major brands continue to expand their product and service boundaries through acquisitions and platform-based strategies. For example, Zebra has gradually evolved from a hardware supplier into a comprehensive solutions provider. Through acquisitions, it has strengthened its capabilities in self-service devices, touch systems, software, cloud management, and payment solutions, enhancing its upstream integration in the retail and logistics sectors.

(2) RFID and the demand for IoT applications are expanding rapidly
As RFID adoption increases, new demand has emerged for high-density, multi-antenna, and fixed-position readers, including bookshelf, gates, and vehicle-mounted types. The focus of competition is gradually shifting from “hardware performance” to the ability to integrate “hardware + middleware + IoT platforms,” requiring manufacturers to have more comprehensive data connectivity and equipment management capabilities.

(3) Software and service platforms as key differentiators
Competition across product lines is no longer limited to hardware specifications; instead, it centers on which company can deliver more comprehensive solutions, including:
- Remote device management (MDM / FMS)
- Fleet/asset management
- Predictive maintenance
- Consumables and label management
- Cloud application integration capability

These software and service offerings are increasingly becoming critical factors in enterprises’ brand selection decisions.

(4) Sustainable trends and cost pressure driving innovation
Linerless labels, carbon reduction, and environmentally optimized consumables, along with energy-efficient design, are increasingly becoming key differentiators and major drivers in the label printer industry. At the same time, fluctuations in global supply chain costs, raw material prices, and transportation expenses have created pricing and margin pressures for manufacturers. This has prompted brands to invest in higher-efficiency product designs with lower TCO (Total Cost of Ownership)

In sum, market competition is shifting from a focus on “hardware versus hardware” to a broader competition encompassing “overall solutions, ecosystems, and digital services. Companies must leverage technological innovation, hardware-software integration, and collaboration across the industry ecosystem to meet the accelerating digital transformation demands of various industries.

(III) Overview of existing technologies and research and development

1. Investment in R&D in the last year and up until the publication date of the annual report

Unit: NT$ thousand

Item \ Year	2025	2026.01.01~2026.04.18
R&D expenses	604,239	163,975
Operating incomes	11,529,034	2,765,539
R&D expenses as percentage of operating revenue	5.24%	5.93%

2. Technologies/products successfully developed in the last year and up until the publication date of the annual report

- **Label printers**

  (1) TSC Cloud Connect – cloud printing
  (2) RE300/RE310 portable label printers
  (3) TH/DH series desktop thermal transfer/thermal label printers
  (4) PEX-1000/PEX-2000 series automatic labeling application label printers
  (5) MH241/MH241T/MH241P/MH261T industrial thermal transfer label printers
  (6) MB241/MB241T industrial thermal transfer label printers/linerless label printers
  (7) ML241/ML241P industrial thermal transfer label printers
  (8) ALPHA-30L/ALPHA-40L/ALPHA-40L RFID label printers
  (9) TSC Console Web-based remote monitoring software
  (10) TSC Standalone Creator Software
  (11) SOTI Connect IoT Management Solution Integrated Development

- **Enterprise mobile computers**

  (1) S10, S20, S50, S70, SF650, EF551, and VX500 handheld mobile computers
  (2) T30 tablet computer
  (3) RFR901 fixed RFID reader

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

1. Short-term development plans

   (1) Product planning strategies:

   TSC Auto ID’s short-term strategy focuses on accelerating integration, filling product gaps, and consolidating competitive strength.

   - Group synergy and standardization
     (1) Product portfolio integration: Label printers + Enterprise mobile computers + RFID readers + Labels + Payment mechanisms
     (2) Integration of technical documentation, support, SDKs, and APIs into a unified system
     (3) Shared corporate customer list

- Launching integrated core scenario solution packages
  (1) Providing vertical industry solutions tailored to the pain points of retail, manufacturing, logistics, and healthcare
  (2) One-stop solutions
- Completing the product line:
  (1) Lightweight and fixed RFID readers
  (2) Self-checkout systems and diversified payment methods (MPOS, SoftPOS)
  (3) Enhanced RFID encoding and mobile printing products
  (4) Comprehensive implementation of eco-friendly packaging materials

(2) Marketing planning strategies:

In alignment with the product integration and solution development strategy, the Company will adopt a solution-oriented marketing approach as its core focus. By integrating product portfolios such as label printers, enterprise mobile computers, and RFID, the Company aims to promote the adoption of integrated solutions across industries including retail, logistics, manufacturing, and healthcare, thereby accelerating the implementation of enterprise-level projects and expanding its market presence.

As the integration of DLS, MGN, and Bluebird businesses continues to deepen, the Company will enhance cross-product line synergies and global channel collaboration, strengthen its overall solution delivery capabilities, and continue expanding its enterprise customer base.

(3) Production planning strategies:

Focus on optimizing the allocation of production lines and production areas to improve production efficiency and capacity, thereby improving product sales profits and price competitiveness.

(4) Operation management strategies:

Integrate and optimize the Group’s information and operational systems, continuously improve processes, and enhance collaboration and management efficiency. Optimize the cost structure and improve production efficiency to enhance product gross margins. Maintain smooth supply chain operations to ensure timely delivery and meet customer needs. Strengthen quality control to ensure compliance with brand standards and customer expectations. Promote the Company’s products to enhance brand awareness, and reinforce sales management while monitoring potential operational and financial risks to safeguard the Company’s long-term interests.

2. Long-term development plans

(1) Product planning strategies:

Mid and long-term plan is to continue to promote innovation and product upgrades for mobile computers, label printers, and RFID readers. Through comprehensive technological enhancements, the Company actively invests in R&D for hardware and system technologies related to the AI, IoT, and automated identification industries. In addition, it develops cloud solutions, integrated hardware–software products, and system integration services, collaborating with partners to build a unified cloud platform ecosystem. These efforts aim to meet diverse enterprise needs in AIDC applications while ensuring that products offer scalability and flexible configurations to adapt to future developments. At the same time, the Company will continue to uphold its environmental sustainability values by investing in eco-friendly materials, low-carbon printing solutions, and energy-efficient products, aiming to develop products that are energy-saving, recyclable, and have low carbon emissions. By positioning ESG as a core competitive advantage, the Company aims to attract more procurement from international end customers.

(2) Marketing planning strategies:

The Company will continue to strengthen its market positioning as a global AIDC integrated solutions provider and technology innovator. By integrating trends such as AI, IoT, smart logistics, and smart retail, it will deepen its solution capabilities in key application scenarios and continuously enhance its brand influence in the enterprise market.

At the same time, the Company will adopt a "One Brand" approach as the core to integrate group branding and global marketing resources, strengthen its global channel network and partner ecosystem, and expand market coverage and application depth through strategic partnerships and industry-specific developments, thereby progressively increasing its global market share and reinforcing long-term growth momentum.

(3) Production planning strategies:

The Company will continue optimizing production equipment to improve manufacturing efficiency and yield, while adopting green manufacturing technologies to reduce energy consumption and waste, thereby achieving sustainable development goals. The solar panel program has been completed and successfully connected to the Taiwan Power Company grid, achieving the goal of green energy conservation.

(4) Operation management strategies:

Establish an efficient talent management system to attract, develop, and retain outstanding talent, enhancing overall workforce quality to meet the challenges of the Company's growth and internationalization. Continue to invest in product and technology research, development, and innovation to meet customer needs and maintain competitive advantages. Focus on brand building and market positioning to differentiate from competitors and enhance brand awareness and value. Actively expand market share by developing new channels and markets while strengthening relationships with channel partners. Integrate environmental sustainability and social responsibility into the Company's long-term strategy, striving to create maximum value for society, customers, employees, and shareholders.

II. Market, production and sales overview

(I) Market analysis:

1. Primary regions of product distribution

Unit: NT$ thousand; %

By region	2024		2025	
	Turnover	Ratio	Turnover	Ratio
Taiwan and other parts of Asia	1,468,309	16.69%	2,695,725	23.38%
China	1,183,655	13.45%	1,200,841	10.41%
Americas	3,909,624	44.44%	4,375,927	37.96%
Europe	2,236,544	25.42%	3,256,541	28.25%
Total	8,798,132	100.00%	11,529,034	100.00%

2. Market share

The Company's market share in label printers currently ranks just behind U.S. and Japanese manufacturers, making it one of the world's top four leading label printer manufacturers. The Company also continues to strengthen its portfolio of mid- to high-end label printers and RFID label printers to meet the operational process requirements of various industries. In the past, TSC's distribution has been focused on Asia, which has contributed more than 40% of the Company's sales. Nevertheless, TSC remains focused on cultivating other emerging Asian markets, including India and Southeast Asia. Meanwhile, European and U.S. manufacturers primarily focus on the sale of mid- to high-end label printers, which account for more than 30% of total sales.

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

The automatic identification market is experiencing a growth trend, primarily driven by the expansion of global supply chains and the rapid development of the e-commerce industry. In the post-pandemic era, the advancement of automation has further accelerated this trend, as companies increasingly focus on improving operational efficiency, reducing risks, and ensuring workplace safety. As a result, demand for automatic identification technologies continues to rise. Label printers and Enterprise mobile computers, as core components, together form comprehensive solutions with strong market prospects.

The market demand comes from a variety of sectors including e-commerce, manufacturing, logistics, retail, healthcare, and field services. In e-commerce, companies need to effectively track and manage inventory to ensure accurate order fulfillment, and automatic identification technologies are a key tool in achieving this goal. Similarly, the manufacturing and logistics industries also need to accurately track and manage products and cargo to improve production efficiency and reduce inventory costs. In addition, as the digital transformation of retail accelerates, demand for POS terminals, inventory management, and customer engagement continues to grow, further driving the expansion of the automatic identification market.

In the future, with the advancement of the Internet of Things, artificial intelligence, and big data technologies, demand for automatic identification solutions is expected to increase further. The integrated application of label printers and enterprise mobile computers can seamlessly connect with IoT devices, cloud computing, and big data analytics platforms, enabling more intelligent and automated production, warehousing, and logistics management, thereby driving market growth. In particular, in the healthcare sector, medical professionals can access patient information in real time through automatic identification technologies, improving the efficiency of diagnosis and treatment and further expanding the scope of market applications.

In terms of competition, the Company has established a solid market position in the automatic identification industry. With the integration of enterprise mobile computing, it has further combined label printer and enterprise mobile computer technologies to deliver more comprehensive automatic identification solutions, thereby strengthening its competitive advantages in the industry. This not only enhances internal operational efficiency but also enables customers to achieve more efficient data management and workflow optimization through a unified platform. The Company has a customer base of small and medium-sized enterprises and continues to increase its market share among large corporate customers. The Company is committed to improving product quality, technological level and service standards to maintain its competitive advantage. At the same time, the Company must pay close attention to market dynamics and continue to innovate to meet competitive challenges and maintain its leading position.

In general, the automatic identification market presents both opportunities and challenges. The Company will continue its efforts to achieve sustainable growth and success. By continuously improving products and services, capturing market opportunities, strengthening technological innovation, and maintaining close collaboration with customers, the Company will expand its market share and reinforce its leading position.

4. Competitive niches

(1) Costs of manufacturing and production technologies

The Company has established three globally resilient printer manufacturing bases and, together with two strategic consumables hubs in the United States and Europe, has built a comprehensive global supply chain system. Leveraging its strong R&D capabilities and deep manufacturing expertise, the Company continues to launch market-leading RFID barcode identification and industrial-grade solutions to precisely address global digital transformation needs.

On the manufacturing side, the Company is actively advancing its "smart factory" transformation by deeply integrating its core barcode identification technologies into production lines. By establishing an automated barcode quality inspection and key-component traceability system, digital pedigree records across the product's entire lifecycle can be achieved. In response to the market rollout of next-generation product lines, the Company is simultaneously advancing automation upgrades to its production equipment, significantly enhancing production output and quality stability. In addition, the Company leverages strategic capacity allocation across three locations to effectively balance global capacity utilization, ensuring supply chain stability and cost structure optimization while flexibly meeting the dynamic demands of multinational customers.

(2) R&D capabilities

The Company continues to invest heavily in research and development by procuring advanced R&D equipment and recruiting high-caliber R&D talent to maintain its competitiveness and expand the market share of its product portfolio. Ongoing innovation and R&D efforts lead to the introduction of market-leading new products, services, and solutions, further creating new market demand and serving as a driving force for the Company's growth. Apart from having a competent R&D team, TSC has also implemented internal training and programs to ensure the passing on of research experience and expertise. In 2025, the Company invested about NTD 604 million, or about 5.24% of the revenue in R&D, in the development of various products. In the previous year, for the core TH | DH desktop printer series, several new product offerings were continuously launched to address diverse application scenarios, including 4-inch Ribbon Cartridge, 4-inch UHF RFID, 2-inch models supporting 6.5-inch media rolls, 2-inch HF RFID, and high-capacity battery packs. In addition, resources have been invested in the development of next-generation high-end industrial printers and barcode verification and inspection systems. The new printers will feature dual operating systems, faster printing speeds, and enhanced functionality to meet – and even exceed – customer requirements.

In addition to ongoing innovation and continuous enhancements in hardware, the Company has also continued to invest in software development, including functional upgrades to the web-based printer management software, TSC Console, and expanded support for additional operating systems in its Software Development Kit (SDK). In addition, cloud-based printing software has also been developed. The Company will continue to provide different solutions to assist customers.

In response to the rising awareness of global environmental protection, the Company has set targets aligned with international sustainability trends and allocated dedicated resources to transition most product packaging materials to recyclable, environmentally friendly alternatives by the end of 2025. In addition, recycled materials are utilized in the products themselves wherever feasible. This project will be fully completed by the end of 2026.

(3) Product quality

The Company is committed to establishing a world-class quality management system. The production processes for its label printers have been fully certified under multiple international standards, including ISO 9001 and ISO 14001, by DNV. In addition, the Company has received the Taiwan Excellence Award for consecutive years, demonstrating its industry leadership. In response to global manufacturing trends, the Company has actively advanced digital transformation by implementing electronic management systems and automated production equipment. These initiatives significantly reduce human error and enhance process standardization, ensuring consistency and stability in product quality.

In terms of supply chain management, the Company adheres to lean management principles, revitalizing asset utilization efficiency through rigorous inventory turnover monitoring and cost control strategies. Leveraging its mature manufacturing capabilities and globally recognized certifications, the Company can respond swiftly to the needs of multinational customers. It not only continues to deliver high-quality products to global markets but also enhances operational efficiency to drive stable revenue performance and profit growth, thereby creating long-term value for shareholders.

5. Advantages, disadvantages and countermeasures for prospective development

The development prospect of label printer is affected by many factors:

(1) Advantages

A. Correct market positioning:

As international brand names such as Zebra and Sato still dominate the market, TSC has sought to achieve market differentiation as a way to avoid direct competition from key players. Instead, the Company has committed itself to the development of multifunctional and high quality products according to the principle of market segmentation in order to build its product niche.

B. Versatile marketing strategies
The Company markets its products globally under its own brand, with a long-standing focus on the automatic identification industry while continuously strengthening brand recognition and market trust. In recent years, TSC Auto ID has continued to receive recognition from international institutions, including being selected as a potential brand in Interbrand "Best Taiwan Global Brands." It has also received multiple international awards for product design and technological innovation, demonstrating the ongoing enhancement of the Company's brand strength and product competitiveness.

In terms of market expansion, the Company has established a global distribution network covering major markets across Europe, the Americas, and Asia. It maintains long-term partnerships with regional distributors and system integrators, forming a stable framework for market development and customer service. In addition, through its portfolio of label printers, enterprise mobile computers, and RFID solutions, the Company is able to provide integrated solutions tailored to the needs of different industries, thereby further enhancing its market competitiveness and delivering greater value to customers.

Leveraging its brand strength, global distribution network, and integrated solution capabilities, the Company continues to expand its enterprise customer base and diversify industry applications, thereby strengthening its competitive advantage in the global automatic identification market.

C. Solid R&D capabilities and technical expertise
Over the years, the Company has been dedicated to R&D and technical innovation. Apart from actively recruiting technical talent, the Company has also invested in relevant research and technical development projects in order to achieve full control of core technologies for our products and secure our place in the international market. The MB241 Series lineless printer was honored with the 2025 Red Dot Award, receiving recognition in the industrial equipment category for its environmental sustainability, high performance, and innovative design.

D. Outstanding quality

The Company has endeavored to establish its quality system over the years and implemented total quality control through stringent quality control measures to ensure effective improvement in product quality. TSC's manufacturing processes for label printers have been approved and registered by DNV for compliance with the ISO-9001 standard. Following in the footsteps of the Alpha-2R, our MB240 and ML240 series once again received the Taiwan Excellence Award in 2020. These achievements and recognitions validate the Company's commitment to its quality policies. Not only that, multiple models of our label printers have been accredited by major health information technology services supplier Cerner Corporation, and they have been supplied and used at more than 2,700 hospitals and 4,150 practicing physicians across the globe.

(2) Negative factors and countermeasures

A. Intense global brand competition

Large-scale enterprise projects are highly competitive, making penetration into the high-end market challenging.

<u>Countermeasures:</u>

Strengthen Ecosystem partnerships to co-develop solutions and enhance brand visibility through expanded marketing exposure.

B. Market price pressure:

Intense market competition has led to significant pricing pressure, which has impacted the profit margins of label printer manufacturers and enterprise mobile computer providers.

<u>Countermeasures:</u>

Develop new products and value-added services with unique functions or performance advantages to make differentiation, and reduce costs through optimization of production processes and supply chain management.

C. Uncertainty of international trade:

Uncertainty in international trade policies and ongoing trade tensions may affect the global supply chains and market demand for label printers and enterprise mobile computers.

<u>Countermeasures:</u>

Establish a comprehensive risk management plan, including market risk and policy risk assessment.

D. Environmental regulations:

Stricter environmental regulations may impose additional costs and challenges on the design and manufacturing of label printers and enterprise mobile computers.

Countermeasures:

In terms of environmental regulations, the Company has always been a leader in relevant industries in Taiwan. In addition to passing the ISO14001 environmental management system, the Company continues to monitor changes in environmental regulations and new requirements to ensure that product design and manufacturing processes are adjusted in a timely manner to meet regulatory requirements.

(II) Usage and manufacturing processes for the company’s main products

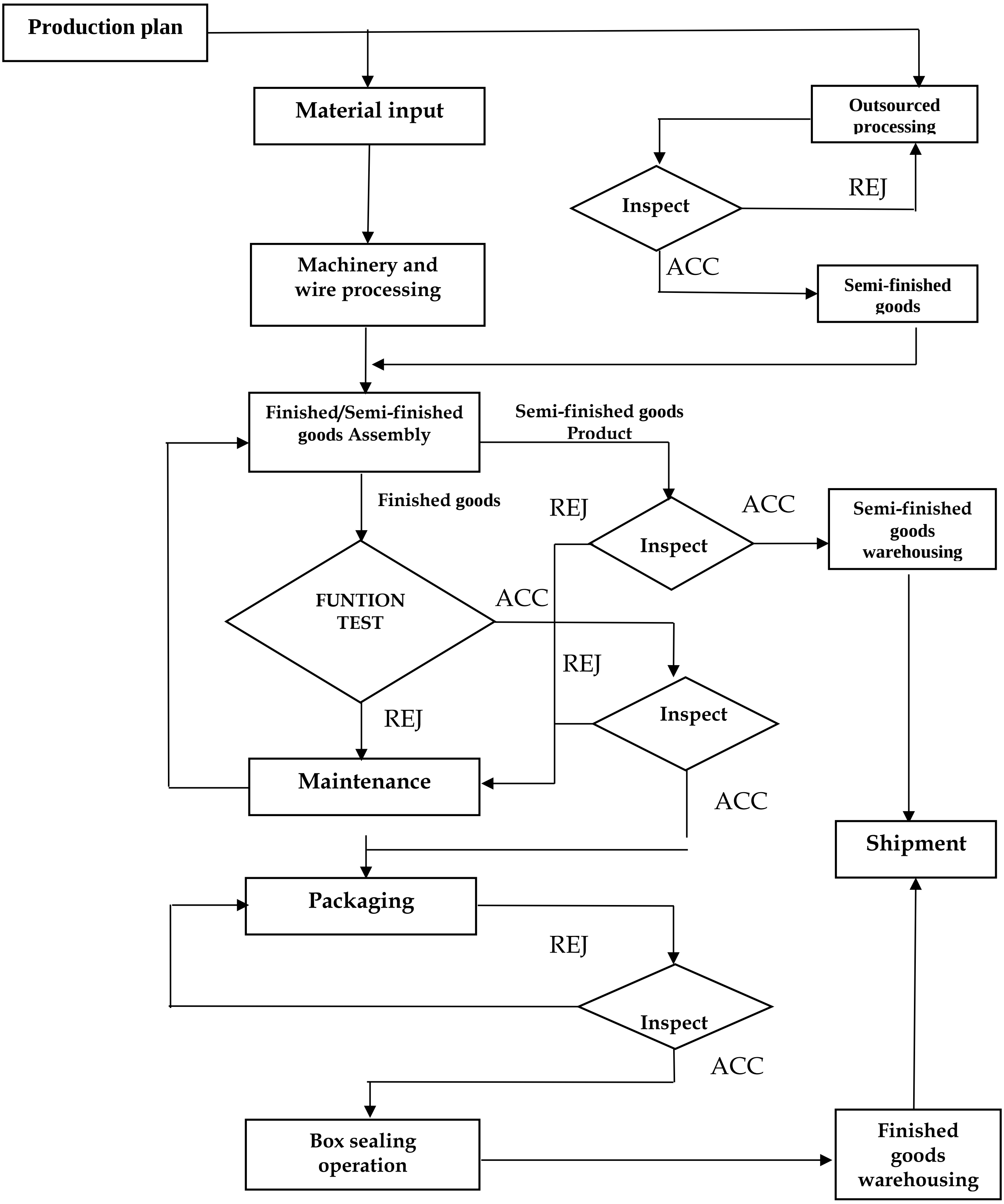
1. Main application of products

<table>
<tr><th>Key products</th><th>Product contents</th><th>Main application and functions</th></tr>
<tr><td>Label printers</td><td>Thermal、Thermal transfer label printers、RFID label printers、related components and accessories</td><td rowspan="3">Identification、tracking、and management applications for raw materials、finished products、assets、personnel、safety and services in industries such as logistics、manufacturing、retail、government agencies、and healthcare.</td></tr>
<tr><td>Enterprise Mobile Computers</td><td>Rugged mobile computers、RFID readers and accessories</td></tr>
<tr><td>Label</td><td>Paper for label printer</td></tr>
</table>

2. Manufacturing process

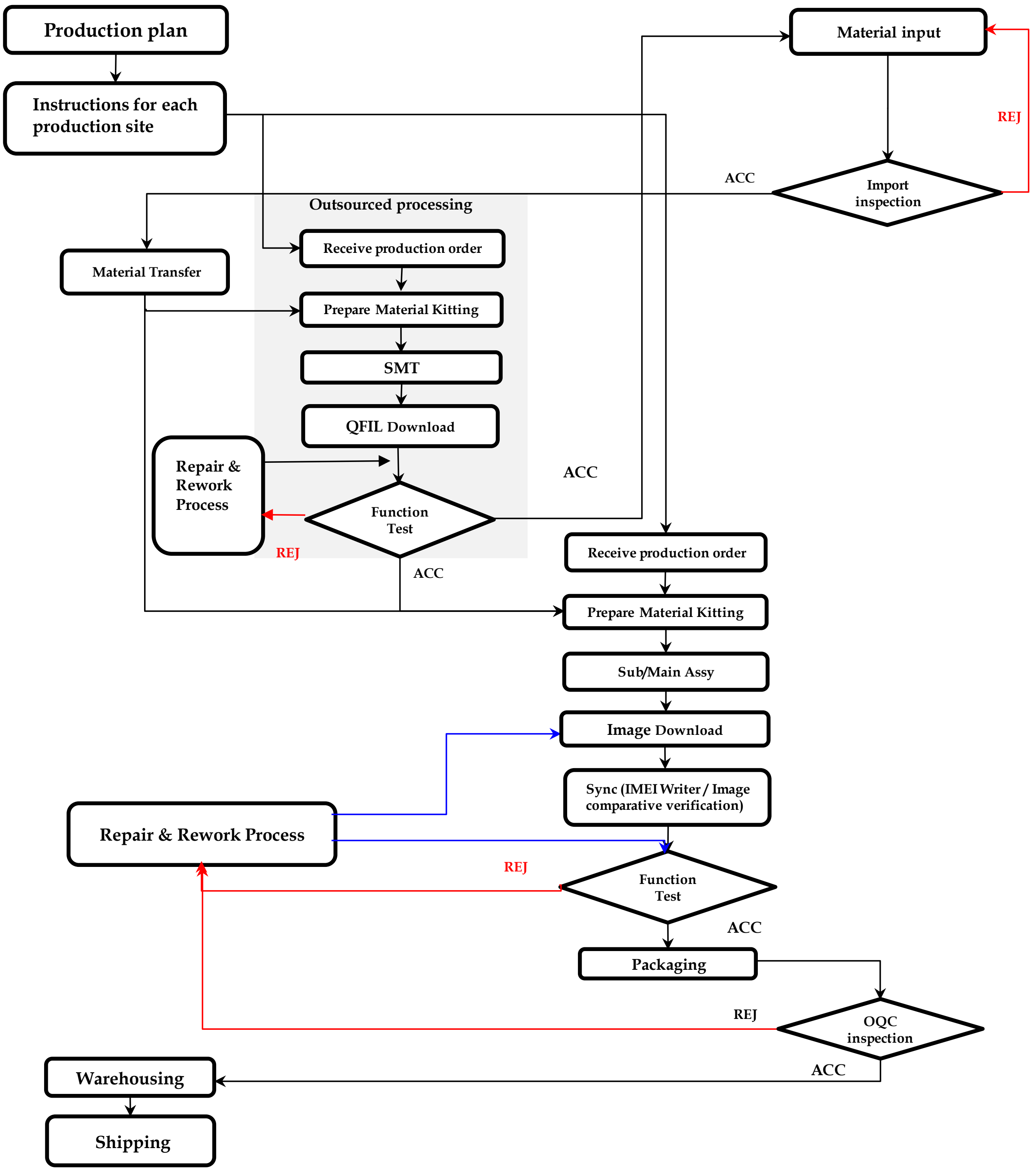
A. Label printers

Production management	Manufacturing	Quality control	Warehouse management

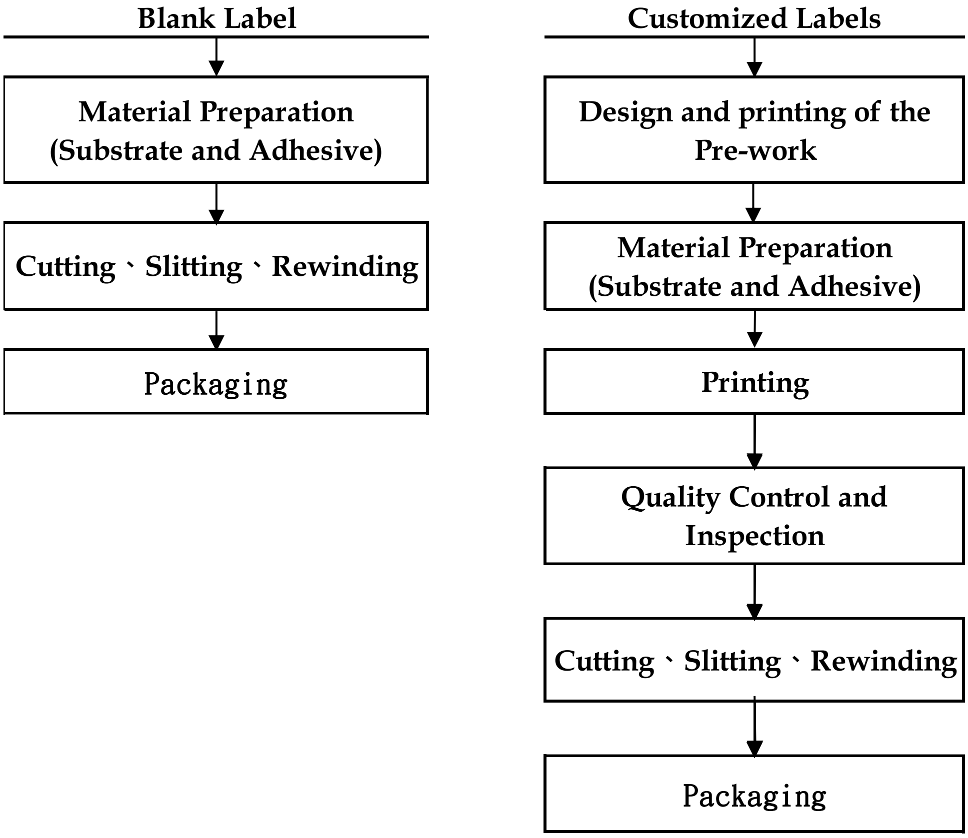


B. Enterprise mobile computers

Manufacturing Department	Manufacturing Site for SMT	Manufacturing Site for assembly	Production quality



C. Label paper



(III) State of supply for primary materials

TSC specializes in the production of barcode label printers and relevant consumables. Our primary materials include print heads, power supplies and adhesives. The Company has maintained positive relationships with all raw material suppliers over the years and all raw materials are in steady supply with zero incidences of supply disruption.

Primary materials	Key suppliers	Supplier Status
Adhesives	Morgan、Fasson、Acucote	Normal
Print heads	Kyocera	Normal
PCBA	MeiG	Normal
LCD Module	JIANGXI ZHAOYU	Normal
Battery	UBIS	Normal
Electronic Components	GT Telecom	Normal
Paper	Avery、UPM	Normal

(IV) Names of customers that have contributed 10% or more of total received (distributed) products, the amount and ratio in either one year of the most recent two years and state the reason for change

1. Main suppliers in the last two years:

Unit: NT$ thousand; %

Item	2024				2025			
	Name	Amount	As a percentage of annual net purchases	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases	Relationship with the issuer
1	Morgan	822,729	20.25%	None	Morgan	884,209	14.48%	None
2	Fasson	413,718	10.18%	None	Fasson	442,398	7.24%	None
3	Others	2,826,293	69.57%	None	Others	4,780,689	78.28%	None
	Net purchase	4,062,740	100.00%	–	Net purchase	6,107,296	100.00%	–

2. Main customers in the last two years:

Unit: NT$ thousand; %

Item	2024				2025			
	Name	Amount	As a percentage of annual net sales	Relationship with the issuer	Name	Amount	As a percentage of annual net sales	Relationship with the issuer
1	Others	8,351,762	100.00%	None	Others	11,529,034	100.00%	None
	Net sales	8,351,762	100.00%	–	Net sales	11,529,034	100.00%	–

III. Employees

Apr. 18, 2026

Year		2024	2025	Apr 18, 2026
Employee count	Supervisor	166	153	151
	Non-Production	678	740	753
	Production	478	414	409
	Total	1,322	1,307	1,313
Average age		41.05	41.75	41.9
Average years of service		7.04	7.22	7.23
Distribution of academic background %	Doctoral Degree	0.16	0.16	0.16
	Master's Degree	9.90	10.41	10.76
	University/ College	43.18	43.83	44.10
	Senior high school	43.18	40.68	40.00
	Junior high school and below	3.59	4.92	4.98

IV. Contribution to environmental protection

The Company did not incur any losses (compensations) or fines due to pollution of the environment in the last year and up until the publication date of the annual report.

V. Labor-management relations

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

TSC Auto ID Technology is committed to becoming an outstanding, people-centered enterprise. The Company will continue to empower talent, enhance employee health and well-being, promote a diverse, equitable, and inclusive environment, support disadvantaged groups, and actively contribute to the sustainable development of communities, with the aim of building a more inclusive society.

1. Human rights protection

1.1 Human rights policy and concrete actions

The Company supports and respects international labor and human rights standards, referencing frameworks such as the International Labor Conventions and the United Nations Universal Declaration of Human Rights. The Company also adopts actions consistent with the Responsible Business Alliance (RBA) Code of Conduct, formulating and implementing policies aligned with business ethics, environmental and social issues, human rights, and other public policy commitments. TSC's Human Rights Policy is published on the Company website. Additionally, the "Human Rights Management Regulations" were established, to prevent unequal treatment in the workplace based on gender, nationality, education, or other factors.

1.1.1 Complying with labor laws to protect employees' legal rights, including legally provisioning retirement funds and maintaining open communication between labor and management to understand and reasonably meet employee needs. An Employee Welfare Committee has also been established to manage various welfare initiatives.

1.1.2 TSC legally updated its "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Regulations" and its rules on unlawful workplace conduct. Internal and external reporting mailboxes were integrated, and a dedicated complaint hotline was established, while continuously promoting awareness and providing training to safeguard employees' well-being and ensure a safe and secure working environment.

1.1.3 The "External Provider Management Procedures" were established, requiring suppliers to sign a "Supplier Code of Conduct Compliance Statement" and adhere to the RBA Code of Conduct. All supplier business activities must comply with the laws and regulations applicable in their operating countries.

1.1.4 The Company places great importance on the protection of personal data. In compliance with the "Personal Data Protection Act," it has

established and implemented the "Personal Data Protection Management Regulation," which serves as the basis and operating procedures for the collection, processing, use, and international transfer of personal data, thereby ensuring the security of personal data.
The specific implementation results for 2025 are as follows:
Employee sign-off rate for the "Consent to Collection of Personal Data": 100%
Employee sign-off rate for the "Confidentiality Agreement": 100%
No incidents of personal data protection violations occurred in 2025.

1.1.5 The organization conducts regular communication, assessments, and audits to identify and evaluate potential human rights risks and implements continuous improvement plans based on the identified risks.

1.2 Training and awareness campaigns

In 2025, the Company conducted training programs on human rights protection related topics to enhance employees' awareness of human rights and workplace safety. Details are as follows:

Education and training courses	Hours	No. of participants
RBA Code of Conduct Training	6.07	26
What is Diversity and Inclusion? Uncovering Your Unconscious Bias	4.33	26
Sexual Harassment Prevention Act	2.17	26
Training on the Prevention of Workplace Misconduct and Harassment	290.17	352
Ergonomic Hazard Prevention Training	100.50	201
Total	403.24	631

1.3 Grievance channels and remediation mechanisms

The Company has established comprehensive internal and external grievance channels and communication frameworks and is committed to safeguarding the safety of complainants. If any individual becomes aware of potential human rights violations, they may report them anonymously or provide feedback through multiple communication channels to the Company, thereby initiating the corresponding investigation and handling procedures. Once a human rights violation caused or contributed to by the Company is confirmed, the Company will activate appropriate remediation mechanisms based on the nature of the incident and, where necessary, collaborate with relevant stakeholders to prevent recurrence.

2. Employee communication

The Company has established diverse communication channels to convey corporate policies, encourage employees to express their ideas and opinions, and foster mutual understanding and collaboration between the organization and its people, thereby enhancing overall organizational cohesion.

2.1 Through quarterly all-hands meetings, monthly global management meetings, and headquarters management meetings, the Company communicates its policies and operational status transparently and accurately, while fostering cross-departmental discussions and collaboration.

2.2 In addition to communicating corporate policies, the all-hands meetings also include sharing of cross-departmental activities, such as the promotion of employee clubs and the sharing of team-building initiatives, thereby deepening employee interactions and fostering meaningful shared experiences.

2.3 The Company continues to publish Global News Quarterly on a quarterly basis, sharing key updates from each subsidiary and recognizing outstanding employees. This enables employees across different regions to stay informed about organizational developments and operational dynamics, thereby strengthening overall cohesion.

In 2025, the Company further optimized the overall content structure to present information in a more structured and globally aligned manner, thereby strengthening cross-regional information exchange.

2.4 Labor–management meetings are held in compliance with the Ministry of Labor's Regulations for Implementing Labor–Management Meetings, in which the Company appoints its representatives while employees elect theirs. All labor–management meeting representatives shall serve a 4-year term. The representatives on the labor side may serve a subsequent term if reelected, and the representatives on the management side may serve a subsequent term if reappointed. Labor–management meetings are convened once every three months in the presence of labor and management representatives to mediate labor–management relations, promote cooperation, and address workers' issues in advance. Issues concerning workers' benefits, worker safety and health, and production efficiency improvements are discussed during the meetings, and solutions are implemented with the consensus of both sides for mutual benefit.

2.5 The Company has established a two-way communication platform between employers and employees through regular labor–management meetings, labor safety meetings, and monthly meetings for foreign migrant workers to create a healthy and friendly workplace.

2.6 The Company promotes additional communication channels, including suggestion boxes, innovation proposals, performance journals, and grievance mailboxes, encouraging employees to actively share their ideas and feedback, and providing regular responses to employee input.

2.7 An employee engagement survey is conducted annually. After the survey, the Company invites employees to jointly discuss and develop improvement initiatives, incorporates them into the Company's annual objectives for execution and tracking, and works together to create an excellent workplace at TSC. In 2025, the survey scope was expanded for the first time to cover the entire Group across six countries. A total of six language versions – including English and local languages – were provided, reinforcing the principles of diversity, equality, and shared prosperity. The overall Group survey response rate exceeded 75% in 2025, indicating that most employees have a high level of trust in the Company's communication channels and are willing to actively provide feedback, jointly contributing to the creation of a better workplace.

3. Diversity, equity, and inclusion

The Company manages and evaluates matters such as recruitment, training, compensation, promotion, termination, and retirement based on organizational needs, job responsibilities, and individual performance. Relevant policies have been formalized into internal management procedures to ensure effective implementation and to achieve diversity, equity, and inclusion. The Company does not engage in discrimination on the basis of race, social class, nationality, religion, disability, health condition, gender, sexual orientation, age, trade union membership, employee representation, employee grievance activities, or political affiliation.

3.1 Diverse and inclusive workforce composition

The Company respects all employees and regards them as its most valuable asset. Caring for employees is an integral part of daily management. We are committed to creating a high-quality working environment and ensuring fair and humane treatment for all employees.

The diversity indicators for 2025 are as follows (Taiwan employees only):

Employee gender distribution

Gender	Ratio
Male	56.34%
Female	43.66%

Employee age distribution

Age	Ratio
≤ 30 years old	11.21%
31~50 years old	77.29%
≥ 51 years old	11.50%

Workforce diversity in hiring

Category	Ratio
Indigenous people	0.88%
People with disabilities	1.77%

3.2 Measures supporting equal development

3.2.1 The Company places great importance on employee rights and welfare, including the physical and mental well-being of all employee groups. It hires persons with disabilities in compliance with statutory requirements and conducts surveys on employees' religious affiliations and disability-related needs to better understand the diverse needs of different groups. Based on these insights, the Company makes appropriate adjustments and provides a suitable working environment and facilities for its employees.

3.2.2 In 2025, the Company supported the government's "Continued Employment Subsidy Program for Older Workers," encouraging eligible employees approaching retirement to remain in the workforce and pass on their knowledge, skills, and experience, while maintaining a stable source of income and a sense of fulfillment from work.

3.3 Talent recruitment and retention management

TSC Auto ID firmly believes that human capital is a key cornerstone of sustainable corporate development. Therefore, the Company continues to attract and retain outstanding talent through well-established recruitment systems, employer branding initiatives, employee care programs, and talent development mechanisms, while fostering a diverse, inclusive, and friendly workplace culture. The key initiatives are as follows:

3.3.1 Conduct strategic workforce planning based on the Company's operational direction and develop a comprehensive recruitment plan.

and may Perform an annual labor market salary competitiveness analysis in line with the recruitment plan and market trends.

3.3.2 Review recruitment efficiency on a monthly basis and evaluate positions with prolonged vacancies to enhance overall recruitment effectiveness.

3.3.3 Establish recruitment channels, including job platforms, social media, job fairs, campus recruitment briefings, internship programs, recruitment consultants, and internal referral systems, to broaden the talent pool and attract high-potential candidates.

In 2025, the Company established the official "TSC Career" Instagram account to share recruitment information, corporate culture, and CSR activities, thereby strengthening its employer brand as a friendly workplace and attracting outstanding talent to join the Company.

The Company has established an external talent database to cultivate long-term relationships with potential candidates. Through a strategic talent pipeline mechanism, it enhances recruitment efficiency and shortens the hiring cycle.

3.3.4 The Company continues to optimize its recruitment and selection processes by streamlining interview procedures and introducing competency- and fit-based assessment mechanisms. These efforts enhance recruitment efficiency and the candidate experience, strengthen the alignment between candidates and job requirements, and support new hires in smoothly integrating into teams and the organizational culture.

3.3.5 Interview experience questionnaires are given to job seekers to gather real-time feedback on their perceptions of the interview process, interactions with interviewers, and job descriptions. This helps the Company identify blind spots in the process and optimize recruitment quality. Real-time feedback and adjustments help enhance corporate image, reduce post-offer rejections and recruitment risks, making the recruitment system more stable, effective, and competitive.

3.3.6 The Company has established a grievance mechanism for job applicants. If candidates encounter any unfair or unethical treatment during the recruitment process, the Company provides appropriate channels for complaints and has defined formal investigation and handling procedures to safeguard applicants' rights.

3.3.7 The Company has established a new employee care and retention mechanism to identify employees who may be considering leaving at an early stage and to retain talent. Through a cross-departmental buddy system, new hires are paired with colleagues who provide day-to-day support and help them adapt to the workplace environment. In addition, follow-up interviews are conducted approximately 1.5 months after onboarding to assess new employees' adjustment and provide timely support where needed.

3.3.8 The Company conducts regular annual turnover analyses, gaining in-depth insights into the specific reasons for employee departures through exit interviews, and proactively carrying out internal reviews based on the findings to continuously optimize its human resource management systems and related policies. In 2025, the employee turnover rate was 13.01%, representing an increase of 3.94% compared to the previous year, primarily due to increased talent mobility within the industry and internal personnel transfers within the Group. Overall, employee turnover remained within a normal range and did not have a material impact on the Company's operations. The Company continues to promote remuneration optimization, diversified training, and individual development programs to enhance employee retention and organizational stability.

4. Employee welfare measures:

4.1 Remuneration measures

4.1.1 The Company's Articles of Incorporation stipulate that, if there are profits in the annual final accounts, 2% to 10% shall be allocated as employee remuneration, of which at least 1% shall be distributed to rank-and-file employees. Such remuneration shall be resolved by the Board of Directors and distributed in the form of shares or cash, appropriately reflecting operating performance and results in employee remuneration.

4.1.2 Regular employees are entitled to holiday bonuses for the Dragon Boat Festival, Mid-Autumn Festival, and the Lunar New Year.

4.1.3 Year-end bonuses are distributed each year based on the overall profitability of the company and the results of individual employee performance evaluations.

4.1.4 The Company issues employee stock options to reward outstanding employees and inspire employees to show better work performance and to stay in the Company for a long time for growing together.
An automated employee stock option system enables employees to independently access real-time relevant information.

4.1.5 The Company also implements annual promotion and salary review processes, with appropriate adjustments made to ensure that no form of discrimination or unfair treatment is involved. This aims to ensure that employees are placed in roles suited to their abilities, can fully utilize their strengths, and receive commensurate compensation.

4.2 Leave and other employee welfare measures

The Company has established various initiatives to support employees' physical and mental well-being, while further enhancing care for their overall quality of life.

4.2.1 The Company provides new employees with special leave benefits that exceed statutory requirements, along with a buddy program to support their transition and adaptation to new roles. These measures help improve retention of new hires and enhance the Company's competitiveness in the talent market.

4.2.2 In 2025, the buddy program was upgraded to increase opportunities for interaction between new employees and experienced employees from different departments. This helps new hires quickly adapt to the corporate culture and working environment, while also fostering a sense of care and value among employees.

4.2.3 The Company comprehensively reviews its internal policies and streamlines various procedures in compliance with regulations, enabling employees to follow clear guidelines and improving operational efficiency.

4.2.4 The Company provides "TSC Family Care Leave" system, which exceeds legal requirements, offering employees additional leave beyond statutory entitlements and reducing the likelihood of employees taking unpaid leave or leaving the workforce to care for family members.

4.2.5 From 2025 onwards, the Company will provide a "TSC Fertility Treatment Leave" that exceeds legal requirements. We hope this will help employees and their spouses reduce psychological stress during their journey to conceive, encourage shared participation and responsibility between partners, and further establish a gender-equal and family-friendly work environment.

4.2.6 In 2025, new overseas business travel safety management guidelines were introduced to protect employees' rights and safety during business trips.

4.2.7 The Company implements a "Psychological Counseling Service," providing a toll-free consultation hotline available 24 hours a day, 365 days a year, including management-related consultation services. Through third-party professional and objective support, it helps employees resolve issues, relieve stress, and achieve physical and mental balance. The Company supplements this with a monthly "Sunny Mind Digest" to provide employees with more comprehensive psychological support. In 2025, the psychological counseling service supported a total of 10 employees, with an average satisfaction rating of 4.69 out of 5.

4.2.8 In 2025, the first Mindfulness Week was held, featuring simple mindfulness practices and interactive activities to help employees maintain awareness and focus amid busy work, strengthen emotional regulation, and enhance psychological resilience and physical and mental balance.

4.2.9 Travel subsidies are provided to employees to allow them to fully rest outside of work, relieve stress from their environment and society, and recognize their continued dedication in their positions.

4.2.10 Team-building activities create opportunities for cross-departmental interaction, enabling employees to connect with employees they do not interact with in their work, build strong relationships, and foster greater collaboration.

4.2.11 Various employee benefits and care initiatives are integrated, and the "TSC LOHAS Guidelines" is updated to provide employees with a more comprehensive understanding of available support and enable them to access it when needed.

4.2.12 A one-stop welfare application service is provided to assist employees in applying for various benefits jointly offered by the Company and the Employee Welfare Committee (e.g. marriage leave and wedding subsidies). The application process has been integrated and optimized, with HR serving as the single point of contact to coordinate all benefit applications, enabling employees to access benefits more conveniently and efficiently.

4.2.13 Continue to provide a series of health and lifestyle seminars to increase daily functions and establish a high quality of life.

4.2.14 The Company is organizing a "TSC Baby Camp" and will fully subsidize employees' children to attend the Carnegie summer character camp. Childhood is a crucial time for developing self-discipline and emotional management skills, which lay the foundation for self-confidence, communication, and interpersonal skills. Parents' participation in the process also contributes to the shared growth of family members and positive interpersonal interactions between families. In 2025, the second "TSC Baby Camp" was held, and children of employees who participated in the first camp were invited to return as camp mentors. Through interaction with participants, they internalized what they learned in the previous year and enhanced their leadership, influence, and self-management skills.

4.2.15 The first TSC Family Day was held at Taipei Dome in 2025, where employees and their families enjoyed an exciting baseball game and quality family time together. From pre-event introductions to basic baseball knowledge to the distribution of specially designed TSC caps on the day of the event, team cohesion was collectively demonstrated. Aiming to create wonderful memories unique to TSC for our employees and their families, the Company continues to practice family friendliness and employee care to create a workplace culture with a sense of belonging.

4.3 The Employee Welfare Committee is primarily responsible for arranging the following benefits:

(1) Birthday cash gifts
(2) Wedding, childbirth, funeral, and injury/disability subsidy
(3) Travel subsidy
(4) Club subsidy
(5) Monthly birthday events
(6) Educational scholarships for employees (spouse) and children
(7) Organizing festive events
(8) Selection and commendation of top-performing workers
(9) Employees who complete a certain number of years of service are rewarded with cash or gifts of equivalent value
(10) Childcare subsidy
(11) Talent and skill subsidy for employees and their children

(12) Special discount stores
(13) Quarterly networking activities

The Company has an Employee Welfare Committee, which was approved by the Yilan County Government under Letter No. Yi-She-Lao-Zi No. 0960200001. The committee consists of worker representatives elected by various departments. The committee holds regular meetings to organize benefits and activities for employees, offers a variety of club activities along with free fitness facilities and table tennis equipment, and promotes recreational and entertainment activities to help employees bond.

5. Empowering Talent

5.1 The Company promotes diversified learning programs and supports employees in achieving their learning goals through self-developed Individual Learning Plans. These initiatives help gradually build a learning-oriented organizational culture, enabling employees to leverage their strengths while fostering the Company's continuous growth and development.

5.2 There are three main categories of learning activities in the Company: general learning, vocational learning, and professional learning. A diverse range of learning activities is designed to address different target groups and development needs.

5.3 Each year, in alignment with corporate policy directions and training needs assessments, the Company plans a series of vocational programs to enhance employees' communication, proposal, and collaboration capabilities, thereby supporting the achievement of overall corporate objectives.

5.4 Leadership experience workshops are also conducted to strengthen managerial leadership competencies and team collaboration capabilities, reinforcing internal organizational connections and improving overall performance.

5.5 Tailored training programs are designed for senior executives to strengthen cross-regional integration capabilities and enhance global team collaboration and management effectiveness.

5.6 The Company continues to promote vocational application courses to deepen the implementation of the vocational development framework, while reinforcing a shared organizational culture and core values.

5.7 Through the promotion and implementation of Individual Development Plans (IDPs), employees are able to continuously enhance their competencies while achieving corporate objectives, progressively accomplish their personal learning goals, unlock their potential, and advance their career development.

5.8 To cultivate employees' innovative thinking, the Company promotes a book club, namely "Innovator's DNA," encouraging self-learning and knowledge sharing. Through this approach, employees are guided to adopt systematic thinking to deepen innovation behavior patterns, enhance innovation capabilities, and establish a shared communication language and interpersonal network across the organization.

5.9 In alignment with the Group's new business product development, the Company continues to enhance employees' professional capabilities and strengthen cross-departmental collaboration to support strategic integration and the Group's overall development roadmap.

5.10 The Company continuously enriches its collection of new books and encourages employees to recommend quality titles. Through diverse promotional initiatives, it fosters a learning culture of reading and sharing together, cultivating habits of continuous, self-directed learning among employees.

5.11 The Company implements an annual performance management system, aligning employee performance with team strategies through goal setting at the beginning of the period, ongoing feedback and improvement during the period, and end-of-period performance evaluations, in order to achieve the Company's objectives collectively.

5.12 The Company conducted quarterly outstanding employee selections through a nomination system that cultivated employees' ability to recognize and appreciate others, and recognized awardees at all-hands meetings, reinforcing positive workplace behaviors and fostering a positive work environment.

5.13 The Company continues to implement its innovation committee and employee innovation proposal program. By providing substantial incentives and resource support, it encourages employees to put forward innovative ideas and empowers them to translate creativity into practical applications, enabling self-fulfillment while driving the organization's continuous innovation and development.

5.14 Education and training progress in the last year (2025):

Course category	Course sessions	Total participant count	Total hours	Total expenses (NT$ thousand)
Professional Learning	119	1,252	2,274.09	1,053.83
General Education	92	2,879	4,039.26	
Competency Learning	13	168	854.75	
Total	224	4,299	7,168.10	

6. Retirement System

To stabilize the life of employees after retirement, the Company has established the "Employees Retirement Regulations" and established the Supervisory Committee of the Labor Retirement Reserve Fund, which has set up a special account for the labor pension fund. Since July 1, 2005, for employees who choose the new pension system, the Company will act according to the Labor Pension Act, allocating 6% of employees' monthly salaries and wages as pension funds transferred into their personal accounts at the Bureau of Labor Insurance on a monthly basis. The Company pays on behalf of the employee for the voluntary payment rate by deducting the amount from the employee's monthly salary and transferring it to the individual pension account with the Labor Bureau. However, the Company uses the actuarial results of the actuaries for the withheld pension accounts at the Bureau of Labor Insurance for employees whose seniority is before July 1, 2005, and for employees opting for the old pension system in accordance with the "Labor Standards Act." On a monthly basis, contributions to the pension fund are entrusted to the Labor Pension Fund Supervisory Committee, and the accounts in the Bank of Taiwan are deposited in the name of the Labor Pension Fund Supervisory Committee. The relevant system and execution are handled in accordance with the applicable laws and regulations. The Company's regulations governing the application of pension funds, in accordance with the Pension Act, are as follows:

6.1 Retirement conditions

(I) An employee of the Company may voluntarily retire under any of the following circumstances:

(1) Those with more than 15 years of service and at least 55 years of age
(2) Those with more than 25 years of service
(3) Those with more than 10 years of service and at least 60 years of age

(II) An employee of the Company shall not be compelled to retire if he/she does not meet any of the following criteria:

(1) Having reached the age of 65
(2) Physically or mentally unable to perform their duties due to disability
(3) The mandatory retirement age for employees is 65; however, it may be extended upon mutual agreement between the employer and the employee. For employees engaged in work of a hazardous or physically demanding nature, the Company may apply to the central competent authority for approval to adjust the retirement age, provided that it shall not be set below 55.

(III) Full-time employees of the Company who meet any of the following conditions may voluntarily apply for preferential retirement. Preferential retirement is a company policy that provides terms more favorable than statutory retirement conditions, and the benefits shall not be lower than the statutory pension standards. Implementation is subject to approval by the President:

(1) Employees with at least 15 years of service and aged 45 or above.

(IV) In accordance with labor laws and the principles of the RBA, the Company treats all eligible employees equally and provides reasonable grievance and consultation channels to ensure transparency of information and safeguard employees' right to be informed.

6.2 Retirement application procedure

Employees who meet the aforementioned retirement eligibility criteria are required to submit a retirement application at least one month prior to the effective retirement date. Upon approval by the authorized supervisor, the resignation procedures shall be handled in accordance with the "Employee Unpaid Leave and Resignation Regulation." Employees must complete all work handovers and separation procedures prior to their last working day. This includes providing a detailed list of duties within their scope of responsibilities as well as any assets under their custody, and completing the asset handover process.

6.3 Appropriation of old pension reserve and contributions to the new pension system

(I) For employees subject to the pension provisions under the Labor Standards Act (old pension system), the Company shall, in accordance with the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" and other applicable regulations, appropriate workers' retirement reserve funds into the dedicated labor retirement reserve account at the Bank of Taiwan.

(II) For employees subject to the new pension system under the "Labor Pension Act," the Company shall make monthly pension contributions based on the employee's salary grade, which are deposited into the individual labor pension account established by the Bureau of Labor Insurance. Employees may, within the scope permitted by the Labor Pension Act, make additional voluntary pension contributions. The portion of voluntary contributions made by employees may be fully deducted from their total annual comprehensive income.

6.4 Pension payment standard

(I) Years of Service: The service years are counted from the date of employment until the date of approved retirement. The service years are calculated in accordance with Chapter II of the Company's Work Rules.

(II) Age: The retirement age shall be fully calculated in accordance with the date of birth recorded in the household registration.

(III) Pension base (old pension system):
For years of service applicable under the pension system of the Labor Standards Act (old pension scheme), pension benefits shall be calculated in accordance with Article 55 of the Labor Standards Act.

(1) For the first 15 years of service, two units shall be granted for each full year. For service exceeding 15 years, one unit shall be granted for each additional full year, with a maximum cap of 45 units in total. Any fractional year of service of less than six months shall be counted as half a year, while a period of six months or more but less than one year shall be counted as one full year.

(2) For employees subject to mandatory retirement, if their physical or mental disability is caused by the performance of their duties, an additional 20% shall be granted in accordance with the provisions of the preceding paragraph.

(3) The standard for the pension base is calculated based on the average monthly salary at the time of approved retirement. (The average wage shall be calculated based on the six months preceding retirement in accordance with Article 2, Subparagraph 4 of the Labor Standards Act.)

(IV) For employees subject to the new pension system, retirement benefits shall be claimed based on the actual principal contributed and accumulated returns in their individual accounts in accordance with the Labor Pension Act. The calculation of retirement benefits shall be carried out in accordance with the Labor Pension Act and relevant regulations.

6.5 Pension payment

(I) For employees subject to the pension provisions under the Labor Standards Act (old pension system):

(1) When an employee applies for retirement, the Human Resources Department shall calculate the pension benefit amount in accordance with this regulation and submit it to the President for approval. Upon being signed and endorsed by the members of the Supervisory Committee of the Labor Retirement Reserve Fund, an application for

payment shall be submitted to the labor retirement reserve account at the Bank of Taiwan.

(2) The pension shall be paid within 30 days from the employee's retirement date. If it cannot be paid in a lump sum, it may be paid in installments upon approval by the competent authority.

(II) For employees subject to the new pension system, they may, upon meeting the eligibility requirements set forth in the "Labor Pension Act," apply for retirement benefits from the Bureau of Labor Insurance in accordance with the relevant regulations.

6.6 Time limit for claiming pension

(I) For employees subject to the pension provisions under the Labor Standards Act (old pension system), the right to claim pension benefits shall be extinguished if not exercised within five years from the month following retirement.

(II) The right to claim pension benefits may not be assigned, offset, attached, or used as collateral.

6.7 In the event of amendments to applicable laws or regulations, or where matters are not covered herein or involve other rights and obligations of employees, the Company may handle such matters in accordance with relevant laws and regulations as deemed necessary.

6.8 Implementation of pension benefit claims

Pension system	Old system	New system
Applicable law	Labor Standards Act	Labor Pension Act
How to contribute	2% of employees' total monthly salaries is appropriated and deposited, in the Company's name, into a dedicated account at the Bank of Taiwan	6% is contributed based on employees' insured salary grade and deposited into individual pension accounts with the Bureau of Labor Insurance
Contribution amounts	Accumulated balance of the labor retirement reserve amounted to NT$4,875 thousand	Contributions for 2025 amounted to NT$13,233 thousand

7. Social Responsibility

The Company collaborates with government agencies and private organizations to fulfill its social responsibilities, focusing on environmental sustainability, care for underprivileged children, and community engagement. Through the combined efforts of employees, their families, and the Company, it seeks to foster a more harmonious and inclusive society.

7.1 In 2025, the Company received the RBA VAP Platinum Recognition and adhered to the requirements across the five key areas – labor, health and safety, environment, ethics, and management systems – to implement corporate social responsibility and meet stakeholder expectations, while driving value chain partners to strengthen risk management and resilience across upstream and downstream supply chains.

7.2 The Company continued joining the "TALENT, in Taiwan: Taiwan Talent Sustainability Action Alliance," and is creating a diverse and inclusive workplace through six strategic action principles: “Purpose and Value,” “Diversity and Inclusion,” “Rewards and Incentives,” “Well-being and Health,” “Development and Growth,” and “Communication and Experience.”

7.3 Efforts are made to enhance awareness of sustainability and social responsibility and to encourage employees to participate in ESG-related training, covering key topics such as overall corporate sustainability management, TCFD risk identification, corporate governance evaluations, DEI and inclusive workplaces, and information security. In 2025, a total of 403 participant attendances were recorded, amounting to 834.5 training hours.

7.4 Through the CSR Committee mechanism, the Company brings employees together to discuss social responsibility issues, plan and implement a series of CSR initiatives, and guide employees in fulfilling their social responsibilities through active participation. In 2025, a total of 688 participations in CSR activities were recorded, with a cumulative contribution of 4,067 hours, benefiting a total of 995 individuals.

7.5 In 2025, the Company established the CSR Passport system. Through a point-and-reward mechanism, it encourages employees to actively participate in various CSR activities.

7.6 In collaboration with the Eden Social Welfare Foundation, a series of initiatives were carried out to support “slow-flying angels” (children with developmental delays). Employees participated in volunteer companionship activities, demonstrating their support for “slow-flying angels” through concrete actions. The volunteer companionship activities primarily served “slow-flying angels” in the Taipei and Yilan areas. In 2025, two volunteer companionship events were organized, with a total of 39 employees participating and contributing 330 service hours. These efforts provided companionship to 33 slow-flying angels while also offering 31 parents a valuable opportunity for respite. In 2025, the Company also sponsored the “Love Children Happy Festival” organized by the Eden Social Welfare Foundation, helping to raise public awareness and attention to issues concerning “slow-flying angels,” thereby further expanding its social influence. The total investment in these initiatives amounted to NT$216,101, benefiting a total of 441 individuals.

7.7 The first “Arbor Day” event was held in 2025 to encourage employees to support environmental sustainability through practical actions and put their green commitments into practice. The activities were also open to employees’ family members and friends, with a total of 100 employees and their relatives participating in the tree-planting event. Under professional guidance, land preparation and planting were completed, enhancing greenery and improving biodiversity at the site. Through collaboration and hands-on experience, employees’ awareness of sustainability issues was deepened, while also strengthening interaction and team cohesion among employees, their families, and friends.

7.8 The Company appropriately employs local talent in the areas where it operates, promoting local employment opportunities and enhancing community engagement and identification. In 2025, the proportion of local employees hired at the Yilan factory reached 95.98%.

7.9 The Company supports the government's "Employment Promotion Program," encouraging departments to hire unemployed individuals, assisting them in re-entering the workforce, and promoting diversified workforce utilization.

7.10 The Company continues to participate in the "Industry–Academia Internship Program" jointly organized by the Financial Supervisory Commission and the Ministry of Education, and regularly conducts campus recruitment activities. By offering internship opportunities and recruiting fresh graduates, students are able to gain early exposure to the workplace, helping to reduce graduate unemployment while promoting the employer brand.

8. Work environment and protection of employees' safety:

The Company has implemented standard operating manuals and protection measures in accordance with the Occupational Safety and Health Act and Regulations for the Occupational Safety and Health Equipment and Measures to ensure the safety of factory and office environments, as well as the safety of personnel.

(1) Establishment of occupational safety and health inspection plan: safety and health facilities of the Company are inspected automatically to prevent accidents.
(2) Employee health checkup: new and existing employees are subjected to regular health checkup and health management.
(3) Occupational safety and health training: workers are trained regularly on safety, health, disaster prevention, and response.
(4) Specialist training: all operators of hazardous machinery and equipment are required to comply with government rules by undergoing specialist training and obtaining certification from government-approved training institutions.
(5) Occupational health and safety personnel: the Company has hired a class-1 manager of occupational health and safety affairs and a occupational health and safety manager in accordance with the laws.
(6) Investigation of occupational hazard: occupational hazards and accidents are analyzed and reported to the labor inspection authority, with measures implemented to prevent recurrence.
(7) Contractor management: communication channels have been established between contractors and the Company to discuss work safety and prevent occupational hazards.
(8) Environment testing: the Company tests the noise level, chemical and drinking water of the work environment on an annual basis to ensure that the environment is safe for employees to operate in.

9. Labor-management agreement

Labor-management meetings are held in compliance with the Council of Labor Affairs' Regulations for Implementing Labor-Management Meeting, in which the Company appoints its representatives while employees elect their representatives. All labor-management meeting representatives shall serve a 4-year term. The representatives for the labor side may serve a following term if reelected and the representatives for the management side may serve a following term if reappointed. Labor-management meetings are convened once every three months in the presence of labor and management representatives to mediate labor-management relations, promote cooperation, and address workers' issues in advance. Issues concerning workers' benefits, worker safety and health, and production efficiency improvements are discussed during the meetings, and solutions are implemented with the consensus of both sides for mutual benefit.

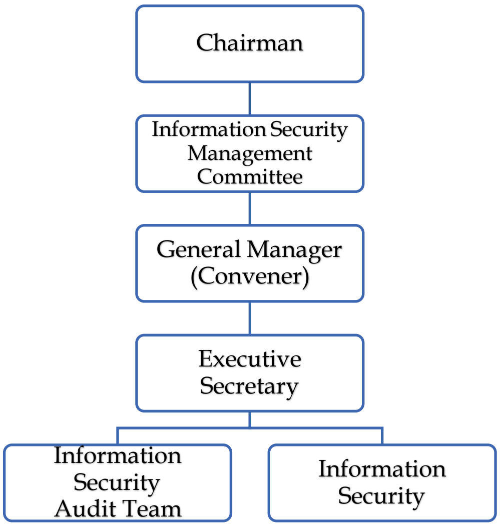
(II) Losses as a result of employment disputes in the last year up and up to the publication date of the annual report: None.

V. Cybersecurity Management

(I) Cybersecurity risk management structure

1. Cybersecurity governance organization
The Company has formally established an enterprise information security team in 2022, and appointed a dedicated information security officer and dedicated information security personnel in May 2023 to coordinate the formulation, execution, risk management, and compliance verification of information security and protection–related policies. The dedicated information security officer reports to the President at least once a year on the effectiveness of information security management, information security related issues and directions, and also appoints an outsourced information security vendor (SMIC) to assist in related technical planning, consultation and server monitoring, ensuring the stability, suitability, and effectiveness of its information security management system.

2. Structure of cybersecurity organization



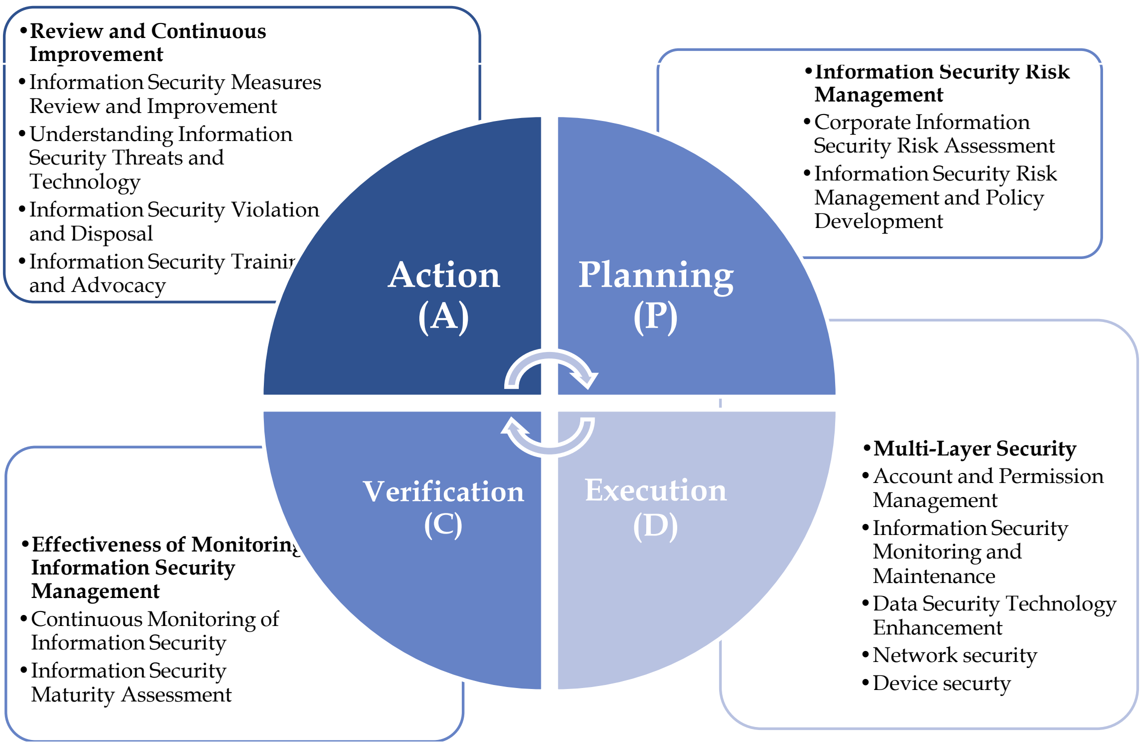
(II) Cyber security management

1. Corporate Information Security Management Strategy and Framework
The information security team is responsible for coordinating the promotion of information security management-related issues and holds regular monthly meetings to review the applicability of information security policies and protection measures, as well as to report on the effectiveness of their implementation according to the Plan-Do-Check-Act (PDCA) management cycle.

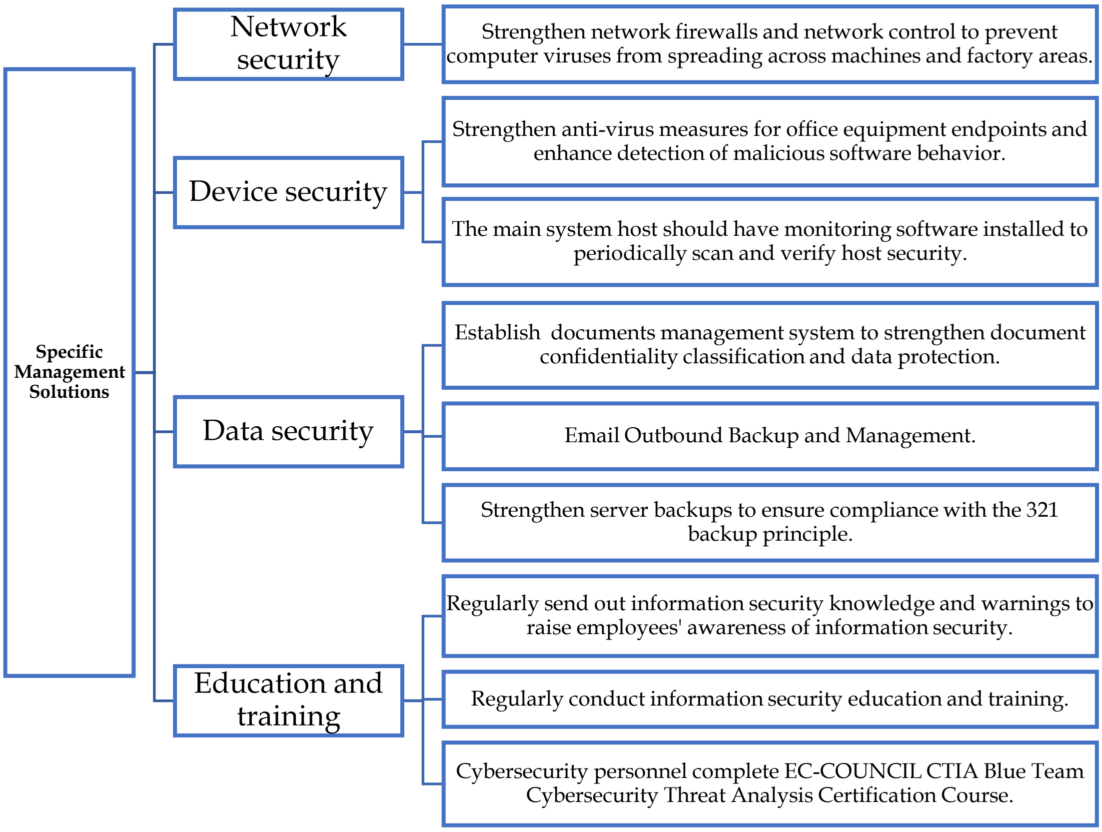
The "planning stage" focuses on information security risk management, establishes a comprehensive Information Security Management System

(ISMS), reduces corporate information security threats from systematic, technical, and procedural aspects, and ensures the protection of confidential information that meets customer needs. The "Execution Phase" of the service involves constructing multi-layered information security protection, continuously introducing innovative information security defense technologies, integrating and internalizing information security control mechanisms into software and hardware maintenance as well as other daily operating processes, systematically monitoring information security, and maintaining the "review stage" of the confidentiality, integrity, and availability of the Company's key assets. Proactive supervision and audits are conducted to ensure the continued effectiveness of information security regulations. Information security indicator measurement and quantitative analysis of the "action stage" are conducted according to the review results, principally for the purpose of review discussion and continuous improvements to practice supervision, monitoring, and audit in order to ensure the continued effectiveness of information security standards. When employees violate relevant regulations and procedures, they will be handled according to the information security violation handling procedures, and personnel penalties will be imposed depending on the violation (including the employee's performance appraisal for the current year or necessary legal actions). Moreover, regular reviews and improvement actions – including information security measures, education and training, and promotion – are implemented based on the performance indicators and maturity assessment results to ensure that the Company's important and confidential information is not leaked.

2. Key cybersecurity risk response measures



3. Management actions and practices



(III) Resources committed towards cybersecurity management

1. Outcome of corporate cybersecurity promotion in 2025
   (1) All of the new hires completed information security and protection training courses
   (2) 0% of our employees have been subjected to disciplinary actions due to violation of relevant cybersecurity and confidential information protection procedures
   (3) A total of 301 employees completed internal information security training courses.
   (4) A total of 300 employees completed social engineering simulation exercises, effectively validating their information security awareness and prevention capabilities.
   (5) Sent a total of 6 cybersecurity promotional emails to employees as a way to highlight crucial regulations for cybersecurity and cautions

2. To ensure information security, the Company established an Information Security Task Force and implemented the ISO 27001 Information Security Management System in 2025 (certificate validity period: December 29, 2025 to December 28, 2028). Through a systematic information security management framework, the Company strengthens the information security practices of its IT department and safeguards the assets of both the Company and its customers. The information security team is responsible for conducting regular information security risk assessments and vulnerability scans to maintain the confidentiality, integrity, and availability of systems.

The Company continues to invest resources in information security. In 2025, approximately NT$4.5 million was allocated to information security initiatives, including the establishment of IT infrastructure, the enhancement of security defense equipment, and employee information security training. These efforts aim to strengthen information security governance and enhance the overall protection mechanism.

Unit: NTD

Projects or Investment Projects	Amount
One-year license for backup software	257,000
Email backup	180,000
ISO 27001 Information Security Management System implementation and certification services	640,000
Endpoint protection software licensing	560,000
Firewall warranty update and protection module authorization	273,000
Destroyed 57 hard-disk drives (degaussing puncturing)	19,000
Social engineering simulation exercises	60,000
Electronic data control system	560,000
Information security education and training	60,000
Infrastructure equipment upgrades	1,900,000

(IV) State the losses, potential impact and response measures toward major cybersecurity incidents the Company has incurred during last year until the publication date of annual report: None.

(V) The "Information Security Management Policy Operation and Implementation" for 2025 was reported to the Board of Directors on Mar. 13, 2026.

VII. Major contracts：

Apr. 18, 2026

Nature of Contract	Party	Dates of Commencement and Termination of Contract	Main Contents	Restrictions
Mid-term loans	Yuanta Commercial Bank	2025/3/14 ~ 2028/3/14	Loan of NT$500 million	None
Mid-term loans	Bank Of Taiwan	2024/04/25 ~ 2027/04/25	Loan of NT$200 million	None
Mid-term loans	Bank Of Taiwan	2025/06/19 ~ 2028/06/19	Loan of NT$500 million	None
Mid-term loans	Far Eastern International Bank	2024/12/09 ~ 2027/12/09	Loan of NT$300 million	None
Mid-term loans	KGI Bank	2024/12/02 ~ 2027/12/02	Loan of NT$300 million	Yes (Note 1)
Syndicated loan	Taishin International Bank	2024/10/24 ~ 2029/11/14	Loan of NT$1 billion	Yes (Note 2)
Syndicated loan	Cathay United Bank	2024/10/24 ~2029/11/14	Loan of NT$1 billion	Yes (Note 2)

Note 1: (1) The debt ratio shall not exceed 150%;
(2) (Cash and cash equivalents + annualized EBITDA) / (short-term loans + medium- and long-term loans due within 1 year) shall not be less than 1 times

Note 2: (1) Current ratio ≧100%;
(2) Financial debt ratio ≤ 3 times;
(3) The principal and interest coverage ratio is ≥ 1.5 times;
(4) Tangible net worth: not less than NT$2 billion in fiscal year 2024; not less than NT$2.5 billion in fiscal year 2025; and not less than NT$3 billion in fiscal year 2026 and subsequent years (each of the foregoing fiscal years also includes the first half of that fiscal year).

Five. Review and analysis of financial position and business performance, and risk management issues

I. Review and analysis of financial position

Unit: NT$ thousand; %

Year / Item	2024	2025	Variation	
			Amount	%
Current assets	5,948,499	5,900,035	(48,464)	(0.81%)
Financial assets measured at fair value through other comprehensive incomes - non-current	849,072	823,536	(25,536)	(3.01%)
Property, plant and equipment	1,442,391	1,583,470	141,079	9.78%
Right-of-use assets	678,641	656,437	(22,204)	(3.27%)
Intangible assets	1,073,007	947,491	(125,516	(11.70%)
Goodwill	1,945,645	1,907,986	(37,659)	(1.94%)
Deferred income tax assets	668,750	754,450	85,700	12.81%
Other non-current assets	99,858	76,466	(23,392)	(23.43%)
Total assets	**12,705,863**	**12,649,871**	**(55,992)**	**(0.44%)**
Current liabilities	3,834,188	3,404,381	(429,807)	(11.21%)
Non-current liabilities	3,770,396	3,850,743	80,347	2.13%
Total liabilities	**7,604,584**	**7,255,124**	**(349,460)**	**(4.60%)**
Share capital	473,791	475,546	1,755	0.37%
Capital surplus	722,280	755,141	32,861	4.55%
Retained earnings	3,595,538	4,036,199	440,661	12.26%
Other equity	234,184	122,039	(112,145)	(47.89%)
non-controlling interest	75,486	5,822	(69,664)	(92.29%)
Total shareholders' equity	**5,101,279**	**5,394,747**	**293,468**	**5.75%**

Explain the major changes in assets, liabilities, and equity over the most recent two years (i.e. items with a period-over-period change of 20% or more and an amount exceeding NT$10 million), including the primary causes and their impacts. If the impact is material, the corresponding future response plans shall also be described:

1. Other non-current assets: The decrease was mainly due to the completion and acceptance of prepaid equipment in the current period, which was reclassified to property, plant and equipment
2. Other equity: The change was primarily attributable to the appreciation of the New Taiwan dollar, with exchange rate fluctuations leading to a decrease in cumulative translation adjustments for the period.
3. Non-controlling interest: In order to provide customers with complete automatic identification system solutions and enhance the Group's overall market share and brand competitiveness, the Company acquired 96.54% equity interest in BlueBird Inc. ("BlueBird") in Nov. 2024 for NT$118,740,223,000 (approximately NT$2,783,490,000 based on the exchange rate on the acquisition date). Following the acquisition of 3.31% equity interest in BlueBird in Jun. 2025 for NT$4,070,422,000, the Company held 99.85% equity interest in BlueBird, resulting in a decrease in non-controlling interest.

The Company maintains a sound financial position, and the aforementioned changes have no material impact on its operations.

II. Review and analysis of financial performance

(I) Comparative analysis of operating performance:

Unit: NT$ thousand; %

Item	2024	2025	Amount increase (decrease)	Variation (%)
Net operating revenues	8,798,132	11,529,034	2,730,902	31.04%
Operating costs	6,062,972	7,808,715	1,745,743	28.79%
Gross profits	2,735,160	3,720,319	985,159	36.02%
Operating expenses	1,818,494	2,582,578	764,084	42.02%
Operating profits	916,666	1,137,741	221,075	24.12%
Non-operating income and (expenses)	17,745	(19,909)	(37,654)	(212.19%)
Profits before tax	934,411	1,117,832	183,421	19.63%
Income tax expense	262,195	181,269	(80,926)	(30.86%)
Net income for the period	672,216	936,563	264,347	39.32%

Analysis and explanation of variations:

1. Net operating revenue, operating costs, gross operating profit, operating expenses, net operating profit, and net profit for the period: The company acquired Bluebird Inc. in November 2024, and the enterprise mobile computer business began contributing to the full-year results in 2025. As a result, operating revenue, operating costs, and operating expenses increased, which in turn drove growth in gross operating profit, net operating profit, and net profit for the period.
2. Non-operating income and (expenses): The change was primarily due to an increase in finance costs of NT$51,917 thousand and an increase in other gains of NT$13,704 thousand. Interest on bank borrowings increased by NT$42,046 thousand, mainly due to the syndicated loan obtained in November 2024 to finance the acquisition of Bluebird Inc., resulting in higher bank interest expenses. Interest on lease liabilities increased by NT$9,871 thousand, primarily because two leased plants were renewed in the second half of 2024, leading to higher lease liabilities and related interest expenses. Other gains increased mainly due to a reduction in losses on financial instruments measured at fair value through profit or loss.
3. Income tax expense: The decrease was primarily due to the improved profitability of subsidiaries. As it is anticipated that more taxable income will be generated in the future to realize investment tax credits, deferred tax benefits were recognized, leading to a reduction in income tax expense.

(II) Analysis of gross profit variation: not applicable as gross profit variation between the two years did not exceed 20%.

(III) Expected sales volume and its basis: The sales volume is prepared based on factors such as the Company’s annual sales targets, market demand conditions and development trends, customers’ operating status, and the Company’s current orders received, with reference to the overall industry outlook and historical operating performance over the years under reasonable assumptions.

(IV) Potential impact on the Company's future financial and business operations and corresponding plans: The Company's performance shows a steady growth trend, and its financial position remains sound, enabling it to support future business expansion.

III. Review and analysis of cash flow

(I) Analysis of cash flow variations in the most recent year:

Unit: NT$ thousand

Opening cash balance (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing and financing activities for the year (3)	Currency impact on cash and cash equivalents (4)	Cash surplus (1) + (2)-(3) + (4)	Financing of cash deficits	
					Investment plans	Financing plans
1,822,879	1,462,221	(1,663,074)	(78,641)	1,543,385	None	None

Description of analysis of cash flow variations for the last year:

1. Operating activities: Net cash inflow of NT$1,462,221 thousand in the current period was mainly attributed to net income and net working capital..
2. Investing activities: The net cash outflow of NT$372,661 thousand in the current period is mainly due to the purchase of property, plant and equipment.
3. Fund-raising activities: The net cash outflow for the current period was NT$1,290,413 thousand, mainly due to the distribution of cash dividends and the repayment of loan and lease principal.

(II) Improvements for liquidity shortage and liquidity analysis: there is no liquidity shortage.

(III) Liquidity analysis for the next year:

Unit: NT$ thousand

Opening cash balance (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing and financing activities for the year (3)	Cash surplus (1)+(2)+(3)	Financing of cash deficits	
				Investment plans	Financing plans
1,543,385	1,462,000	(1,573,000)	1,432,385	None	None

1. Analysis of cash flow variation for the next year:
   (1) Net cash inflow from operating activities mainly comprises revenues generated from operations.
   (2) Cash outflows mainly represent the Company's expectations toward operational requirements, capital expenditure, repayment of maturing bank loans, and cash dividend payments.
2. Remedial measures for projected cash surplus (deficit) and liquidity analysis: cash outflows projected for the coming year are mainly associated with operational requirements, which the Company intends to cover using cash inflow from operating activities, or bank borrowings at times of insufficient cash balance.

IV. Material capital expenditures in the last year and impacts on financial position and business performance: None.

V. Reinvestment policy for the last year, the main reasons for the profits/losses, the plan for improving re-investment profitability, and investment plans for the next year

(I) Investment policy in recent years: Primarily focused on the automatic identification industry.

(II) Main causes of profit or loss:

Unit: NT$ thousand

Description / Item	Amount of 2025 profit (loss)	Main causes of profit or loss	Improvement plans	Investment plans for the coming year
TSC Auto ID (HK) LIMITED	40,036	Profits contributed by the China subsidiary.	Continue market expansion efforts; strive to increase customer base and revenues	The Company will adhere to its existing investment policy and make investments at appropriate times in response to changes in the industry environment.
TSC Auto ID Technology America, Inc.	15,099	Performance remains stable, with effective cost control.	Continue market expansion efforts; strive to increase customer base and revenues	
TSC Auto ID Technology EMEA GmbH	(21,117)	Economic slowdown in the European market, with weak end-user demand and capital investment momentum.	Continue market expansion efforts; strive to increase customer base and revenues	
Tianjin TSC Auto ID Technology Co., Ltd.	50,782	Sales in both domestic and export markets have grown steadily, with effective control over production costs and expenses.	Continue market expansion efforts; strive to increase customer base and revenues	
TSC AUTO ID TECHNOLOGY ME, Ltd. FZE	(1,003)	Regional economic slowdown, leading to a decline in revenue.	Continue market expansion efforts; strive to increase customer base and revenues	
TSC Auto ID Technology Spain, S.L	346	Expenses are well controlled	Continue market expansion efforts; strive to increase customer base and revenues	
Diversified Labeling Solutions Inc.	63,016	Performance remains stable, with effective cost control.	Continue market expansion efforts; strive to increase customer base and revenues	
Precisions Press & Label, Inc.	9,345	Performance remains stable, with effective cost control.	Continue market expansion efforts; strive to increase customer base and revenues	
TSC Auto ID Technology India Pvt Ltd	(204)	Revenue is primarily derived from	Adjust service revenue to improve the profit structure.	

Item \ Description	Amount of 2025 profit (loss)	Main causes of profit or loss	Improvement plans	Investment plans for the coming year
		services, with no sales of goods.		The Company will adhere to its existing investment policy and make investments at appropriate times in response to changes in the industry environment.
Mosfortico Investments sp. z o. o.	(9,514)	Due to the recognition of investment losses from MGN and the amortization of customer relationships.	The merger with MGN was officially completed and became effective upon registration by a Polish court on Feb. 27, 2026.	
MGN sp. z o. o.	(3,690)	The label paper market is sluggish, resulting in lower-than-expected gross margins.	Through cross-selling synergies with affiliated companies in Europe, the Company continues to enhance its sales performance in the European market.	
Bluebird Inc.	394,551	Performance remains stable, with expenses well under control.	Continue market expansion efforts; strive to increase customer base and revenues	
Bluebird Latin America S.de R.L. de CV	3,603	The company has effective cost control.	Continue market expansion efforts; strive to increase customer base and revenues	
Bluebird USA Inc.	(110)	The company operates as a cost center.	Organizational restructuring is being carried out.	
Bluebird India R&D Center Private Ltd.	(798)	The company operates as a cost center.	Continue market expansion efforts; strive to increase customer base and revenues	
Bluebird Germany GmbH	313	The company has effective cost control.	Organizational restructuring is being carried out.	
Bluebird Europe SL	(264)	The company operates as a cost center.	Organizational restructuring is being carried out.	
BLUEBIRD JAPAN Inc.	(176)	The company operates as a cost center.	Continue market expansion efforts; strive to increase customer base and revenues	

VI. Evaluation of risk management issues in the last year and up until the publication date of the annual report：

(I) Impacts of interest rate, exchange rate, and inflation rate on the Company's profitability in the last year and up to the publication date of the annual report, and response measures.

1. Interest rate: Interest expenses accounted for 1.26% of the Company's net operating revenues in 2025. These interest expenses mainly arose from loans incurred due to the acquisition of Bluebird Inc., loans required for operational turnover and hedging from banks. They accounted for a small percentage of consolidated operating revenues and profit, future interest rate changes should not cause any material impact on the Company's overall operations or profitability.

2. Exchange Rates: Most of the subsidiaries in our invested businesses conduct transactions primarily in local currencies, which results in relatively low exchange rate risks. The only exception is our South Korean subsidiary, which focuses on exports. The sales revenue is denominated in USD, EUR, and RMB, while the payment for goods is mainly in USD and EUR, allowing for some natural hedging. If necessary, relevant hedging strategies will be employed to manage the risks. For The company, the sales revenue is denominated in USD, EUR, and CNY, while the payment is mainly in NTD, USD, CNY, and some Japanese Yen. These provide partial natural hedging. Our financial staff keep close contact with the foreign exchange departments of our banks for the latest exchange rate news from major domestic banks, to determine the amount of NTD. Given the possible appreciation or depreciation, the timing of foreign exchange settlement for exports is carefully selected, and the weights of various foreign currency accounts are appropriately adjusted. In addition, the hedging strategy of pre-sale of foreign exchange forwards is timely carried out to reduce the impact of exchange rate changes on the Company's profits. The basis is not only in accordance with the relevant laws and regulations promulgated by the competent authorities, but also in accordance with the Company's "Procedures for the Acquisition or Disposal of Assets".

3. Inflation: In recent years, inflation and raw material and energy prices continue to rise, and the Company increases the prices of some products in a timely manner to respond to the rising prices. Therefore, the inflation rate has no significant impact on the Company.

(II) Policies on high-risk and highly-leveraged investments, loans to external parties, endorsements/guarantees, and trading of derivatives; describe the main reasons for the profits/losses incurred and future response measures.

1. The Company focuses on its core business and invests primarily in entities that are involved in the barcode label industry. The Company does not engage in high-risk or highly-leveraged investments.

2. External party lending: Loans to external parties are arranged according to the Company's "Procedures for Lending Funds to Others" and are subject to the board of directors' resolution.

3. Endorsements and guarantees: All endorsements and guarantees to external parties are arranged according to the Company's "Endorsement and Guarantee Policy" and are subject to the board of directors' resolution.

4. Trading of derivatives:

   (1) Policy: The Company trades derivatives primarily for hedging purpose, specifically to hedge against risk of changes in market exchange rate for existing or potential assets or liabilities.

   (2) Main reasons for the profits/losses: due to exchange rate changes.

   (3) Future response measures: The Company not only assigns dedicated personnel to oversee derivative transactions, but also conducts analyses, discussions, and assessments both on a regular and irregular basis to minimize exchange rate risks.

(III) Future research and development plans and projected expenses:

1. Short-term R&D focus:

   Speeding up specification/function upgrades for existing products and reducing production costs in accordance with customer needs and trends of market development. The following R&D emphases have been planned for the short term:

   (1) To develop industrial barcode printers in order to flesh out TSC's offerings of mid- to high-end products.

   (2) To develop mobile barcode label printers that are more lightweight and compact for the mobile workforce.

   (3) To develop diverse applications for existing products in target industries, such as healthcare industry and transportation industry. Through product development planning, TSC shall create automated solutions for different industries.

   (4) To deploy in the RFID application market by providing desktop and industrial RFID printers to accommodate demands for relevant applications in different domains.

   (5) In light of the changes in consumer behavior and the emergence of mPOS, the Company will expand its development of mobile barcode printers in conjunction with the use of smart devices to deliver comprehensive mobile printing solutions.

   (6) With the existing customers of DLS as our basis, we shall implement cross-selling strategies by matching with existing products to provide one-stop services and in turn increase our market share.

2. Medium- and long-term R&D focus:

Apart from continuing to improve upon existing products and functions, the Company is expecting to actively commit to the development of AIDC-related hardware and system technologies in light of current industrial trends. TSC will also foray into the domain of software development and system integration as a way to boost its competitiveness.

3. Projected R&D expenses: The Company expects to commit NT$700,507 thousand of R&D expenses in 2026.

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations:

All of the Company's business operations are carried out in accordance with the laws and regulations of the competent authorities. Products sold to the U.S. market will be affected by the U.S. government's reciprocal tariff policies in the future. The Company's response measures include increasing selling prices, adjusting transfer pricing, and realigning production facilities. Moreover, the Company encountered no change in local or foreign policy/regulation that affected its financial or business performance in the last year and up until the publication date of the annual report.

(V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

Technology changes rapidly, especially in the electronics industry. In addition to the risks, new product applications and derived business opportunities may also be generated. The Company always pays attention to the changes in technology and the industry, so that the Company can take relevant countermeasures.

(VI) Crisis management, impacts, and response measures in the event of a change in corporate image:

The Company has been dedicated to maintaining a sound corporate image and complying with regulations since it was founded. As of the publication date of the annual report, there has been no occurrence that compromised the corporate image.

(VII) Expected benefits, risks, and response measures in relation to mergers and acquisitions:

1. Expected Benefits:

On August 1, 2024, the company's board of directors approved the acquisition of shares of the Korean company Bluebird Inc. (hereinafter referred to as "Bluebird") at a total price of 123,000,386,400 Korean won (approximately 17,520 won per share or the equivalent in US dollars). The company's technology, products, and channels are highly complementary to ours. After the acquisition, it will enrich the overall product line of the group and provide customers with a complete automatic identification system solution. At the same time, through the existing channels and markets of both parties, sales of existing products will be expanded, enhancing the group's overall market share and brand competitiveness.

As of the printing of the annual report, the Japanese company had acquired 99.85% of Bluebird's shares (a total of 7,010 thousand shares), while the 0.15% held by minority shareholders is still under negotiations.

2. Possible Risks and Countermeasures:

None

3. Countermeasures:

None

(VIII) Expected Benefits, Potential Risks, and Countermeasures for Plant Expansion:

The expansion of the Taiwan plant is in response to a significant increase in production volume and material demand during the pandemic. In the future, this will allow for more effective production allocation between Taiwan and the Mainland China region, as well as plans to terminate the lease of externally rented factory buildings, thereby reducing operating costs. Additionally, materials will be relocated back to the Yilan factory for centralized management, improving internal logistics efficiency and accelerating material turnover time.

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

The Company has a relatively diverse customer base, and no single customer accounted for more than 30% of net revenues in the current period. Given the recent efforts committed to marketing products under a proprietary brand, tightening the management of distribution channels, and exploring new products and markets, the Company should be able to diversify its customer base further in the future to support growth and eliminate risk exposure to a single product or customer group. For the above reasons, the Company expects no risk of sales concentration.

(X) Impacts, risks, and response measures following a major transfer of shareholding by directors, supervisors, or shareholders with more than 10% ownership interest: None.

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

(XII) Major litigations, non-contentious cases, or administrative litigations involving the company or any director, supervisor, general manager, person-in-charge, or major shareholder with more than 10% ownership interest, whether concluded or pending judgment, that are likely to pose significant impact on shareholders or security prices of the company; disclose the nature of dispute, the amount involved, the date the litigation first started, the key parties involved, and progress as of the publication date of the annual report: None.

(XIII) Other significant risks and response measures:

The Company’s risk management organizational framework includes the Board of Directors, Sustainable Development Committee, Risk Management Group and various departments.

1. Board of Directors

   The Board of Directors is the highest decision-making unit of the Company's risk management, which authorizes the risk management policies and important risk management systems, and supervises the implementation of risk management systems to ensure the effective operation of the risk management mechanism.

2. Sustainable Development Committee

   The Sustainable Development Committee assists the Board of Directors in execution and supervision of the risk management functions and takes charge of the review on various risk management issues.

3. Risk Management Group

   The Risk Management Group is set up under the Sustainable Development Committee to assist the Sustainable Development Committee in performing its risk management functions. The Risk Management Group is responsible for overall risk management, including presentation of risk management reports, integration and coordination of cross-departmental co-risk management issues, announcement and communication of important risk management matters, and execution and followup of the risk management resolutions delivered by the Board of Directors of Sustainable Development Committee.

4. All department

   The personnel of various departments are identified as the direct units for initial discovery, assessment, and control of risks. Various department heads are responsible for compiling and implementing relevant business risk management, and proposing corresponding risk response strategies subject to changes in the internal and external environment.

VII. Other material issues：

The Company has implemented comprehensive cybersecurity protection measures for network and computer equipment, along with a disaster recovery plan. Automated alerts and firewalls have been created for the e-mail system as security protections for system and data. No major abnormality has been discovered in this regard.

Six.Special disclosures

I. Summary of affiliated companies

Please go to the MOPS >Single Company > E-Book > Three Statements of Affiliated Enterprises Area to query.

II. Private placement of securities in the last year and up until the publication date of the annual report

Not applicable (the Company did not make any private placement of securities in the last year and up until the publication date of the annual report).

III. Other supplementary information：

Execution of TPEX-listing commitments: The Company has fulfilled all commitments made when applying for TPEX listing, and reports progress on a quarterly basis to the competent authority.

Seven. Occurrences significant to shareholders' equity or security price, as defined in Article 36, Paragraph 2, Subparagraph 2 of the Act, in the last year and up until the publication date of the annual report: None.

TSC Auto ID Technology Co., Ltd.

Chairman: Wang Hsing Lei