

Stock Code: 3611



TSC Auto ID
Technology Co., Ltd.

Year 2024 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: April 19, 2025

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 : Yen-Han Chen

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

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II. Headquarter, branches and factory sites:

Headquarters: Address: 9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City 231, Taiwan

Tel: (02)2218-6789

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III. Stock transfer agent:

Name : Agency Department, CTBC Bank

Address : 5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City 100, Taiwan

Website : <https://www.ctbcbank.com>

Telephone : (02)6636-5566

IV. Auditors of the latest Financial Statements:

Name : Chang Li Chun, Fan You Wei

Name of firm : Deloitte Taiwan

Address : 20F., No. 100, Songren Road, Xinyi District, Taipei City

Website : <https://www2.deloitte.com/tw/tc.html>

Telephone : (02)2725-9988

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 2024, due to industry inventory adjustments, market demand for barcode printers in Europe, the United States, and Northeast Asia was weak. For the full year, revenue decreased by 1% excluding Bluebird, but increased by 5% when including Bluebird. The Company completed the acquisition of Bluebird in the fourth quarter, enhancing the Group's overall product portfolio and actively strengthening its global brand presence and market share in product sales. Please refer to the following report of the Company's 2024 business results, a summary of the 2025 business plan, and descriptions of the Company's development strategy, external competitive environment, regulatory environment, and the macroeconomic environment:

I. 2024 business report: (based on the data shown in consolidated Financial Statements)

(I) Results of the 2024 business plan:

Unit: NT\$ thousand

Project name	2024	2023	Increase (decrease) %
Net operating revenues	8,798,132	8,351,762	5%
Gross profits	2,735,160	2,807,221	-3%
Operating profits	916,666	1,196,599	-23%
Profits before tax	934,411	1,256,785	-26%
Net income for the period	672,216	926,873	-27%
Total comprehensive income for the period	127,248	1,199,470	-89%
Basic EPS (NT\$)	14.19	19.76	-28%

(II) 2024 budget execution: The Company did not produce a Financial forecast, and hence is not required to disclose the budget execution.

(III) Revenues, expenses, and profitability analysis:

Unit: NT\$ thousand

Item		Year	2024	2023
Profit and loss	Operating profits		916,666	1,196,599
	Net non-operating income (expense)		17,745	60,186
	Profits before tax		934,411	1,256,785
	Net income		672,216	926,873
	Total comprehensive income for the period		127,248	1,199,470
Profitability	Return on assets (%)		7	11
	Return on shareholders' equity (%)		13	18
	As a percentage of paid-in capital (%)	Operating profit	193	254
		Pre-tax profit	197	267
	Net profit margin (%)		8	11
	Earnings per share (NT\$)		14.19	19.76

(IV) Research and development:

As the application of automatic identification increases in the global market, the Company invested a total of NT\$304,582 thousand in R&D in 2024, accounting for 3.5% of the annual operating revenue. We continue to develop value-added software tools (TSC Console Web) for printer management through online or internal networks to help customers manage equipment and expand service scope. Enhancing product connectivity and cybersecurity continues to be a strategic objective for TSC, addressing regulatory requirements and the evolving needs of enterprise users. Additionally, the development of next-generation products and the application of new fields focus on reducing energy usage during the production process, using recycled plastics, green packaging materials, and recyclable components. The Company is also investing in capital expenditure on enterprise handheld computers label paper equipment to enhance its market competitiveness and continue to increase its revenue and profit.

II. Summary of the 2025 business plan

(I) Operational guidelines

In response to the importance attached by global enterprises to the sustainable development of ESG and the expanded requirements for the entire supply chain, the Company has been actively introducing new products made of recyclable materials to expand its business scope. In addition, the Company continues to develop complete hardware and software solutions for customers, and expand marketing channels to cover the entirety of its product lines from low-, medium-, to high-end. In addition, the Company aims to grow its proprietary brand in various

parts of the world and introduce services to the Auto-ID system and provide customers with a more complete application service network to create diversified value for our customers.

(II) Sales forecast and key production/sales policies

The Company's main sources of revenue are from the sales and services of automatic identification printers, label paper consumables, and enterprise handheld computers. The sales volume is determined based on factors such as the Company's annual sales targets, market demand, development trends, the operational conditions of customers, and the current order situation, with reasonable consideration of the Company's operational scale. It is estimated that the Company's performance will show a stable development trend, positively benefiting its financial and business 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

As Auto-ID applications become more popular and relevant to life, the market's demand for Auto-ID solution plans has increased, and demands for products to meet ESG requirements are getting high. Facing external competitive pressures, the Company continues to invest in the development of innovative technologies, deepening our core capabilities in resource integration and cross-domain development. We are expanding market partnerships and connections, focusing on the development of vertical market application solutions that combine label printers,

consumables, and handheld input devices. Additionally, we are committed to offering more environmentally conscious green products, proactively addressing external challenges. In doing so, we aim to achieve consistent growth in terms of revenues and profit.

(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 to the mutual benefit of our shareholders, customers, and employees.

Best regards

Chairman:
Wang Hsing Lei

General Manager:
Chen Ming-Yi

Chief Accounting Officer:
Chen Yen-Han

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 19, 2025; Unit: share; %

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Tenure (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	
President and Director	ROC	Wang Shiu Ting	Male 71~80	2022.6.17	3	2007.03.07	739,984	1.74%	903,826	1.90%	0	0%	362,930	0.76%	<ul style="list-style-type: none">Department of Mechanical Engineering, Tatung UniversityTexas Instruments Incorporated - Manager	<ul style="list-style-type: none">Taiwan Semiconductor Company Limited - Chairman and General ManagerTSC Auto ID Technology Co., Ltd. - President and DirectorYangxin 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 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	2022.6.17	3	2013.06.13	183,304	0.43%	339,583	0.72%	85,714	0.18%	1,412,648	2.97%	<ul style="list-style-type: none">MBA, Massachusetts Institute of TechnologyMcKinsey & Company - Consultant	<ul style="list-style-type: none">Taiwan Semiconductor Manufacturing Co., Ltd. - Vice President 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. - ChairmanTSC Auto ID (HK) Ltd. - Chairman (Corporate Rep.)Tianjin TSC Auto ID Technology Auto ID Technology Co., Ltd. - Director (Corporate Rep.)	Director and President	Wang Shiu Ting	Father-son	None

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Tenure (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	
																<div>TSC Auto ID Technology America, Inc. - Chairman (Corporate Rep.)</div> <div>Diversified Labeling Solutions Inc. - Chairman (Corporate Rep.)</div> <div>Precision Press & Label, Inc. - Chairman (Corporate Rep.)</div> <div>TSC Auto ID Technology India Pvt Ltd. - Chairman (Corporate Rep.)</div> <div>BlueBird Inc. - Chairman (Corporate Rep.)</div> <div>Arthur Investment Co., Ltd. - Director</div> <div>Nian Tzu Investment Co., Ltd. - Director</div>				
Director	ROC	Taiwan Semiconductor Manufacturing Co., Ltd.	-	2022.6.17	3	2007.03.07	15,453,177	36.38%	16,995,230	35.79%	0	0%	0	0%	None	None	None	None	None	None
Rep of corporate	ROC	Luo Yue Gui	Female 51~60	2022.6.17	3	2016.06.07	33,888	0.08%	62,912	0.13%	0	0%	0	0%	<div>Department of Accounting and Statistics, Open College Affiliated with National Taipei College of Business</div> <div>Taiwan Songwang Electronics Co., Ltd. - Bonded Warehouse Officer</div> <div>Kuender & Co., Ltd. - Finance and Accounting Officer</div>	<div>Taiwan Semiconductor Manufacturing Co., Ltd. - Finance Department Senior Manager</div> <div>TSC Auto ID Technology Co., Ltd.. - Director (Corporate Rep.)</div>	None	None	None	None
Director	ROC	Chen Ming Yi	Male 51~60	2022.6.17	3	2022.6.17	0	0%	50,000	0.11%	0	0%	0	0%	<div>Department of Mechanical Engineering, National Kaohsiung University of Science and Technology</div> <div>Dell (Taiwan) B.V. Taiwan Branch - Assistant General Manager of Engineering</div>	<div>TSC Auto ID Technology Co., Ltd. - Director/General Manager</div> <div>Tianjin TSC Auto ID Technology Auto ID Technology Co., Ltd. - Director (Corporate Rep.)</div> <div>TSC Auto ID Technology EMEA GmbH - Director (Corporate Rep.)</div> <div>Mosfortico Investments sp. z o.o. - Chairman (Corporate Rep.)</div> <div>MGN sp. z o.o. - Director (Corporate Rep.)</div> <div>BlueBird Inc. - Director (Corporate Rep.)</div>	None	None	None	None

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Tenure (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	Ma Chia Ying	Male 61~70	2022.6.17	3	2008.06.20	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Soochow University - Professor at the Accounting Department TSC Auto ID Technology Co., Ltd.. - Independent Director Union Insurance Co., Ltd. - Director (Corporate Rep.) Medeon Biodesign, Inc. - Independent Director RichWave Technology Corporation - Independent Director Hiyes International Co Ltd. - Independent Director 	None	None	None	None
Independent Director	ROC	Li Chun Chi	Male 61~70	2022.6.17	3	2008.06.20	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Ph.D. in Optics and Photonics, National Central University Master in Optics and Photonics, National Central University Taipei City University of Science and Technology - Associate Professor at the Department of Electrical 	<ul style="list-style-type: none"> TSC Auto ID Technology Co., Ltd.. - Independent Director Jie Xiang Engineering Consulting Co., Ltd. - Photoelectric Consultant 	None	None	None	None

Job Title	Nationality or place of registration	Name	Gender Age	Date elected (appointed)	Tenure (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	
															Engineering and Head of the College of Engineering <ul style="list-style-type: none"> Technology & Science Institute of Northern Taiwan - Associate Professor at the Department of Electrical Engineering Kuang Wu Industry and Commerce Junior College - Lecturer at the Department of Electrical Engineering 					
Independent Director	ROC	Lin Tuo Zhi	Male 41~50	2022.6.17	3	2022.6.17	38,720	0.09%	42,583	0.09%	0	0%	0	0%	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> TSC Auto ID Technology Co., Ltd.. - Independent Director 	None	None	None	None

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

April 19, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders and shareholding percentage (%)
Taiwan Semiconductor Company Limited	<ul style="list-style-type: none"> • TSC Auto ID Technology Co., Ltd. (6.06%) • Wang Shiu Ting (4.84%) • Arthur Investment Co., Ltd. (4.12%) • Lin Tian wei (3.31%) • UMC Capital (2.56%) • Nian Tzu Investment Co., Ltd. (1.76%) • Standard Chartered International Commercial Bank Business Department is entrusted to keep the Advanced Starlight Fund Company's series of funds Advanced Total International Stock Index Fund Investment Account (1.10%) • Standard Chartered Custody Mizuho Securities Co., Ltd. (0.98%) • JPMorgan Chase Bank, Taipei Branch is entrusted to manage the Vanguard Emerging Markets Stock Index Fund investment account of Vanguard Group (0.96%) • Old Labor Pension Fund (0.92%)

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

2025.04.19

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:

Independence:				
Name	Criteria	Professional Qualifications and Experience	Independence Status	Number of positions as independent director in other public companies
Wang Shiu Ting		Educational Background: Department of Mechanical Engineering, Tatung University Current position: <ul style="list-style-type: none">Taiwan Semiconductor Company Limited - Chairman and General ManagerTSC Auto ID Technology Co., Ltd. - Director and PresidentYangxin 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 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: <ul style="list-style-type: none">Taiwan Semiconductor Manufacturing Co., Ltd. - Vice President 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. - ChairmanTSC Auto ID (HK) Ltd. - Chairman (Corporate Rep.)Tianjin TSC Auto ID Technology Auto ID	Please refer to “Board Independence”	None

	<p>Technology Co., Ltd. - Director (Corporate Rep.)</p> <ul style="list-style-type: none"> • 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 <p>Past experience: McKinsey & Company - Consultant</p> <p>Expertise: Chairman, Wang Hsing Lei, has professional experience in finance, accounting, commerce, marketing, technology, business management, corporate governance and corporate sustainability.</p>		
<p>Taiwan Semiconductor Company Limited Company Rep. : Luo Yue Gui</p>	<p>Academic degree: Taipei Institute of Business Administration, Taipei College of Business</p> <p>Current position:</p> <ul style="list-style-type: none"> • Taiwan Semiconductor Company Limited - Finance Department Senior Manager • TSC Auto Id Technology Co., Ltd. - Director (Corporate Rep.) <p>Past experience:</p> <ul style="list-style-type: none"> • Taiwan Songwang Electronics Co., Ltd. - Bonded Warehouse Officer • Kuender & Co., Ltd. - Finance and Accounting Officer <p>Expertise: Director Luo Yue Gui has professional and experienced talents in finance, accounting, international trade, taxation, and corporate governance.</p>	Please refer to "Board Independence"	None
<p>Chen Ming Yi</p>	<p>Educational Background: Department of Mechanical Engineering, National Kaohsiung University of Science and Technology</p> <p>Current position:</p> <ul style="list-style-type: none"> • TSC Auto ID Technology Co., Ltd. - Director and General Manager • Tianjin TSC Auto ID Technology 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.) • MGN sp. z o.o. - Director (Corporate Rep.) • BlueBird Inc. - Director (Corporate Rep.) <p>Past experience: Dell (Taiwan) B.V. Taiwan Branch - Assistant General Manager of Engineering</p> <p>Expertise: Director Chen Ming Yi possesses professional experience in technology, industry, business, marketing, finance, corporate governance, and corporate sustainability.</p>	Please refer to "Board Independence"	None
<p>Ma Chia Ying (Independent Director)</p>	<p>Educational Background:</p> <ul style="list-style-type: none"> • Ph.D., Lehigh University College of Business and Economics • Master of Accounting, Utah State University 	1. Neither he/she or his/her spouse or relative within the second degree of kinship is also	3

	<ul style="list-style-type: none"> Bachelor of Accounting, National Chengchi University <p>Past experience:</p> <ul style="list-style-type: none"> 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 <p>Current position:</p> <ul style="list-style-type: none"> Soochow University - Professor at the Accounting Department TSC Auto Id Technology Co., Ltd. - Independent Director Union Insurance Co., Ltd. - Director (Corporate Rep.) Medeon Biodesign, Inc. - Independent Director RichWave Technology Corporation - Independent Director Hiyes International Co Ltd. - Independent Director <p>Expertise:</p> <p>Independent Director Ma Chia Ying has professional experience in finance, accounting, taxation, management, corporate governance and profession of 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.</p> <p>No violation of Article 30 of the Company Act.</p>	<p>serving as a director, supervisor or employee at the Company.</p> <p>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.</p> <p>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).</p> <p>4. Has not provided commercial, legal, financial or accounting services at the Company or any of its affiliated businesses in the past 2 years.</p>	
Li Chun Chi (Independent Director)	<p>Educational Background:</p> <ul style="list-style-type: none"> Ph.D. in Optics and Photonics, National Central University Master in Optics and Photonics, National Central University <p>Current position:</p> <ul style="list-style-type: none"> TSC Auto Id Technology Co., Ltd. - Independent Director Jie Xiang Engineering Consulting Co., Ltd. - Photoelectric Consultant <p>Past experience:</p> <ul style="list-style-type: none"> Taipei City University of Science and Technology - Associate Professor at the Department of Electrical Engineering and Head of the College of Engineering Technology & Science Institute of Northern Taiwan - Associate Professor at the Department of Electrical Engineering 	<p>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.</p> <p>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.</p> <p>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</p>	None

	<ul style="list-style-type: none"> Kuang Wu Industry and Commerce Junior College - Lecturer at the Department of Electrical Engineering <p>Expertise: Independent Director Li Chun Chi possesses professional experience in engineering, corporate governance, and corporate sustainability. Although he has served as an independent director of the company for over three terms (9 years), he has provided numerous valuable suggestions regarding the company's operations during his tenure, which have greatly contributed to the company's business. 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. No violation of Article 30 of the Company Act.</p>	<p>Appointment of Independent Directors and Compliance Matters for Public Companies for details).</p> <p>4. Has not provided commercial, legal, financial or accounting services at the Company or any of its affiliated businesses in the past 2 years.</p>	
Lin Tuo Zhi (Independent Director)	<p>Educational Background:</p> <ul style="list-style-type: none"> Master of Science, Massachusetts Institute of Technology B.S. in Industrial Engineering, University of California, Berkeley, USA <p>Current position: TSC Auto Id Technology Co., Ltd. - Independent Director</p> <p>Past experience:</p> <ul style="list-style-type: none"> Responsible person of Property Acquisition, Great China Region, Prudential Financial The Carlyle Group Inc.'s Asian Private Equity Investment Business <p>Expertise: Independent Director Lin Tuo Zhi has work experience in finance, commerce, investment, engineering and management. No violation of Article 30 of the Company Act.</p>	<p>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.</p> <p>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.</p> <p>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).</p> <p>4. Has not provided commercial, legal, financial or accounting services at the Company or any of its affiliated businesses in the past 2 years.</p>	None

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 number 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 (14.29%) as the goal.
- C. The goal is for the number 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, the board composition includes: 3 directors (42.9% – Wang Shiu Ting, Wang Hsing Lei, and Chen Ming Yi) who also serve as company executives; at least 1 female director (14.3% – Luo Yue Gui), and 3 independent directors (42.9% – Ma Chia Ying, Li Chun Chi, and Lin Tuo Zhi). The age distribution of the directors is as follows: 1 director (14.3%, Wang Shiu Ting) is in the 71–80 age group; 2 directors (28.6%, Ma Chia Ying and Li Chun Chi) 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, and 2 directors (28.6%, Wang Hsing Lei and Lin Tuo Zhi) are in the 41–50 age group.

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

Name of director	Gender	Age	Term of office of independent director		Required competency items							
					Operational judgment	Accounting and financial analysis	Business administration	Crisis management	Industry knowledge	International market view	Leadership	Decision making
			Less than 3 terms	More than 3 terms								
Wang Shiu Ting	Male	71~80	N/A		✓	✓	✓	✓	✓	✓	✓	✓
Wang Hsing Lei	Male	41~50			✓	✓	✓	✓	✓	✓	✓	✓
Rep of Taiwan Semiconductor Company Ltd.: Luo Yue Gui	Female	51~60				✓		✓	✓		✓	✓
Chen Ming Yi	Male	51~60			✓	✓	✓	✓	✓	✓	✓	✓
Ma Chia Ying	Male	61~70		✓	✓	✓	✓	✓		✓		
Li Chun Chi	Male	61~70		✓	✓		✓		✓			
Lin Tuo Zhi	Male	41~50	✓		✓	✓	✓	✓		✓	✓	✓

- (3) If the number of directors of the same gender on the board of directors of the Company is less than one-third, 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 (6th) directors were elected at the shareholders' meeting on June 16, 2022. There is currently 1 female director, which complies with relevant laws and regulations, but still does not reach 1/3. The Company attaches great importance to gender equality in the composition of the Board of Directors and has nominated one additional female independent director in the 7th Board of Directors election, 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 seven members, including three 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: Li Chun Chi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Lin Tuo Zhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

April 19, 2025; 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%	<ul style="list-style-type: none"> Department of Mechanical Engineering, National Kaohsiung University of Science and Technology Dell (Taiwan) B.V. Taiwan Branch - Assistant General Manager of Engineering 	<ul style="list-style-type: none"> Tianjin TSC Auto ID Technology Auto ID Technology Co., Ltd. - Director (Corporate Rep.) Mosfortico Investments sp. z o.o. - Chairman (Corporate Rep.) MGN sp. Z.o.o. - Director (Corporate Rep.) BlueBird Inc. - Director (Corporate Rep.) 	None	None	None	None
Deputy General Manager of Sales (Note 1)	ROC	Chou Hsueh Yi	Female	2024.07.15	1,000	0.002%	0	0%	0	0%	<ul style="list-style-type: none"> Master of Business Administration, National Taipei University of Business Manager, Advantech Co., Ltd. 	<ul style="list-style-type: none"> 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%	<ul style="list-style-type: none"> Department of Electronic Engineering, National Chin-Yi Institute of Technology EMBA, National Ilan University Pro Arch Technology Inc. - Product Manager 	<ul style="list-style-type: none"> 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%	<ul style="list-style-type: none"> MBA, University of Leicester (UK) Tymphony 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%	<ul style="list-style-type: none"> Department of Information Management, Shih Hsin University CipherLab Co., Ltd. - Assistant General Manager of the Technical Support Department 	None	None	None	None	None
Assistant General Manager	ROC	Wu Chih Hao	Male	2019.05.08	15,000	0.03%	0	0%	0	0%	<ul style="list-style-type: none"> Master of Electrical Engineering, National Tsing Hua University Compal Group - Head of the Product Division 	None	None	None	None	None
Finance, Accounting, and Corporate governance officer (note 2)	ROC	Chen Yen Han	Male	<ul style="list-style-type: none"> 2024.03.15 (Head of Accounting) 2024.12. 27 (Corporate governance officer) 2025.03.14 (Head of Finance) 	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> 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
Section Chief (Note 2)	ROC	Lin Shu Juan	Female	2018.03.21	-	-	-	-	-	-	<ul style="list-style-type: none"> 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
Assistant General Manager and Head of Finance (Note 2)	ROC	Huang Zhen Fang	Male	<ul style="list-style-type: none"> 2021.09.28 (Assistant General Manager) 2021.11.09 (Head of Finance) 	-	-	-	-	-	-	<ul style="list-style-type: none"> MBA, Massachusetts Institute of Technology Deputy Division Chief, Strategic Investment Department, LITE-ON TECHNOLOGY CORP. CFO, Yuen Foong Shop Co., Ltd. 	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	
Deputy General Manager of Sales (Note 3)	ROC	Lin Shu Li	Male	2021.12.20	-	-	-	-	-	-	<ul style="list-style-type: none"> • IMBA, National Chengchi University • BA of Industrial Design, National Cheng Kung University • Department Manager, Moxa Ltd. • General Manager, Ai Wei Technology Ltd. • International Business Manager, 3M Company 	None	-	-	-	-

Note 1: Chou Hsueh Yi, Deputy General Manager of Sales, resigned on 2024.07.15.

Note 2: On 2024.03.15 the Board of Directors appointed Senior Accounting Manager Chen Yen-Han as the Accounting Head, while the former Accounting Head, Lin Shu Juan, stepped down. On 2024.12.27, the Board of Directors appointed Accounting Manager Chen Yen Han as the Corporate governance officer. Assistant General Managerr Huang Zhen Fang resigned on 2025.01.24. On 2025.03.14, the Board of Directors appointed Senior Accounting Manager Chen Yen Han as the Finance Head.

Note 3: Lin Shu Li, Deputy General Manager of Sales, resigned on 2024.02.07.

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	16,035	16,035	0	0	16,035	16,035	2.39%	16,618	18,231	108	108	5,500	0	5,500	0	38,261	39,874	5.71%	5.95%	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	1,080	1,080	7,560	7,560	1.13%	0	0	0	0	0	0	0	0	7,560	7,560	1.13%	1.13%	None
Independent Director	Li Chun Chi																								
Independent Director	Lin Tuo Zhi																								
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:																									

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 number 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

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

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

Title	Name	Remuneration (A) (Note 2)		Severance payment and pension (B)		Bonuses and special allowances (C) (Note 3)		Employees remuneration (D) (Note 4)				The sum of A, B, C and D as a percentage of net income (%) (Note 8)		Compensation from business investments other than subsidiaries (Note 9)
		The Company	All companies included in the Financial Statements (Note 5)	The Company	All companies included in the Financial Statements (Note 5)	The Company	All companies included in the Financial Statements (Note 5)	The Company		All companies included in the Financial Statements (Note 5)		The Company	All companies included in the Financial Statements (Note 5)	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
General Manager	Chen Ming-Yi	7,097	7,097	169	169	4,229	4,229	3,500	0	3,500	0	14,995 2.24 %	14,995 2.24 %	0
Deputy General Manager of Sales	Chou Hsueh Yi (Note)													
Deputy General Manager of Sales	Lin Shu Li (Note)													

Note: Chou Hsueh Yi, Deputy General Manager of Sales, resigned on 2024.07.15; Lin Shu Li resigned on 2024.02.07.

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	Lin Shu Li	Lin Shu Li
NT\$1,000,000 (inclusive) - NT\$2,000,000 (non-inclusive)	Chou Hsueh Yi	Chou Hsueh Yi
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)	None	None
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	9,093	9,093	1.36%
	Chairman	Wang Hsing Lei				
	General Manager	Chen Ming-Yi				
	Deputy General Manager of Sales (Note 4)	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 R&D Dept.	Wu Chih Hao				
	Assistant General Manager of the Product Management & Development Dept.	Hu Chiu Chih				
	Head of Accounting, Finance and Corporate governance (Note 5)	Chen Yen Han				
	Section Chief (Note 5)	Lin Shu Juan				
	Assistant General Manager and Head of Finance (Note 5)	Huang Zhen Fang				
	Deputy General Manager of Sales (Note 4)	Lin Shu Li				

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: Chou Hsueh Yi, Deputy General Manager of Sales, resigned on 2024.07.15; Deputy General Manager of Sales, Lin Shu Li resigned on 2024.02.07.

Note 5: On 2024.03.15 the Board of Directors appointed Senior Accounting Manager Chen Yen-Han as the Accounting Head, while the former Accounting Head, Lin Shu Juan, stepped down. On 2024.12.27, the Board of Directors appointed Accounting Manager Chen Yen Han as the Corporate governance officer. Assistant General Manager Huang Zhen Fang resigned on 2025.01.24. On 2025.03.14, the Board of Directors appointed Senior Accounting Manager Chen Yen Han as the Finance Head.

(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.

Item \ Year	2023		2024	
	The Company	Consolidated Financial Statements	The Company	Consolidated Financial Statements
Total director compensation as a percentage of net income (%)	6.25%	6.42%	6.84%	7.08%
Total compensation to General Managers and Deputy General Managers as a percentage of net income (%)	1.95%	1.95%	2.24%	2.24%

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 :

(I) Functionality of board of directors:

A total of 7 board of directors meetings (A) were held in 2024; below are directors' attendance records:

Title	Name	Number of in-person attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Director	Wang Shiu Ting	7	0	100%	Re-elected on 2022.06.17
Chairman	Wang Hsing Lei	7	0	100%	Re-elected on 2022.06.17
Director	Rep. of Taiwan Semiconductor Company Ltd.: Luo Yue Gui	7	0	100%	Re-elected on 2022.06.17
Director	Chen Ming-Yi	7	0	100%	Newly elected on 2022.06.17
Independent Director	Ma Chia Ying	7	0	100%	Re-elected on 2022.06.17
Independent Director	Li Chun Chi	7	0	100%	Re-elected on 2022.06.17
Independent Director	Lin Tuo Zhi	7	0	100%	Newly elected on 2022.06.17

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 Conflict of Interest	Voting Participation
Chen Ming Yi, Ma Chia Ying, Li Chun Chi	Proposal for the appointment of the First "Sustainable Development Committee" members	Involving personal interests	Not participating in the discussion and voting.

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

Evaluation cycle	Once a year
Evaluation period	January 1 to December 31, 2024
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 : 4.96).
Members of Board of Directors	The performance self-evaluation indicators encompass six major dimensions, totaling 25 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 : 4.80).
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).

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 in 2024, 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 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 2024 evaluation were submitted for review by the Remuneration Committee and reported to the Board of Directors on March 14, 2025.

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

A total of 7 Audit Committee meetings (A) were held in 2024; independent directors' attendance records are summarized below:

Title	Name	Number of in-person attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Independent Director (Convener)	Ma Chia Ying	7	0	100%	Re-elected on 2022.06.17
Independent Director	Li Chun Chi	7	0	100%	Re-elected on 2022.06.17
Independent Director	Lin Tuo Zhi	7	0	100%	Newly elected on 2022.06.17

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:

Audit Committee /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
2024.03.15	5th Term The 12th meeting	<ol style="list-style-type: none"> 1. The "Statement of Internal Control System" for 2023. 2. Presentation of the 2023 business report and Financial Statements. 3. Presentation of the 2023 earnings appropriation. 4. Amendments to the "Rules of Procedure for Board of Directors Meetings" 5. Amendment to the Procedures for Election of Directors 6. Merger and amendment to the "Regulations Governing the Prevention of Insider Trading" and "Procedures for Handling Material Inside Information". 7. Evaluation of the independence and suitability of CPAs. 8. Change of the Chief Accounting Officer of the Company. 9. Proposal for providing a loan to MGN sp. z o. o., the Company's indirectly wholly-owned subsidiary in Poland. 	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None

Audit Committee /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
2024.05.10	5th Term The 13th meeting	<ol style="list-style-type: none"> 1. Presentation of the Company's Consolidated Financial Statement for 2024 Q1. 2. Adjustment of the Company's "Organizational Structure" 3. Establishment of the "Rules of Procedures for Ethical Management and Guidelines for Conduct" 4. Amendment to the "Whistleblower Reporting and Protection System Management Regulations" 5. Amendment to the "Regulations for the Use and Management of Company Seals." 6. Proposal for the Company to provide a loan to its wholly owned German subsidiary, TSC Auto ID Technology EMEA GmbH. 	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2024.6.18	5th Term The 14th meeting	<ol style="list-style-type: none"> 1. Determining matters related to the distribution of earnings for 2023 2. Cancel the provision of endorsement and guarantee for the German subsidiary, TSC Auto ID Technology EMEA GmbH 3. Application of credit limit with Taishin Bank. 			
2024.08.01	5th Term The 15th meeting	<ol style="list-style-type: none"> 1. Acquisition of Shares in Bluebird Inc., a Korean Company 2. Proposal for Applying for a NT\$2 Billion Joint Credit Facility from Taishin International Commercial Bank and Other Syndicated Lenders 			
2024.08.09	5th Term The 16th meeting	<ol style="list-style-type: none"> 1. Presentation of the Company's Consolidated Financial Statement for 2024 Q2. 2. The Establishment of the "Personal Data Protection Management Regulations" 3. Amendment to the "Financial Statement Preparation Process Management Regulations" 4. Amendment to the "Procedures for Managing Liabilities, Commitments, and Contingent Matters" 5. The Fund Loan Provided by Diversified Labeling Solutions, a 100% Owned U.S. Subsidiary, to the Company 			
2024.11.08	5th Term The 17th meeting	<ol style="list-style-type: none"> 1. Presentation of the Company's Consolidated Financial Statement for 2024 Q3. 			

Audit Committee /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
		2. Establishment of the "Internal Control Self-Evaluation Procedures" 3. Establishment of the "Notes Management Guidelines" 4. Amendment to the Company's "General Provisions of Internal Control System" (formerly titled "General Provisions"), "Budget Preparation and Control Procedures", "Financial and Non-Financial Information Management Guidelines", "Operating Procedures for Financial and Business Transactions with Related Parties" (formerly titled "Procedures for Transactions with Related Parties, Group Enterprises, and Specific Companies"), "Stock Affairs Management Guidelines", "Asset Management Guidelines", "Rules for the Scope of Duties of Independent Directors", "Audit Committee Charter", "Standard Operating Procedures for Handling Directors' Requests", "Procedures for Suspension and Resumption of Trading", "Code of Ethical Conduct", and "Procedures for Lending Funds to Others." 5. Intercompany Loan to Wholly-Owned German Subsidiary, TSC Auto ID Technology EMEA GmbH 6. Endorsement and Guarantee for Wholly-Owned U.S. Subsidiary, TSC Auto ID Technology America Inc.	No objection or reservations from all independent directors	Adopted by unanimous consent from all participating members	None
2024.12.27	5th Term The 18th meeting	1. The list of beneficiaries for the first issuance of employee warrant for 2023. 2. Establishment of the "Sustainable Information Management Regulations" 3. Amendment to "Delegation of Authority Table," "Acting Duty Regulations," and "Regulations for the Supervision and Management of Subsidiaries" 4. Formulation of the "2025 Audit plan" 5. Provision of a loan to MGN sp. z o. o., the Company's indirectly wholly-owned subsidiary in Poland.			
2025.03.14	5th Term	1. Acknowledged appointment of the "Head of Finance and Spokesperson."			

Audit Committee /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
	The 19th meeting	2. The "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. Preparation for the earnings distribution plan for 2024 6. Amendments to the Company's Articles of Incorporation 7. Change of CPA in conjunction with Deloitte Taiwan's internal rotation 8. Evaluation of the independence and suitability of CPAs. 9. Proposal of provision of a loan to MGN sp. z o. o., the Company's indirectly wholly-owned subsidiary in Poland.	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
2024.03.15	Audit Committee	1. Report on the implementation of internal audit operations for 2023 Q4. 2. Declaration of Internal Control System for 2023.	No objections
2024.05.10		Report on the implementation of internal audit operations for 2024 Q1.	
2024.08.09		Report on the implementation of internal audit operations for 2024 Q2.	
2024.11.08		Report on the implementation of internal audit operations for 2024 Q3.	
2024.12.27		The 2025 Audit plan	
2025.03.14		1. Report on the implementation of internal audit operations for 2024 Q4. 2. Declaration of Internal Control System for 2024.	

2. Status of Communication With Independent Directors and CPAs:

Date	Method of communication	Issues discussed	Outcome
2024.03.15	Convened independent meeting	1. Outcome of 2023 Financial Statement audit. 2. Consolidated entities for 2023. 3. Key Audit Matters. 4. Other communication matters	Consulted and no other suggestions
2024.12.27		1. Annual Audit planning. 2. Communicated on key audit issues. 3. Standards and regulations applicable in the Future 4. Audit quality indicators (AQI) report	
2025.03.14		1. Outcome of 2024 Financial Statement audit. 2. Consolidated entities for 2024. 3. Key Audit Matters. 4. Other communication matters	

IV. Audit Committee Annual Work Focus:

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 2024 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) Significant asset transactions
 - (6) Significant loans, endorsements, and guarantees
 - (7) Appointment and dismissal of Chief Accounting Officer
 - (8) Joint credit granting case
 - (9) Establishment and revision of relevant company management policies
 - (10) List of non-managerial shareholders for the second issuance of employee stock options in 2023

(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
	Yes	No	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

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(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
(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				

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(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 13-16 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 November 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
	Yes	No	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 March 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 and the Remuneration 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 2024 was reported to the Remuneration Committee and the Board of Directors on March 14, 2025. In accordance with the “Board Performance Evaluation Policy,” the evaluation results have been used as a reference for determining individual directors’ remuneration and for the nomination of reappointments. For details of the “Board Performance Evaluation Results for 2024,” please refer to page 29.	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Is the independence of external auditors assessed on a regular basis?	✓		<ol style="list-style-type: none"> 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 March 14, 2025. Starting from the first quarter of 2025, 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. The Company has never not changed its CPAs for seven consecutive years. 4. 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 March 14, 2025. Please refer to Appendix 1 (pages 48-50) for the assessment of the independence and suitability of CPAs. 	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
IV. Has the TWSE/GTSM listed company allocated an adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	✓		<p>The Company has assigned an adequate number of qualified corporate governance personnel. On December 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:</p> <ol style="list-style-type: none"> 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. 	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
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)?	✓		<p>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 51-60) for the 「2024 Report on the Communication Channels with Stakeholders」.</p> <p>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 87-92) for “2024 Sustainable Development Implementation Status”.</p>	In compliance
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				

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(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)?	✓		<ol style="list-style-type: none"> 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 2024, the Company was invited by the securities dealer to hold a total of 3 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

Assessment criteria	Actual governance			Deviation and causes of deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(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

<p>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)?</p>	✓	<ol style="list-style-type: none"> 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 111-112 for the "Continuing Education Status of Directors in 2024." 6. Implementation of risk management policy and risk assessment standards: Please refer to Appendix 3 (pages 61-71) for the "2024 Risk Management Operations Report." 7. Implementation of customer policies: The Company conducts an annual customer satisfaction survey to understand customer issues and 	In compliance
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			<p>needs, thereby maintaining strong relationships.</p> <p>8. The Company purchases liability insurance for directors every year. The insurance period was from April 18, 2024 to April 17, 2025. The insured amount is US\$4 million. The insurance was presented to the board of directors on May 10, 2024.</p>	
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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[score]

1. The Company had established written regulations governing financial and business operations with related parties. These regulations include procedures for managing transactions such as purchases and sales, acquisition or disposal of assets, and require that significant transactions be approved by the Board of Directors and either approved or reported at the Shareholders' Meeting.
2. The Company had established a board diversity policy and discloses the specific management objectives and implementation status of this policy on its official website and in the annual report.
3. The Company had established a Sustainability Development Committee consisting of no fewer than three members, with a majority being independent directors. At least one member possesses the professional expertise required by the committee. The composition, responsibilities, and operation of the committee are disclosed accordingly.
4. The Board of Directors had supervised the Company's risk management. A risk management policy and procedures approved by the Board have been established, including disclosures on the risk management organizational structure, procedures, and operational status. Reports are submitted to the Board at least once a year.
5. The Company had formulated an intellectual property management plan aligned with its business goals. The implementation status is disclosed on the Company's website or in the annual report, and a report is submitted to the Board at least once a year.
6. The Company had established a dedicated (or concurrent) unit to promote ethical corporate management. This unit is responsible for formulating and overseeing the implementation of integrity policies and prevention programs. The unit's operations and implementation status are disclosed on the Company's website and in the annual report, and reports are submitted to the Board at least once a year.
7. The company had refer to international human rights conventions, formulate policies and specific management plans to protect human rights, and disclose relevant policies and implementation status on the company website or annual report.

(II) Priority enhancements and measures

1. In line with the government's 2050 net-zero emissions target, we have initiated the Group's greenhouse gas inventory plans.
2. In alignment with the Corporate Governance 3.0 - Sustainability Development Blueprint, the continuous tenure of more than half of the independent directors does not exceed three terms.

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

Assessment criteria	Suitability and Independence
5.62 Has represented the audit client in transaction or promised terms/conditions for transaction.	5.62 None.
5.63 Has assisted audit client in the development of corporate strategies.	5.63 None.
5.64 Has provided matchmaking service of funding sources for audit client.	5.64 None.
5.65 Has provided structural suggestions for audit client's transaction or influenced the client's accounting analytics.	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.

2024 Stakeholder Communication Report

Board of directors report date: December 27, 2024

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
Customer	<ul style="list-style-type: none"> ● Customer service ● Product Safety and Responsibility ● Risk management ● Legal Compliance ● Business ethics 	<ul style="list-style-type: none"> ● Customer satisfaction survey ● Customer meeting ● Customer Questionnaire ● By telephone, emails, and video conferencing 	<ul style="list-style-type: none"> ● 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..
Investor	<ul style="list-style-type: none"> ● Company Operations Outlook ● Financial Performance ● Corporate governance 	<ul style="list-style-type: none"> ● Market Observation Post System ● Investors' area on the Company's website ● Financial reports / annual report ● Shareholders' meeting ● Investor conference ● Spokesperson and deputy spokesperson email and phone ● Disclosure of 	<ul style="list-style-type: none"> ● 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.. ● A shareholders' meeting (i.e., June 16, 2024) is convened a year to explain

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
		information in English	<p>operating performance to investors, and shareholders' questions and the Company's responses are recorded in the shareholders' meeting minutes, and the video and audio files of the shareholders' meeting are also disclosed on the Company's website for investment people to read..</p> <ul style="list-style-type: none"> ● Three institutional investor conferences were held in 2024 to enhance the company's exposure and transparency, and to increase the frequency of dialog with investors. At least one of the audio and video files was also disclosed on the Market Observation Post System for investors to read.. ● The email address and hotline of the spokesperson and acting spokesperson were set up to communicate with investors on an as-needed basis. ● Disclosure of shareholder notices, agenda handbooks, annual reports, minutes of shareholder meetings, quarterly Financial Statements, and material information announcements in English are now available to enhance communication with foreign investors..

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
Supplier	<ul style="list-style-type: none"> ● Supply Chain Management ● Transportation Carbon Emission Survey ● Environmental friendly raw materials survey 	<ul style="list-style-type: none"> ● Regular supplier evaluation ● Supplier code of conduct compliance declaration ● RBA self-assessment questionnaire and on-site audits ● Green product management (gpm) platform surveys ● Greenhouse gas inventory 	<ul style="list-style-type: none"> ● Suppliers are regularly evaluated based on the quality and on-time delivery rate of their materials to ensure a stable supply of production-grade materials that meet quality standards. ● Actions aligned with the Responsible Business Alliance Code of Conduct are implemented within the supply chain, including the establishment of a Supplier Code of Conduct. Suppliers are required to sign a compliance declaration, complete the RBA self-assessment questionnaire, and cooperate with on-site audits and necessary improvements. ● In 2024, two REACH survey updates were completed through the Green Product Management (GPM) platform to ensure that production materials comply with green regulatory requirements. ● Transportation carbon emissions were surveyed for the top 10 suppliers.
Staff	<ul style="list-style-type: none"> ● The Company's Targets and Policies 	<ul style="list-style-type: none"> ● All-members meeting ● Headquarters management meeting ● Global management meeting 	<ul style="list-style-type: none"> ● 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.

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
	<ul style="list-style-type: none"> ● Employee Compensation and Benefits 	<ul style="list-style-type: none"> ● Global Strategy Symposium ● Global News Quarterly ● Regular review of employees' work and salary 	<ul style="list-style-type: none"> ● Apart from the policy communication, the all-hands meeting also includes sharing at cross-departmental activities such as activities sharing and Team-Building sharing by the clubs to enhance the exchange and understanding of colleagues in other departments and plants.. ● The first global strategy seminar was held in 2024, 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 of each branch office and praise outstanding employees, so that employees distributed in different locations can know each other's status, and become more cohesive overall. ● Annual promotion and salary reviews ensure that employees are the right fit for the role they can make and receive remuneration accordingly. ● The Company revised the internal control procedures for the payroll cycle to ensure legal compliance, enhance process efficiency,

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
		<ul style="list-style-type: none"> ● Employee benefits in excess of statutory regulations ● Performance Evaluation and Reward 	<p>and provide clear guidelines for employees, thereby reducing the risk of labor disputes.</p> <ul style="list-style-type: none"> ● Starting in 2024, the Company offers the TSC Family-Friendly Leave, which exceeds statutory requirements, to help employees balance work and family life and foster a supportive work environment. ● We increased the amount of employee referral bonuses and encourage employees to nominate outstanding talents with TSC core values to participate in and build a high-performance team with consensus.. ● The Company organizes annual health check-ups for all employees to support their physical well-being, aiming to facilitate early detection and treatment of potential health issues through various screenings. To extend care to employees' families, the Company also offers a preferential health check-up program that employees' dependents may join at their own expense. ● 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

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
	<ul style="list-style-type: none"> ● Employee Training and Development 	<ul style="list-style-type: none"> ● Education and training 	<p>of colleagues with the company's strategy to achieve organizational goals together.</p> <ul style="list-style-type: none"> ● Each quarter, outstanding employees are selected and recognized during the all-members meeting, which increases employees' motivation for learning and development. Through the nomination system, it also cultivates the ability to discover and recognize others, fostering a positive workplace atmosphere. ● The Innovation Committee and employee innovation proposal system have been established, offering substantial rewards to encourage innovation and providing the necessary resources to help employees turn their ideas into practical applications, enabling personal fulfillment. ● Through the implementation of the Individual Development Plan (IDP), employees are provided with a learning and development direction that suits them, enabling them to progressively achieve learning goals and career development. ● We organize management leadership workshops to enhance the leadership capabilities of supervisors, deepen coaching-style leadership, and establish talent teams, strengthening internal connections and

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
	<ul style="list-style-type: none"> ● Employee Relations and Care 	<ul style="list-style-type: none"> ● Labor-management conference ● Labor safety conference ● Migrant worker monthly meeting ● 2024 Employee opinion survey ● Employee suggestion mailbox 	<p>improving organizational performance.</p> <ul style="list-style-type: none"> ● We promote eight reading group sessions, combining self-learning with sharing to enhance employees' innovative skills, while establishing a common communication language and interpersonal network within the organization. ● We purchase book racks and new books every month to establish a culture of shared reading and foster habits of continuous learning and self-directed learning among employees. ● The Company has established a two-way communication platform between employers and employees through regular labor-management meetings, labor safety meetings and monthly meeting for migrant workers to create a healthy and friendly workplace. ● In 2024, we will expand the employee satisfaction survey globally, inviting employees to discuss improvement directions to create an excellent workplace. The annual increase in employee satisfaction is a strong testament to this effort. 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

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
		<ul style="list-style-type: none"> ● Health and lifestyle 	<p>time..</p> <ul style="list-style-type: none"> ● We have revised the regulations on the prevention of sexual harassment and unlawful treatment in the workplace, integrating both internal and external complaint channels and setting up an independent grievance hotline to ensure the safety of our employees and provide a secure workplace environment. ● In 2024, the psychological counseling services have been expanded to 24/7 year-round, with new management-related topics added to the consultation agenda. Through professional counseling, combined with the monthly “Good Mood Digest,” we provide employees with more comprehensive mental health care. ● We have revised the regulations on the prevention of sexual harassment and unlawful treatment in the workplace, integrating both internal and external complaint channels and setting up an independent grievance hotline to ensure the safety of our employees and provide a secure workplace environment. ● We regularly provide health biweekly reports, introducing common diseases and infectious diseases to enhance

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
		<ul style="list-style-type: none"> ● Team-building ● EAP solutions 	<p>employees' preventive knowledge and response capabilities, providing an additional layer of health protection.</p> <ul style="list-style-type: none"> ● In 2024, the Company's team-building activities integrated ESG elements to encourage cross-departmental interaction while also contributing to society and the environment. This initiative aimed to raise employees' awareness of social responsibility and strengthen their sense of belonging to the organization. ● In the 2024 Sports Week expanded participation by inviting employees' family members to join the step counting contest. This fun and engaging approach helped employees develop regular exercise habits, promoting both physical health and stress relief. ● To help relieve the emotional stress built up over more than two years of COVID-19 travel restrictions and to reward employees for their continued dedication, the Company increased subsidies for overseas travel in 2024. ● In 2024, a uniquely creative Christmas celebration was held, leading employees to decorate the office and offer blessings to others, spending a year-end filled with gratitude and

Stakeholders	Topic of concern	Communication channels and operationS	Implementation result
			<p>warmth.</p> <ul style="list-style-type: none"> ● The year 2024 marked the the first year of CSR implementation. The Company partnered with Eden Social Welfare Foundation to care for “slow-flying angels” (children with developmental delays) through two volunteer events and an online donation project, demonstrating tangible support for underprivileged children. ● We also organized TSC Baby Camp, a character education program that helps children develop self-confidence, communication skills, emotional awareness, and the ability to build harmonious relationships with others. ● In celebration of Earth Day, the Company held a charity sale encouraging employees to donate unused items – giving them a second life and reducing waste. All proceeds from the sale were donated to charity.

Report on risk management operations in 2024

Date of board report: December 27, 2024

The Company has established its “Risk Management Best-Practice Principles” with reference to the “Risk Management Best-Practice Principles for Taiwan Stock Exchange and Taipei Exchange listed Companies” set forth by the Taipei Exchange (TPEX). These policies were approved by the Board of Directors on November 8, 2024, and serve as guiding principles for the Company’s risk management, thereby strengthening corporate governance. In order to fully record the risk management procedures and their execution results, the Risk Management Group shall compile the results and report them to the Sustainable Development Committee and Board of Directors on a regular basis.

(1) Risk management scope

The Company defines risk categories related to its operations—covering Environmental, Social, Governance, and other relevant aspects—based on the principle of materiality. After each department reviewed the Company's characteristics and operations, risk categories, items, and implications were identified based on the principle of materiality of risk, and the following risk items were incorporated into management.

Risk category	Risk item	Risk Name	Risk implications	Response measures
Environmental protection	Sustainability risk	Energy consumption	The Company’s operational activities may directly involve the use of energy such as fuel and electricity in office buildings, factory sites, or indirectly through business activities. If effective energy management is not implemented, it could lead to excessive energy consumption and environmental pollution issues.	TSC identifies energy usage hotspots, evaluates the feasibility of improving and replacing equipment to enhance energy efficiency, and ensures that energy management aligns with energy conservation, carbon reduction, and environmental sustainability goals.
		Improper waste management	Due to the raw materials and consumables used in the production process, waste may be generated through production procedures or manufacturing defects. If the company does not have a comprehensive waste management system in place, or if suppliers fail to handle waste according to regulatory requirements, it may result in negative environmental impacts.	Our company has established a comprehensive waste classification, recording, and tracking management system to ensure that all waste is properly handled in accordance with relevant regulations and contractual requirements. At the same time, we are promoting source reduction and resource recycling strategies, and actively seeking materials and technologies that can be recycled and reused.

Risk category	Risk item	Risk Name	Risk implications	Response measures
	Climate change risk	Greenhouse gas emissions	The Company's operational activities, whether directly involving office buildings, factories, or indirectly related business activities, continuously generate greenhouse gas emissions, which may lead to environmental impacts and contribute to global warming.	Greenhouse gas inventories are conducted annually in accordance with international standards (such as ISO 14064-1), covering Scope 1, 2 and part of Scope 3. Through data analysis, we can identify emission hotspots and promote improvements. TSC has set a 2030 reduction target of 20% to 40% compared to the base year, and has incorporated carbon reduction measures such as energy conservation and renewable energy into its daily operational planning. At the same time, it has introduced a carbon management digital platform to strengthen climate risk management.
	Environmental risk	Ecological destruction	Company operations may result in pollution of nearby water sources, air, and ecosystems surrounding the plant area, leading to environmental degradation and the loss of biodiversity.	TSC continues to work hard to reduce the impact of its operations on the surrounding ecology and regularly monitors the water quality, air quality and noise conditions of the factory to ensure compliance with regulations and environmental standards. At the same time, strengthen the maintenance and operation management of pollution prevention and control facilities to avoid the leakage of harmful substances.
Social responsibility	Human resource risks	Recruitment difficulties	In a societal structure characterized by low birth rates, an aging population, and population outflow, there is a serious shortage of labor talent. Companies face challenges in recruiting and retaining talent, and delays in talent onboarding lead to increased workload for existing employees, which in turn impacts business operations.	TSC Technology firmly believes that human capital is the core cornerstone of corporate sustainable development. It continues to be committed to the recruitment and retention of talents. By emphasizing human rights, diversity and inclusion, a friendly workplace and employee welfare, it creates a great place to work and further implements the goal of sustainable development. The specific response measures are as follows: 1. Conduct strategic human resource planning based on the company's operating direction and formulate a complete recruitment plan. We also conduct an analysis

Risk category	Risk item	Risk Name	Risk implications	Response measures
				<p>of salary competitiveness in the labor market every year based on recruitment plans and market trends.</p> <ol style="list-style-type: none"> 2. Review recruitment efficiency monthly and review long-standing unfilled positions. 3. We have added diversified recruitment channels, including job search platforms, social media, job fairs, campus recruitment briefings, internship programs, talent hunting consultants and internal referral mechanisms, to expand the source of talent in the labor market and attract a wide range of potential talents to join the team. 4. We continue to optimize the interview process and add relevant competency and suitability assessments during the interview phase to ensure that new employees can meet job requirements and quickly integrate into the team. 5. If applicants encounter unfair or unethical treatment during the interview process, TSC provides relevant complaint mechanisms and establishes relevant investigation and handling procedures to protect the rights of all applicants. 6. Continue to strengthen effective employee retention measures and establish an employee care mechanism to provide early warning to employees who intend to leave and achieve the goal of retaining talent. New employees are paired with peers across departments to provide them with daily needs care, and interviews are conducted with new employees 1.5 months after they join the company to understand their adaptation status and provide timely

Risk category	Risk item	Risk Name	Risk implications	Response measures
				<p>assistance.</p> <p>7. We actively integrate various welfare measures and use diversified welfare policies (such as providing new employees with more special leave days than the industry average) to attract more talented job seekers and enhance employees' sense of identity and belonging to a happy workplace. In addition, to meet the life needs of employees at different stages, TSC provides childcare leave, reduced working hours for childcare and flexible work and rest systems to help employees achieve a more effective work-life balance.</p> <p>8. The company has a complete talent training system. From the time new employees join the company, the company arranges a three-month new employee training program to help them quickly familiarize themselves with the company culture, organizational system and core functions. After the probation period, the company introduces the Individual Development Plan (IDP) system to develop a development blueprint based on personal needs and continuously strengthen professional capabilities and career planning.</p> <p>We conduct regular resignation analysis every year, gain in-depth understanding of the specific reasons for employee resignation through interviews, and actively conduct internal reviews based on the interview results to develop effective solutions.</p>
		Human rights violations	Failure to properly manage human rights issues or the lack of relevant regulations may lead to human rights	TSC supports and respects relevant international labor and human rights norms, refers to norms including the International Labor Convention

Risk category	Risk item	Risk Name	Risk implications	Response measures
			violations, such as forced labor, discrimination, exploitation, or the suppression of free speech. These issues can damage the Company's reputation, harm employee relations, and contribute to social inequality or conflict.	<p>and the United Nations Universal Declaration of Human Rights, and takes actions consistent with the Responsible Business Alliance (RBA) Code of Conduct to formulate and implement policies that comply with business ethics, the environment, social issues, human rights and other public policy commitments. Our company's human rights policy has been published on the official website, and on August 20, 2024, we established the "Human Rights Management Regulations" to avoid unequal working environments due to factors such as gender, nationality, and education level. The specific response measures are as follows:</p> <ol style="list-style-type: none"> 1. In accordance with labor laws, we protect the legal rights and interests of our colleagues, provide retirement funds in accordance with the law, open up communication channels between labor and management, actively understand and reasonably meet the needs of colleagues to achieve a win-win situation for both labor and management, and set up an employee welfare committee to handle various welfare matters. 2. In 2024, we revised the "Regulations on Complaints and Disciplinary Measures for Prevention and Control of Sexual Harassment in the Workplace" and the Code of Unlawful Treatment in the Workplace in accordance with the law, integrated internal and external complaint mailboxes and set up an independent complaint hotline to protect the safety of colleagues and provide a safe workplace environment. 3. Formulate "External Provider

Risk category	Risk item	Risk Name	Risk implications	Response measures
				<p>Management Operation Methods" and require suppliers to sign the "Supplier Code of Conduct Compliance Statement" and follow the RBA Code of Conduct. All business operations of suppliers must fully comply with the laws and regulations applicable to the country where they operate.</p> <p>4. Identify and assess potential human rights risks through regular communication, evaluation and auditing each year, and promote continuous improvement plans based on the risks.</p> <p>5. To deepen human rights awareness, the company regularly conducts education and training and advocacy on issues related to personnel protection for internal employees and supply chain partners, and promotes the full implementation of human rights and sustainable responsibilities in the value chain.</p>
	Occupational health and safety	Occupational hazards	<p>If workplace safety regulations are inadequate, resulting in occupational accidents that cause employee injuries and violate employee rights, the Company may face remuneration claims, legal disputes, or public pressure. Such incidents may also damage the industry's public image.</p>	<p>TSC has introduced and passed the ISO 45001 occupational safety and health management system certification, established a systematic risk identification and control process, regularly reviewed potential workplace risks, and strengthened occupational accident prevention and response mechanisms. At the same time, we follow the RBA Code of Conduct and implement occupational safety standards such as work environment safety, machine facility protection and emergency response training, covering all operating personnel and outsourced units.</p> <p>The Company has also set up an Occupational Safety and Health Committee to promote cross-departmental collaboration and employee participation to</p>

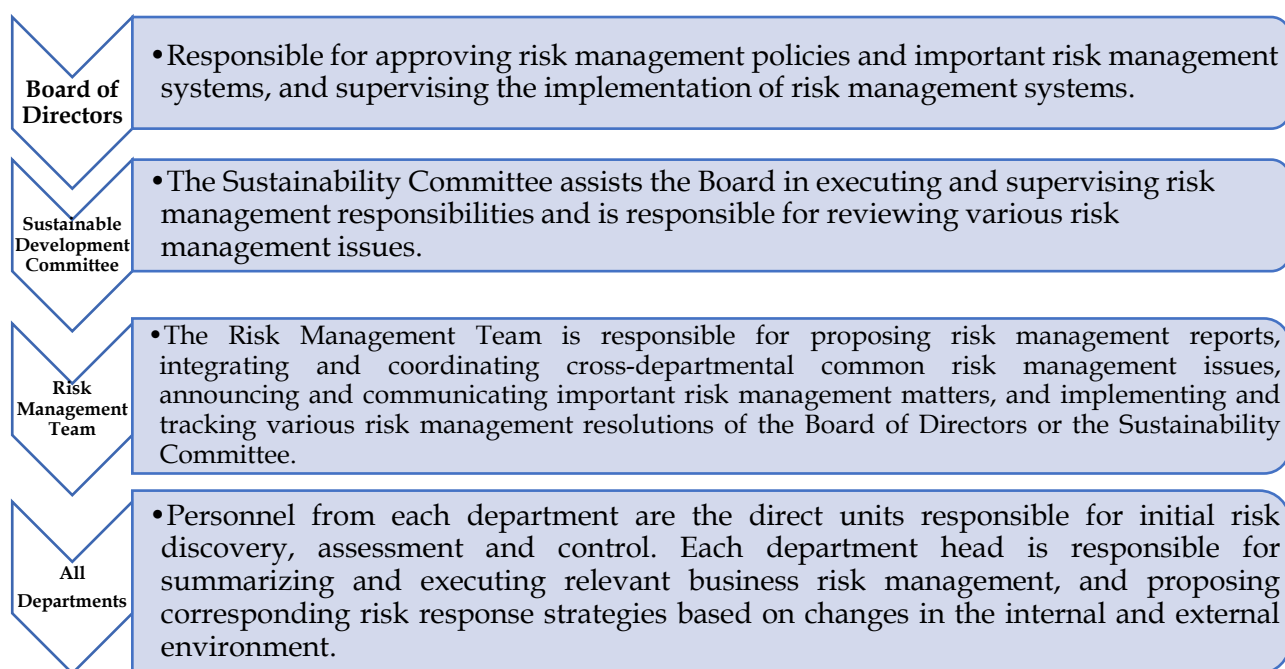
Risk category	Risk item	Risk Name	Risk implications	Response measures
				continuously improve the working environment and safety culture. Through education and training, auditing and reporting systems, we enhance the safety awareness of all employees, reduce the risk of occupational accidents, and ensure employee health and operational stability.
Corporate governance	Operational risk	Quality and safety requirements and inspection failures	In the event of product safety/quality incidents or non-compliance with regulations, it may impact product sales or user health, leading to legal liabilities, fines, and compensation issues. This could result in the loss of domestic and international customers and may also affect the competitiveness of the domestic industry.	<p>TSC has established a comprehensive quality management system and passed ISO 9001 certification to ensure that every link of the product from design, manufacturing to shipment meets strict quality standards. All products are inspected for safety and quality in accordance with relevant regulations to ensure compliance with international standards, all regulations and customer needs.</p> <p>We conduct regular internal and external quality audits, product inspections, tests and defective product analysis to reduce the risk of quality oversight. The company will also proactively monitor the market, respond promptly to possible quality issues and safety risks, avoid any possible quality accidents, and maintain a high sense of responsibility and trust in its customers.</p>
	Cybersecurity risk	Sensitive information leakage	If there is a cybersecurity vulnerability or the unauthorized disclosure or use of customer data without their consent, leading to the leakage of sensitive information from both the company and its customers, it may result in privacy violations. This could lead to legal lawsuits, compensation issues, and potentially damage customer trust and the Company's competitive advantage in the market.	<p>To protect information security, TSC has established an information security team to conduct regular information security risk assessments and vulnerability scans to ensure system security. At the same time, we conduct information security education and training for employees to enhance their awareness of data protection and compliance with regulations on the handling of sensitive data.</p> <p>Enhanced data encryption technology and access control mechanisms have been implemented to ensure the security of customer data during storage, processing and</p>

Risk category	Risk item	Risk Name	Risk implications	Response measures
				transmission. If a cybersecurity incident occurs, the company will activate the cybersecurity emergency response plan, immediately notify relevant parties and take emergency measures to minimize losses and impact on customers.
	Sustainability risk	Corporate corruption and unethical conduct	Failure to implement ethical management principles, leading to incidents of corruption and bribery, could damage the Company's reputation, impact the response of upstream suppliers, erode customer trust, harm stakeholder interests, and may also affect Taiwan's industrial competitiveness on the global stage.	<p>TSC adheres to the principle of honest business operation, establishes a sound anti-corruption and anti-bribery policy, and requires all employees and partners to comply with it. By conducting regular anti-corruption risk assessments and establishing effective internal monitoring and reporting mechanisms, we ensure that all business activities are transparent and in compliance with ethical standards.</p> <p>In addition, we regularly provide employees with integrity and anti-corruption education and training. Strengthen compliance with laws and regulations and ethical awareness. The company will strictly implement various preventive measures to prevent corruption and unethical behavior and ensure the company's reputation and market competitiveness.</p>
	Supply chain risk	Incomplete supplier environmental and social assessment	Without comprehensive social and environmental criteria for selecting suppliers, business activities could cause negative impacts and disruptions to the supply chain, such as increased raw material costs, supply chain interruptions, child labor, forced labor, and workplace health and safety issues.	<p>Alliance standards to develop and implement a supplier code of conduct, requiring all suppliers to sign and comply with relevant guidelines covering social responsibility areas such as labor conditions, workplace safety, environmental protection and business ethics.</p> <p>In addition to establishing a supplier code of conduct, we regularly conduct on-site audits of suppliers to assess their compliance and require suppliers that do not meet the standards to provide improvement plans to reduce social and environmental risks in</p>

Risk category	Risk item	Risk Name	Risk implications	Response measures
				the supply chain and ensure that supply chain operations meet the company's sustainable development goals and international regulatory requirements.
	Legal risk	Lack of intellectual property protection	Failure to effectively manage trade secrets, patent assets, and trademarks may jeopardize the Company's intellectual property, impacting its market leadership position.	TSC has established a comprehensive intellectual property management system and protects intellectual property rights such as trade secrets, patents, and trademarks. Regularly conduct risk assessments on relevant assets to ensure that all intellectual property rights are properly managed and protected internally. Professional legal personnel are responsible for monitoring patent registration, trademark protection and other work, and strengthening employees' confidentiality obligations and legal responsibility awareness. For situations that may involve leakage or infringement, the Company will initiate emergency response procedures and take legal or other necessary actions to protect the Company's intellectual property rights.
Others	Market risks	Unfavorable market conditions	The company faces multifaceted risks from both domestic and international sources, including political instability, economic fluctuations, changes in regulatory requirements, technological advancements, and shifts in industrial structures. These risks may intertwine and exert significant influence on the Company's overall market competitiveness, operational efficiency, and long-term strategic development.	We regularly conduct market trend and risk analysis, closely monitor changes in the political and economic environment and regulatory developments, and adjust strategies based on market demand and technological developments. TSC strengthens cooperation with industry and government agencies, and actively participates in policy advocacy and industry standard formulation to adapt to market changes. By establishing a flexible response mechanism, we can ensure that our business model can be adjusted quickly in an uncertain environment and maintain our competitive advantage. Continue to enhance innovation capabilities, meet

Risk category	Risk item	Risk Name	Risk implications	Response measures
				future challenges and achieve sustainable development through technological and industrial upgrades.
	Financial risk	Unfavorable cash flow	In the course of its operations, the Company must navigate a variety of financial risks and challenges, including: Asset valuation risk, Customer credit and payment risk, Liquidity risk and Accounting policy and standard changes risk. These risks may affect the stability of the capital structure, short-term liquidity, and the accuracy of financial statements, which in turn affects the judgments of investors and other stakeholders.	<p>Strengthen capital liquidity management, conduct regular capital demand forecasts and risk assessments, and establish an emergency capital reserve mechanism. TSC regularly reviews its asset-liability structure to ensure the rationality and stability of its capital structure. At the same time, we actively strengthen our cooperative relationship with banks, strive for preferential and stable financing quotas, and provide reliable financial support for potential liquidity needs.</p> <p>The Company also strengthens customer credit assessment and accounts receivable management, and adopts appropriate credit insurance and collection measures to reduce customer credit risks. For changes in accounting policies, we work closely with professional financial advisors to ensure that financial statements are accurate, transparent, and comply with relevant accounting standards to enhance investor confidence and maintain a sound financial position.</p>

(2) Risk Management Framework and Reporting Mechanism



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

1. Information of Remuneration Committee members:

April 19, 2025

Name	Role	Criteria	Professional Qualifications and Experience	Independence Status	Number of positions as Remuneration Committee member in other public companies
Independent Director	Li Chun Chi	All members are independent directors. Same contents as the "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence."			0
Independent Director	Ma Chia Ying				3
Independent Director	Lin Tuo Zhi				0

2. 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 28, 2022, to June 16, 2025. The Remuneration Committee held 3 meetings (A) in 2024; details of members' eligibility and attendance are as follows:

Title	Name	Number of in-person attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Convener	Li Chun Chi	3	0	100	Re-elected on 2022.06.28
Committee member	Ma Chia Ying	3	0	100	Re-elected on 2022.06.28
Committee member	Lin Tuo Zhi	3	0	100	Newly elected on 2022.06.28

3. Other mandatory disclosures:

- (I) 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.
- (2) Item of discussion and decisions resolved by Remuneration Committee:

Date	Meeting session	Major resolutions	Outcome of resolution	Action taken by the Company per Remuneration Committee's opinion
2024.03.15	5th Term 6th meeting	1. Review of the 2023 Board of Directors Performance Evaluation 2. The Distribution of remuneration to directors and employees for 2023.	After consultation with the Chair, all members present had no objections, and the proposal was passed as submitted.	The resolution has been followed. Outcome of resolution
2024.11.08	5th Term The 7th meeting	1. Establishment of the "Performance Management Guidelines" 2. Amendment to "Rules for Performance Evaluation of Board of Directors"		
2024.12.27	5th Term The 8th meeting	1. Review of the 2024 Managerial Officers' Performance Evaluation 2. Assessment of remuneration for directors and managers in 2025. 3. List of Directors and Managers as subscribers for the second issuance of employee stock options for 2023 4. Amendment to the "Personnel Employment Regulations."		
2025.03.14	5th Term The 9th meeting	1. Review of the 2024 Board of Directors performance evaluation 2. 2024 employee and director remuneration.		

(V) Composition, responsibilities, and operation of the sustainability development committee:

1. 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.

2. Composition, professional qualifications, and operation of the sustainability development committee members

- (1) The first term of the company's Sustainability Development Committee is from November 8, 2024, to June 16, 2025.
- (2) The committee held 2 meetings (A) this year, during which the selection of the convener and chairperson was discussed, along with the presentation of the 2024 "Report on the Communication Channels with Stakeholders" and "Risk Management Operations" reports.
- (3) The attendance of the members is detailed as follows:

Title	Name	Professional qualifications and experience	No. of in-person attendances (B)	No. of proxy attendances	Actual attendance rate (%) (B/A)
Director (Convener)	Chen Ming Yi	Same as the content of "Disclosure of Directors' Professional Qualifications and Independence of Independent Directors".	2	0	100
Independent Director	Ma Chia Ying		2	0	100
	Li Chun Chi		2	0	100

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

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
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?	✓		<p>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.</p> <p>2. 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 "2024 Sustainability Implementation Status" to the Sustainability Development Committee and the Board of Directors on March 14, 2025. Please refer to Appendix 4 (pages 87-92).</p>	In compliance

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	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?	✓		<p>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.</p> <p>2. On November 8, 2024, the Board of Directors approved the establishment of the "Risk Management Policy and Procedures." The "2024 Risk Management Implementation Status" was subsequently reported to the Sustainability Development Committee and the Board of Directors on December 27, 2024. Please refer to Appendix 3 (pages 61-71).</p>	In compliance
III. Environmental Issues (I) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?	✓		The Company upholds its commitment to supporting the sustainable growth of society through the creation, regular audit, and evaluation of the ISO 14001 system (certificate is valid from 2022.08.07-2025.08.07).	In compliance
(II) Is the Company committed to improving energy efficiency and using renewable materials that produce less impact on the environment?	✓		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	In compliance

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies									
	Yes	No	Summary description										
			minimize the environmental burdens of manufacturing activities.										
(III) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	✓		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.	In compliance									
(IV) Does the Company maintain statistics on greenhouse gas emissions, water usage, and total waste volume in the last two years, and implement policies aimed at reducing greenhouse gases, water and other waste?	✓		<p>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:</p> <p>1. Greenhouse gas inventory information: The greenhouse gas inventory data of the company in the past two years are as follows:</p> <p style="text-align: right;">(Unit: metric tons CO2e)</p> <table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th></tr><tr><td>2023</td><td>87.8160</td><td>475.4281</td></tr><tr><td>2024</td><td>61.0685</td><td>452.4742</td></tr></table> <p>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</p>	Year	Scope 1	Scope 2	2023	87.8160	475.4281	2024	61.0685	452.4742	In compliance
Year	Scope 1	Scope 2											
2023	87.8160	475.4281											
2024	61.0685	452.4742											

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																		
	Yes	No	Summary description																			
			<p>14064-1:2018 standard is adopted and 2023 is set as the base year.</p> <p>2. Water usage: :</p> <table><tr><th>Year</th><th>Total water consumption (degrees)</th></tr><tr><td>2023</td><td>3,796</td></tr><tr><td>2024</td><td>3,914</td></tr></table> <p>In order to improve the efficiency of water resource utilization, the company continues to optimize equipment operation and adopt a number 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 Dinghan’s sustainable development concept.</p> <p>3. Total amount of waste 2023 (Year) : 123.225 metric tons ; 2024 (Year) : 91.016 metric tons. (Unit: metric tons)</p> <table><tr><th>Year</th><th>General waste</th><th>Waste mixed hardware</th><th>resource recycling</th></tr><tr><td>2023</td><td>14.926</td><td>0.13</td><td>62.545</td></tr><tr><td>2024</td><td>13.399</td><td>0.34</td><td>47.481</td></tr></table> <p>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 2014. Therefore, our company does not generate any hazardous industrial waste.</p>	Year	Total water consumption (degrees)	2023	3,796	2024	3,914	Year	General waste	Waste mixed hardware	resource recycling	2023	14.926	0.13	62.545	2024	13.399	0.34	47.481	
Year	Total water consumption (degrees)																					
2023	3,796																					
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Year	General waste	Waste mixed hardware	resource recycling																			
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2024	13.399	0.34	47.481																			

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			4. As part of our environmental performance initiatives, we implemented a project to enhance the waste recycling rate. In 2024, the recycling rate reached 78%, with a 26% decrease in total waste generated compared to 2023.	
IV. Social Issues (I) Has the Company developed its policies and procedures in accordance with laws and International Bill of Human Rights?	✓		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. 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

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>1. The Company has been certified by the ISO 45001 (certificate validity period from August 26, 2024 to August 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.</p> <p>2. There was no fire incident in the Company in 2024.</p> <p>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 themed seminars for promoting a happy and balanced work life, 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.</p>	In compliance
(IV) Has the Company implemented an effective training program that	✓		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.	In compliance

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
helps employees develop skills over their career?				
(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?	✓		<p>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.</p> <p>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.</p> <p>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.</p>	In compliance
(VI) Has the Company implemented a supplier management policy that regulates	✓		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	In compliance

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
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?			and Safety, Environment, Ethics, and Management Systems. The supplier code of conduct compliance declaration has been issued, with a signing rate of 96.65%.	
V. Does the Company prepare sustainable development reports or any reports of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by the assurance or opinion of a third-party certifier?	✓		<p>1. The Company has prepared the sustainability report based on internationally recognized reporting standards and guidelines. It is expected to be verified by a third-party assurance provider in the second quarter of 2025 and publicly released in the third quarter of 2025.</p> <p>2. Additionally, a "Corporate Social Responsibility" section has been set up on the Company's website, where relevant information will be disclosed based on actual operations, on the company's website and MOPS.</p>	In compliance. The company has proceeded with the preparation of the sustainability report in accordance with the relevant guidelines and standards.

Promoting projects	Execution progress			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
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
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the board of directors and the management.</p> <p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term)..</p> <p>3. Describe the financial impact of extreme climate events and transformation actions..</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system..</p> <p>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..</p> <p>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..</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained..</p> <p>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)..</p>	<p>1-1 Board of directors</p> <p>(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.</p> <p>(2) The above climate-related actions, if involving major investments or plans, are also supervised by the Board of Directors.</p> <p>1-2 Management</p> <p>(1) Continuously focusing on global sustainable development issues, the Company has established a Sustainability Development Committee 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.</p> <p>(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.</p> <p>How the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term): Please refer to the following table.</p> <p>3-8. Under planning</p>

9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.	<p>1. In accordance with the “Roadmap for Sustainable Development of TWSE/TPEX Listed Companies” issued by the Financial Supervisory Commission in March 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).</p> <p>2. Please refer to (VII) “(VII) GHG inventory and assurance in the last 2 years”.</p>
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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	<ul style="list-style-type: none"> • Customer behavior change (demand for low-carbon processes) • Low-carbon alternatives to existing products and services. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Extreme rainfall • Global temperature rise 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Sustainable product certifications • Development of energy-efficient products • Development of low-carbon products 	<ul style="list-style-type: none"> • 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
2023	87.6102	474.0921
2024	61.1058	452.4738

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 Company has not conducted external verification of greenhouse gas assertion.

(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 carbon reduction initiatives such as energy-saving measures and the use of renewable energy to improve energy efficiency and lower carbon emissions. Looking ahead, the Company will continue to deepen its carbon reduction efforts and move toward its carbon neutrality goal.

2024 Sustainability implementation status

Board report date: March 14, 2025

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

In an effort to stay compliant with pertinent international directives and guidelines for environmental protection, the Company has continued to develop new energy-saving products and embraced policies that focus on the promotion of environmental promotion as our means of fostering a sustainable development. Yilan Factory and Tianjin Factory obtained ISO14001:2015 & GB/T24001-2016 certification, we also implemented specific assessment and periodic audits to review the status of energy consumption across our factories, which enabled us to implement effective energy-saving solutions and strategies. Not only that, we have also ensured full compliance with both the RoHS and WEEE Directives in our processes and material management through dedicated operating systems so that the spirit of these directives are embodied in our product design and manufacturing. Last but not least, the Company has also made relevant declarations of conformity for our main lines of products as required by relevant EU environmental regulations to reduce the burden on the environment caused by our product manufacturing.

The main implementation results for 2024 are as follows:

- (I) In July 2024, the new generation portable product RE310 was launched, marking the first product in the entire series with plastic-free packaging. The outer carton is made from environmentally-friendly paper certified by the FSC (Forest Stewardship Council), with at least 70% of the pulp sourced from FSC-certified forests, and the remaining no more than 30% of the wood comes from traceable and reliable sources. The machine itself is also made with 10% recycled material, and when the product reaches its end-of-life, over 80% of the printer components can be recycled and reused.
- (II) In June 2024, the upgraded industrial product MB241 was launched, featuring the first industrial machine packaged with paper-plastic materials. The development technology of this product will be applied to the full series of industrial products in future releases.
- (III) In June 2024, we launched the desktop products DL240 and TL240 series, which also use green packaging materials. At the same time, both industrial-grade products MB241 and ML241P adopt high-efficiency energy management technology and are Energy Star certified, which helps reduce power consumption, lower carbon emissions and carbon footprint, and align with corporate carbon reduction goals.

(IV) In 2024, the Company continued to implement eco-friendly and energy-saving measures to reduce waste generation and promote resource recycling and reuse. In addition to supporting the Company's paper-reduction policy, the Yilan Factory has also committed to improving waste recycling rates and minimizing environmental impact. The waste recycling rate for 2024 reached 78%, aiming to enhance the circular economy and respond to the growing global focus on environmental sustainability.

II. Social responsibility

TSC is committed to becoming an exemplary happiness-driven company. We will continue to empower talent, enhance employee health and well-being, promote a diverse, fair, and inclusive environment, care for the disadvantaged, and actively contribute to the sustainable development of the community, in order to build a more inclusive society.

The main implementation results for 2024 are as follows:

- (I) Strengthening communication: Through various communication channels, we convey company policies, promote understanding and collaboration between the organization and individuals, and enhance the overall cohesion of the Company.
1. Every quarter, we hold all-hands meetings, global management meetings, and monthly headquarters management meetings to transparently and accurately communicate policies and operational statuses, while also promoting cross-departmental discussions and collaboration.
 2. In addition to policy communication, the all-hands meetings also include cross-departmental activity sharing, such as promoting club activities and team-building event highlights. These efforts aim to deepen employee exchanges and create positive memories.
 3. The inaugural issue of "Global News Quarterly" was constantly published to share important information of each branch office and praise outstanding employees, so that employees distributed in different locations can know each other's status, and become more cohesive overall.
 4. The Company has established a two-way communication platform between employers and employees through regular labor-management meetings and labor safety meetings to create a diverse, equitable and inclusive workplace.
 5. We promote other communication channels, such as suggestion boxes, innovation proposals, performance notes, and grievance mailboxes, encouraging employees to actively share their ideas and opinions. We also regularly respond to the feedback provided by employees.
 6. We continue to conduct annual employee engagement surveys and expand the scope of the global survey. In 2024, the survey response rate exceeded 90%, reflecting employees' trust in the communication channels and active participation. After the survey, employees were invited to discuss and formulate improvement initiatives, which were incorporated into the Company's annual objectives for implementation and tracking, collectively contributing to the creation of an excellent workplace at TSC. Compared to 2023, employee engagement increased by 2.1%, demonstrating that the establishment of a two-way communication culture has effectively enhanced the employee work experience."

(II) Empowering talent The Company implements diverse learning programs through employees' self-created "Personal Learning Plans" to help employees achieve their learning goals and further establish a learning culture. This allows employees to leverage their strengths and enables the continuous progress of the Company.

1. Based on company policies and training needs surveys, a series of professional development activities are planned to enhance employees' communication, proposal, and collaboration skills, helping achieve company objectives.
2. We also hold management leadership workshops to deepen coaching leadership and the development of a talent teams. This enhances the leadership abilities of managers and strengthens internal connections and performance within the organization.
3. Through the implementation of Individual Development Plans (IDP), employees are encouraged to set their own learning development directions and gradually achieve their learning goals, unlocking their potential for career development.
4. To enhance employees' innovative thinking, we have introduced the "DNA of Innovators" book club with 8 sessions and a total of 141 participants, where employees engage in reading and team discussions, sharing ideas to enhance their proposal skills and further transform the team's thinking and work methods.
5. We continue to enrich the book rack with new books and encourage employees to recommend new titles. This promotes a culture of shared reading and continuous learning, cultivating the habit of autonomous learning among employees.
6. The annual performance management process is put into practice through setting goals at the beginning of the year, providing timely feedback during the period, making improvements, and conducting evaluations at the end of the year. This ensures that employees' performance remains aligned with the team's strategy, enabling the achievement of company goals.
7. Every quarter, we conduct a selection of outstanding employees through a nomination system, encouraging employees to discover and recognize others' abilities. These employees are then recognized at the all-staff meeting, strengthening their professional behaviors and fostering a positive workplace atmosphere.
8. High-value bonuses are awarded to encourage innovative proposals. Through the Innovation Committee, employees are given an open and equal opportunity to submit their ideas and are provided with corresponding resources, empowering them to bring their creativity to life and realize their potential.

(III) Building a friendly workplace: Multiple measures have been implemented to care for employees' physical and mental health, expanding support for their personal lives.

1. We continue to offer new employees more than the statutory number of personal leave days and introduce a "Buddy Program" to help new hires adapt during their transition, increasing new hire retention rates (with a probation pass rate of 92.3%) and enhancing the Company's competitiveness in the talent market.
2. The "TSC Friendly Family Care Leave" system has been established, providing employees with additional leave days beyond statutory holidays to reduce the

need for employees to request unpaid leave or leave the workplace to care for family members.

3. Employee “Counseling Services” have been upgraded to provide a 24-hour, 365-day toll-free helpline, with expanded management-oriented counseling services. Through third-party professional and objective assistance, employees can address issues, relieve stress, and achieve mental and physical balance.
4. We have integrated various employee welfare systems and care measures, updating the “TSC Well-Being Guidebook” to give employees a comprehensive understanding of the company's support, which can be accessed when needed.
5. We have increased the employee travel subsidy and arranged multiple overseas travel routes, open to employees and their family members, allowing employees to fully rest and adjust after the pandemic, easing the high pressures from their environment and society.
6. Team-building activities have created opportunities for cross-departmental interactions, allowing employees to get to know each other beyond work tasks, building good relationships and fostering more collaboration.
7. Sports Week activities have allowed family members to join in the step competition, helping employees and their families develop good exercise habits in a fun way. These activities not only promote physical fitness and stress relief but also strengthen family bonds.
8. Christmas-themed activities were held, organized by team members from various departments, encouraging employees to express gratitude, decorate the Christmas town, and participate in theme dressing. These activities fostered friendships across departments and factories and created wonderful memories.
9. A comprehensive review of company regulations has been conducted, simplifying processes under compliance, providing clear guidelines for employees and improving efficiency.

(IV) Promoting diversity, equity, and inclusion: We collaborate with government and civil organizations to fulfill our social responsibilities, aiming to create a more harmonious and inclusive society through the combined efforts of employees, families, and the Company.

1. To fulfill corporate social responsibility and protect the basic human rights of employees and stakeholders, the Company has adopted actions consistent with the Code of Conduct - Responsible Business Alliance (RBA). We have developed a “Human Rights Management Policy” to prevent workplace inequalities based on factors such as gender, nationality, and educational background. Additionally, we have legally revised the “Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures,” effectively eliminating human rights violations.
2. The Company has officially joined the “2024 TALENT, in Taiwan held by Talent Sustainability Action Alliance,” with six action guidelines: “Meaning and Value,” “Diversity and Inclusion,” “Rewards and Incentives,” “Physical and Mental Health,” “Nurturing and Growth,” and “Communication and Experience,” to create a diverse and inclusive workplace environment.
3. We continue to enhance awareness of sustainability and social responsibility, encouraging employees to participate in ESG-related training, which covers key topics such as corporate sustainability management, TCFD risk identification, corporate governance evaluation, DEI and diverse workplaces, and information

security. A total of 649 participations and 596 hours of training were accumulated during the year.

4. A CSR Committee has been established to bring employees together to discuss social responsibility issues. Through a series of activities, employees actively fulfill their social responsibilities, with a total of 447 participants, 1,086 hours spent, and 2,252 individuals benefiting from the activities throughout the year.
5. Cooperated with Eden, a non-profit organization, to organize a series of projects to care for the slow-flying angels (children with developmental delays), and the staff participated in the accompanying activities and donated to the projects to support them with practical actions. In 2024, the total number of hours invested in the Eden Project was 582, the amount of public donations amounted to NT\$651,954, and the total number of people who benefited from the activities was 1,613.
6. In response to Earth Day, we held a charity sale encouraging employees to donate unused items, giving them a “second life,” promoting resource conservation and waste reduction. All proceeds from the sale were donated to charitable organizations.
7. For the first time, we partnered with Carnegie to organize the “TSC Baby Camp,” fully subsidizing employees' children to participate in a summer character-building camp. The camp focused on developing self-discipline and emotional management skills, laying the foundation for confidence, communication, and interpersonal relationships. Parental involvement in the process fostered shared growth among family members and helped cultivate positive interactions across different families.
8. Employees are encouraged to incorporate ESG elements into team-building activities by integrating social welfare initiatives and eco-friendly practices—such as using public transportation to reduce carbon emissions and participating in the Andrew Charity Association’s Food Bank Program—to contribute to society and the environment, while also enhancing their awareness of social responsibility and sense of connection with the organization.
9. 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.
10. We continue to participate in the industry-academia collaboration internship program jointly promoted by the Financial Supervisory Commission and the Ministry of Education, while also organizing campus recruitment events. By offering internship opportunities and recruiting recent graduates, we aim to help university students gain early exposure to the workplace, reduce youth unemployment, and promote our 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 towards 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. Key executions in 2024 included:

- (I) The Company has attained steady growth in its profit margin and has managed an average cash dividend at NT\$10 per share in recent years so as to give back to our shareholders.
- (II) Continue to improve and refine the Company's ranking in the corporate governance evaluation of TPEx-listed companies.
- (III) Continue to improve the professional knowledge and literacy of directors and actively implement the corporate governance system. The seven directors of the Company have all completed the requirement of at least 6 hours of training, and received a total of 66 hours of training in 2023.
- (IV) The Company has established the "Regulations Governing the Whistleblower Reporting and Protection System" and set up a whistle-blowing email address at tscwb@tscprinters.com for employees and external parties to anonymously report crime, fraud, or illegal activities in violation of laws and regulations, and announced at on the company's internal and external website. The Company has appointed a Corporate Governance Officer since May 2023 to implement corporate governance and strengthen the functions of the Board of Directors.
- (V) The Sustainability Committee was established, and the 'Organizational Regulations for the Sustainability Committee' were formulated to strengthen the Company's sustainability governance.
- (VI) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Risk Management Policy" to implement ethical business practices, strengthen the risk management system, and build sound corporate governance and effective risk control mechanisms.
- (VII) Continue 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 3 institutional investor conferences to explain the Company's operating performance to investors. At least once a year institutional investor conference video and audio files are 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.

(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
	Yes	No	Summary description	
<p>I. Establishment of integrity policies and solutions</p> <p>(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?</p>	✓		<p>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.</p> <p>2. In January 2024, 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</p>	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>commitment to ethical business practices.</p> <p>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.</p>	
(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 least the measures mentioned in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		On May 10, 2024, the Company's Board of Directors approved the "Rules of Procedures for Ethical Management and Guidelines for Conduct." The guidelines outline measures to prevent improper behavior such as accepting bribes, political donations, charitable donations or sponsorships, conflicts of interest, leakage of trade secrets, unfair competition, insider trading, and harm to stakeholders through products or services. These actions are to be handled in accordance with the specified procedures.	In compliance
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties, and grievance	✓		1. The Company's "Ethical Corporate Management Best Practice Principles," "Code of Ethical Behavior," and "Rules of Procedures for Ethical	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
systems as part of its preventive measures against dishonest conduct? Are the above measures reviewed and revised on a regular basis?			<p>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.</p> <p>2. The Company regularly reviews the above-mentioned</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			procedures to meet practical needs.	
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
(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 2024," Please refer to Appendix 5 (pages 109-110).	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	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>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.</p> <p>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.</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	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 Appendix 5 (pages 109-110) of the Company's	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			"ethical management operations for 2024."	
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 November 8, 2023, the Company's board of directors approved the establishment of the "Regulations Governing the 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	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>Mailing Address: 9F., No. 95, Minguan Rd., Xindian Dist., New Taipei City 231023, Taiwan</p> <p>TSC Auto ID Technology Co., Ltd., Audit Office</p>	
(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?	✓		<p>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.</p> <p>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:</p> <p>(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.</p> <p>(2) The respondent's name or other information that is sufficiently identifiable.</p>	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>(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.</p> <p>(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.</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>3. Investigation procedure</p> <p>(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.</p> <p>(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.</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>(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.</p> <p>(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.</p> <p>(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.</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>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 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.</p> <p>(1) Relevant departments will submit a written review and improvement measures to the investigation unit to follow up until the improvement measures are completed.</p> <p>(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.</p> <p>(3) When necessary, the Company shall report to the competent authorities or refer the matter to the judicial authorities for investigation and seek</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			<p>compensation for damages through legal proceedings, in order to protect the Company's reputation and rights.</p> <p>5. Whistleblower Protection The Company shall protect whistleblowers in the following ways:</p> <p>(1) The identity of the whistleblower shall be kept confidential, and no information that can identify the whistleblower shall be disclosed.</p> <p>(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 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.</p> <p>If the whistleblower or investigator has been treated unfairly, threatened, intimidated, retaliated</p>	

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			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
	Yes	No	Summary description	
(III) Does the Company have appropriate measures in place to protect whistleblowers from retaliation?	✓		<p>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.</p> <p>2. The Company did not receive any whistleblowing incidents in 2024.</p>	In compliance

Assessment criteria	Actual governance			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
<p>IV. Enhanced information disclosure</p> <p>Has the Company disclosed its Ethical Corporate Management Best Practice Principles and progress on its website and MOPS?</p>	✓		<p>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.</p>	In compliance
<p>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</p>				
<p>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.</p>				

Report on ethical management operations for 2024

Board of directors report date: December 27, 2024

The Company has designated the “Ethical Management Promotion Team” as the responsible unit for the formulation and supervision of the ethical management policies and preventive measures. The team is under the Board of Directors and is staffed with qualified personnel to handle the formulation, revision, and execution of the “Rules of Procedures for Ethical Management and Guidelines for Conduct” and other related tasks. The main responsibilities of the team include the following items, and it reports to the board of directors regularly (at least once a year).

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 fulfills its duty of care as a good administrator by overseeing the prevention of dishonest conduct and ensuring the effective implementation of ethical management policies. Report on ethical management implementation status in 2024:

Item	Description
1	<p>In 2024, 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 reached 100%, demonstrating the Company's commitment to ethical business practices.</p> <p>For any proposals listed in the board meeting agenda that involve a director’s personal interest, the director shall act in accordance with the Company's “Rules of Procedure for Board of Directors Meetings” regarding conflict-of-interest avoidance</p>

Item	Description																		
	and recusal.																		
2	The “Rules of Procedures for Ethical Management and Guidelines for Conduct” were established and approved by the Board of Directors on May 10, 2024.																		
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.																		
4	The Company has published 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,” “Regulations Governing the Whistleblower Reporting and Protection System,” and “Rules of Procedures for Ethical Management and Guidelines for Conduct” on its official website to promote awareness among employees. A dedicated whistleblower mailbox has also been set up on the website.																		
5	Education and training on ethical corporate management issues are detailed as follows:																		
	<table><tr><td>Education and training</td><td>No. of peoples</td><td>Hours</td></tr><tr><td>RBA internal audit training and code of conduct</td><td>204</td><td>155</td></tr><tr><td>Code of ethical conduct</td><td>330</td><td>136</td></tr><tr><td>Insider trading prevention and case studies</td><td>170</td><td>72</td></tr><tr><td>Trade secret protection</td><td>31</td><td>62</td></tr><tr><td>Introduction to law and everyday life</td><td>32</td><td>32</td></tr></table>	Education and training	No. of peoples	Hours	RBA internal audit training and code of conduct	204	155	Code of ethical conduct	330	136	Insider trading prevention and case studies	170	72	Trade secret protection	31	62	Introduction to law and everyday life	32	32
	Education and training	No. of peoples	Hours																
	RBA internal audit training and code of conduct	204	155																
	Code of ethical conduct	330	136																
	Insider trading prevention and case studies	170	72																
	Trade secret protection	31	62																
Introduction to law and everyday life	32	32																	
6	No whistleblowing incidents have been reported.																		

(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 2024 is as follows:

Title	Name	Course date	Course name	Hours
Chairman	Wang Hsing Lei	October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	6
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	
Director	Wang Shiu Ting	October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	6
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	
Rep. of corporate director	Luo Yue Gui	September 12, 2024 – September 13, 2024	Continuing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	18
		October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	
Director	Chen Ming Yi	October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	6
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	
Independent Director	Ma Chia Ying	December 20, 2024	Practical Issues of Unconventional Transactions that Directors and Supervisors Should Pay Attention to	18
		December 20, 2024	How to Conduct Successful Negotiation and Consultation in Investment and M&A: Practical Case Sharing	
		October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	
		October 4, 2024	ESG Sustainability Trends and TNFD Framework for Nature-Related Risks	

Title	Name	Course date	Course name	Hours
		September 30, 2024	Discussion on the Principle of Fair Treatment of Customers in Relation to Age-Friendly Service Principles and Financial Exploitation.	
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	
Independent Director	Li Chun Chi	October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	6
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	
Independent Director	Lin Tuo Zhi	October 8, 2024	Tax Implications of Group Value Chain Planning and Introduction to International Tax Dispute Cases	6
		August 7, 2024	Corporate and Business M&A Legal Practices and Tax Considerations and Amendments to BVI-Related Laws	

(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 2024 annual shareholder's meeting:

Date	Major resolutions	Summary of resolutions	Execution progress
2024.6.18	Acknowledgment of the Company's 2023 business report and Financial Statements.	Adopted by unanimous consent from all participating shareholders	Executed as resolved.
		Number of votes in favor: 28,873,255 votes (including 28,382,888 votes cast by electronic voting)	
		Number of votes against: 18,092 votes (including 18,092 votes cast by electronic voting)	
		Invalid votes: 0	
		Number of votes abstained and non-voting: 137,750 votes (including 34,186 votes by electronic voting)	
		Number of voting rights of shareholders present: 29,029,097 votes	
	Acknowledgment of the Company's 2023 earnings appropriation.	Adopted by unanimous consent from all participating shareholders	The dividend record date was set on July 21, 2024, and the dividend distribution was completed on August 16, 2024 (cash dividends of NT\$12.99793213 per share).
		Number of votes in favor: 28,888,762 votes (including 28,398,395 votes by electronic voting)	
		Number of votes against: 18,181 votes (including 18,181 votes cast by electronic voting)	
		Invalid votes: 0	
		Number of votes abstained and non-voting votes: 122,154 votes (including 18,590 votes by electronic voting)	
		Number of voting rights of shareholders present: 29,029,097 votes	
	Amendment to the Procedures for Election of Directors	Adopted by unanimous consent from all participating shareholders	It was processed in accordance with the revised regulations and uploaded to the MOPS.
		Number of votes in favor: 28,887,211 votes	

Date	Major resolutions	Summary of resolutions	Execution progress
		(including 28,396,844 votes cast by electronic voting)	
		Number of votes against: 18,632 votes (including 18,632 votes by electronic voting)	
		Invalid votes: 0	
		Number of votes abstained and non-voting: 123,254 votes (including 19,690 votes by electronic voting)	
		Number of voting rights of shareholders present: 29,029,097 votes	

2. Major board of directors resolutions in 2024:

Date of meeting	Meeting session	Major resolutions	Outcome of resolution
2024.03.15	6th Term The 13th meeting	<ol style="list-style-type: none"> 1. The "Statement of Internal Control System" for 2023. 2. The distribution of remuneration to directors and employees for 2023. 3. Presentation of the 2023 business report and Financial Statements. 4. Presentation of the 2023 earnings appropriation. 5. Amendments to the "Rules of Procedure for Board of Directors Meetings" 6. Amendment to the Procedures for Election of Directors 7. Merger and amendment to the "Regulations Governing the Prevention of Insider Trading" and "Procedures for Handling Material Inside Information". 8. Matters related to the convening of the 2024 general shareholders' meeting. 9. Evaluation of the independence and suitability of CPAs. 10. Application of credit limit with Bank of Taiwan. 11. Application of credit limit with CTBC Bank. 12. Application of credit limit with Bank Sinopac. 13. Change of the Chief Accounting Officer of the Company. 14. Lending of funds to an indirectly 100%-owned subsidiary of the Company, MGN sp. z o. o. 15. The Company's 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
2024.05.10	6th Term The 14th meeting	<ol style="list-style-type: none"> 1. Presentation of the Company's Consolidated Financial Statement for 2024 Q1. 2. Adjustment of the Company's "Organizational Structure" 3. Establishment of "Rules of Procedures for Ethical Management and Guidelines for Conduct" 4. Amendment to the "Whistleblower Reporting and Protection System Management Regulations" 5. Amendment to the "Regulations for the Use and Management of Company Seals." 6. Proposal for the Company to provide a loan to its wholly owned German subsidiary, TSC Auto ID Technology EMEA GmbH. 7. Credit line application for DBS (Taiwan) Commercial Bank. 8. The Company's 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

Date of meeting	Meeting session	Major resolutions	Outcome of resolution
2024.6.18	6th Term The 15th meeting	<ol style="list-style-type: none"> 1. Determining matters related to the distribution of earnings for 2023 2. Cancel the provision of endorsement and guarantee for the German subsidiary, TSC Auto ID Technology EMEA GmbH 3. Application of credit limit with Taishin Bank. 	Adopted by unanimous consent from all participating directors after consultation with the chairman
2024.08.01	6th Term The 16th meeting	<ol style="list-style-type: none"> 1. Acquisition of Shares in Bluebird Inc., a Korean Company 2. Proposal for Applying for a NT\$2 Billion Joint Credit Facility from Taishin International Commercial Bank and Other Syndicated Lenders 	Adopted by unanimous consent from all participating directors after consultation with the chairman
2024.08.09	6th Term The 17th meeting	<ol style="list-style-type: none"> 1. The Company's Consolidated Financial Statement for 2024 Q2. 2. The Establishment of the "Personal Data Protection Management Regulations" 3. Revision of the "Financial Statement Preparation Process Management Regulations" 4. Amendment to the "Procedures for Managing Liabilities, Commitments, and Contingent Matters" 5. The fund loan provided by diversified labeling solutions, a 100% Owned U.S. Subsidiary, to the Company 6. Application of credit limit with Far Eastern International Bank. 7. Application of credit limit with KGI Bank. 8. Application of credit limit with First Commercial Bank. 9. Application of medium-term credit limit with Yuanta Bank. 10. Application of hedging credit limit with Cathay United Bank for financial transactions. 11. The Company's 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
2024.11.08	6th Term The 18th meeting	<ol style="list-style-type: none"> 1. The Company's Consolidated Financial Statement for 2024 Q3. 2. Establishment of the "Performance Management Guidelines". 3. Establishment of the "Internal Control Self-Evaluation Procedures". 4. Establishment of the "Notes Management Guidelines". 5. Establishment of the "Sustainable Development Committee" and the Adoption of the "Sustainable Development Committee Charter." 6. Establishment of the "Risk Management Policy and Procedure". 7. Amendment to "Rules for Performance Evaluation of Board of Directors" (originally titled "Board Performance Self-Evaluation or Peer Evaluation Policy"). 8. Amendment to the Company's "General Provisions of Internal Control System" (formerly titled "General Provisions"), "Budget Preparation and Control Procedures", "Financial and Non-Financial Information Management Guidelines", "Operating Procedures for Financial and Business Transactions with Related Parties" (formerly titled "Procedures for Transactions with Related Parties, Group Enterprises, and Specific Companies"), "Stock Affairs Management Guidelines", "Asset Management Guidelines", "Rules for the Scope of Duties of Independent Directors", 	Adopted by unanimous consent from all participating directors after consultation with the chairman

Date of meeting	Meeting session	Major resolutions	Outcome of resolution
		<p>"Audit Committee Charter", "Standard Operating Procedures for Handling Directors' Requests", "Procedures for Suspension and Resumption of Trading", "Code of Ethical Conduct", and "Procedures for Lending Funds to Others".</p> <p>9. Intercompany Loan to Wholly-Owned German Subsidiary, TSC Auto ID Technology EMEA GmbH.</p> <p>10. Endorsement and Guarantee for Wholly-Owned U.S. Subsidiary, TSC Auto ID Technology America Inc..</p> <p>11. Appointment of the "Sustainable Development Committee" members.</p> <p>12. The Company's first and second exercise of employee warrant to common stock in 2020.</p>	
2024.12.27	6th Term The 19th meeting	<p>1. List of shareholders for the second issuance of employee stock options in 2023.</p> <p>2. Establishment of the "Sustainable Information Management Regulations".</p> <p>3. Amendment to the "Personnel Employment Regulations".</p> <p>4. Proposal for the Revision of the "Delegation of Authority Table," "Acting Duty Regulations," and "Regulations for the Supervision and Management of Subsidiaries"</p> <p>5. Establishment of the "Audit plan for the Year 2025"</p> <p>6. Provision of a loan to MGN sp. z o. o., an indirectly wholly-owned subsidiary in Poland.</p> <p>7. 2025 Operating plan</p> <p>8. Change of Corporate Governance Officers</p>	Adopted by unanimous consent from all participating directors after consultation with the chairman
2025.03.14	6th Term The 20th meeting	<p>1. Acknowledged appointment of the "Head of Finance and Spokesperson."</p> <p>2. The "Statement of Internal Control System" for 2024.</p> <p>3. Adjustment of the Company's "Organizational Structure"</p> <p>4. 2024 distribution of remuneration to employees and directors</p> <p>5. 2024 business report and Financial Statements</p> <p>6. Preparation for the earnings distribution plan for 2024</p> <p>7. Amendments to the Company's Articles of Incorporation.</p> <p>8. Election of Directors.</p> <p>9. List of director candidates nominated by the Board of Directors.</p> <p>10. Waiver of non-competition restrictions for newly appointed directors.</p> <p>11. Matters related to the convening of the 2025 general shareholders' meeting.</p> <p>12. Change of CPA in conjunction with Deloitte Taiwan's internal rotation.</p> <p>13. Evaluation of the independence and suitability of CPAs.</p> <p>14. Proposal of provision of a loan to MGN sp. z o. o., the Company's indirectly wholly-owned subsidiary in Poland.</p> <p>15. Sustainability Committee's "2025 Annual Work Plan".</p> <p>16. The Company's first and second exercise of employee warrant to common stock in 2020.</p> <p>17. Application of credit limit with Bank of Taiwan.</p> <p>18. Application for credit and financial transaction hedging limit with Bank Sinopac.</p> <p>19. Application for credit and financial transaction hedging limit with CTBC Bank.</p>	Adopted by unanimous consent from all participating directors after consultation with the chairman

Date of meeting	Meeting session	Major resolutions	Outcome of resolution
		20. Application for credit and financial transaction hedging limit with Cathay United Bank.	

(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 Taiwan	Chang Li Chun	2024.01.01-2024.12.31	4,700	1,015 (Note)	5,715	-
	Fan You Wei					

Note: Non-audit service content: income tax verification, transfer pricing, Annual Report and agenda handbook review, non-managerial full-time employee salary information checklist and relationship Report Accountant's Review Report

- (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

Date of replacement	November 8, 2022		
Reason for replacement and description	For accommodating the quality control policy of Deloitte and Touche to ensure the professional audit quality of CPAs, the CPAs have been replaced from Lin Wen Qin and Fan You Wei to Chang Li Chun and Fan You Wei starting from the third quarter of 2022.		
Explanation for the appointment terminated or unaccepted by the client or the CPA.	Party	CPA	Principal
	Status	N/A	
	Voluntary termination of appointment		
	No longer accepting (continuing) appointment		
Reasons for issuing opinions other than unqualified opinions in the last 2 years	For the Company's consolidated Financial Statements for Q2 and Q3, 2023 Report, because the Financial Statements of non-material subsidiaries have not been reviewed by the accountants, and the accountants have issued qualified opinion.		
Any disagreement with the issuer	Yes		The disclosure of the accounting principles or practices report
			Disclosure of financial reports
			Audit Scope or Procedure
			Others
	None	✓	
	Note: N/A		
Other disclosures (Things to be disclosed in Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Guidelines)	None		

Date of replacement	March 14, 2025		
Reason for replacement and description	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 Li Chun and Mr. Guo Wen Ji since the first quarter of 2025.		
Explanation for the appointment terminated or unaccepted by the client or the CPA.	Party	CPA	Principal
	Status	N/A	
	Voluntary termination of		

	appointment		
	No longer accepting (continuing) appointment		
Reasons for issuing opinions other than unqualified opinions in the last 2 years	N/A		
Any disagreement with the issuer	Yes		The disclosure of the accounting principles or practices report
			Disclosure of financial reports
			Audit Scope or Procedure
			Others
	None	✓	
	Note: N/A		
Other disclosures (Things to be disclosed in Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Guidelines)	None		

(2) Information on the succeeding CPA

Name of firm	Deloitte Taiwan
Name of CPA	Chang Li Chun and Fan You Wei
Date of appointment	November 8, 2022
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	Deloitte Taiwan
Name of CPA	Chang Li Chun and Guo Wen Ji
Date of appointment	March 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

(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 :

April 19, 2025

Name	Shares held in own name		Shares held by spouse and 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	35.79%	0	0	0	0	Wang Shiu Ting	Taiwan Semiconductor Company Limited - Chairman and General Manager	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	5.36%	0	0	0	0	None	None	None
TAIWEI ADVANCED Co., Ltd.	1,784,000	3.76%	0	0	0	0	None	None	None
Rep.: Chang Tai Wei	0	0.00%	0	0	0	0	None	None	None
Leiting Co., Ltd.	1,412,648	2.97%	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	903,826	1.90%	0	0	362,930	0.80%	Taiwan Semiconductor Company Co., Ltd.	Chairman and General Manager	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
China Bills Finance Co., Ltd.	660,000	1.39%	0	0	0	0	None	None	None
Rep.: Zhang Zheng Quan	0	0.00%	0	0	0	0	None	None	None
Li Fang Chiang	578,530	1.22%	0	0	0	0	None	None	None
Wang Hsiu Peng	505,902	1.07%	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

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 3)	100.00	-	-	(Note 3)	100.00
MGN sp. z o. o.	-	-	2	100.00	2	100.00
Bluebird Inc. (Note 4)	6,777	96.54	-	-	6,777	96.54
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
Printronic Auto ID Technology Co., Ltd. (Note 6)	500	100.00	-	-	500	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: Starting from November 20, 2024, the Company acquired shares of Bluebird Inc. from H-ALPHA PRIVATE EQUITY FUND · Jang Won Lee and etc.

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

Note 6: The Company resolved to dissolve and liquidate in the board meeting held in May 2024, and reported the completion of liquidation to the court in November 2024.

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	Cash capital increase	0	November 30, 2007, Jing-Shou-Zhong-Zi No. 09633132590
2008.11	25	80,000	800,000	26,180	261,800	Cash capital increase	0	December 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	Exercise of employee warrant	0	April 23, 2010, Fu-Chan-Ye-Shang-Zi No. 09983136100
2010.07	15	80,000	800,000	27,095	270,950	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	0	April 24, 2012, Fu-Chan-Ye-Shang-Zi No. 10182883800

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
2012.06	13.6	80,000	800,000	34,075	340,750	Exercise of employee warrant	0	June 1, 2012, Fu-Chan-Ye-Shang-Zi No. 10184100910
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	Exercise of employee warrant	0	January 20, 2014 Taipei-Government-Economic-Department-1035123213
2014.06	70.9	80,000	800,000	34,460	344,600	Exercise of employee warrant	0	June 26, 2014 Taipei-Government-Economic-Department-1035159578
2014.12	68.3	80,000	800,000	34,567	345,665	Exercise of employee warrant	0	December 4, 2014 Taipei-Government-Economic-Department-1035200434
2015.01	68.3	80,000	800,000	34,572	345,715	Exercise of employee warrant	0	January 13, 2015 New-Taipei-Government-Economic-Department-1045121825
2015.05	68.3	80,000	800,000	34,629	346,290	Exercise of employee warrant	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	Exercise of employee warrant	0	April 15, 2016 New-Taipei-Government-Economic-Department-1055157192
2016.06	60.1	80,000	800,000	38,235	382,354	Exercise of employee warrant	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

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
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
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	Exercise of employee warrant	0	November 29, 2022 New-Taipei-Government-Economic-Department-1118085118
2023.04	159.9	80,000	800,000	42,519	425,189	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	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	Exercise of employee warrant	0	Letter No. Xin-Bei-Fu-Jing-Si-1148023762 dated 2025.04.07

Unit: shares

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	47,490,134	32,509,866	80,000,000	Of the 111,000 shares, the application for change of registration with the New Taipei City Government will be submitted after the board of directors approves the capital increase record date.

(II) List of major shareholders:

April 19, 2025

Name of the major shareholder	Shares	No. of shares held	Shareholding percentage (%)
Taiwan Semiconductor Co., Ltd.		16,995,230	35.79
Standard Chartered Custodianship of Fidelity Puritan Trust: Fidelity Low Price Stock Fund		2,544,911	5.36
Taiwei Advanced Co., Ltd.		1,784,000	3.76
Leiting Co., Ltd.		1,412,648	2.97
Wang Shiu Ting		903,826	1.90
Nan Shan Life Insurance Company Ltd.		721,021	1.52
China Bills Finance Co., Ltd.		660,000	1.39
Li Fang Chiang		578,530	1.22
Wang Hsiu Peng		505,902	1.07
Standard Chartered Bank Trustees, part of the Fidelity Group, provides employee benefit plans		500,838	1.05

(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 in 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\$474,481,340, 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: 2% to 10% of profit concluded in the current year, if any.
- (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\$45,030,161 of employee remuneration payable and NT\$22,515,081 of director remuneration payable in 2024. These amounts were estimated by multiplying the amount of 2024 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 2024 employee and director remuneration was approved by the Board of Directors on March 15, 2025, and the amounts of cash remuneration to employees and directors' remuneration were as follows:

A. Employee cash remuneration: NT\$45,030,161

B. Employee stock remuneration: NTD 0

C. Director remuneration: NT\$22,515,081

- (2) 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 2024 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 2023 was NT\$61,967,674 and the directors' remuneration is NT\$30,983,837, 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

April 19, 2025; unit: NT\$

Type of employee warrant	First time in 2020	Second time in 2020	First time in 2023	Second time in 2023
Effective date of filing and total number of units	May 6, 2020 1,000 units	May 6, 2020 1,000 units	2023.07.31 1,000 units	2023.07.31 1,000 units
Issuance date	2020.07.01	2021.04.06	2023.08.11	2025.01.15
Number of Units Issued (Units)	943	57	855	145
Number of outstanding units	0	0	-0	0
Exercisable shares as a percentage of total outstanding shares (%) (Note)	1.99%	0.12%	1.80%	0.31%
Duration of warrant	2020.07.01 ~ 2025.06.30	2021.04.06 ~ 2026.04.05	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)	749,000	12,000	0	0
Amount of shares subscribed through exercise (NT\$)	103,651,900	1,959,000	0	0
Number of shares unexercised (shares)	146,500 (Deducted invalid 47,500)	15,000 (Deducted invalid 30,000)	815,000 (Deducted invalid 40,000)	145,000 (Deducted invalid 0)
Subscription price per unexercised share	130.1	158.5	227.30	200
Number of unexercised shares as a percentage of total outstanding shares (%)	0.31%	0.03%	1.72%	0.31%
Effect on shareholders' interests	Dilutive effects are deemed limited.	Dilutive effects are deemed limited.	Dilutive effects are deemed limited.	Dilutive effects are deemed limited.

Note: The Company had 47,490,134 shares outstanding as of April 19, 2025.

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

April 19, 2025

	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	427	0.90% (Note 1)	382	(Note 2)	53,388	0.81% (Note 1)	45	130.1/158.5	6,281	0.09% (Note 1)
	Chairman	Wang Hsing Lei										
	General Manager	Chen Ming-Yi										
	Senior Assistant General Manager	Lee Cheng Chung										
	Assistant General Manager	Chang Mu Lan										
	Assistant General Manager	Hu Chiu Chih										
	Assistant General Manager	Wu Chih Hao										
	Section Chief (Note 3)	Lin Shu Juan										
	Assistant General Manager (Note 3)	Liu Hong Xiang										
Staff	Lan Wei Cheng		199	0.42% (Note 1)	174	(Note 2)	24,153	0.37% (Note 1)	25	130.1	3,253	0.05% (Note 1)
	Chang Wen Pin											
	Chu Wen Kai											
	Andy Edwards											
	Bill Brown											
	Ladislav Sloup											
	Amine Soubai											
	John Otott											
	Kevin Aie											
	Kevin Odonnell											

- Note 1: Calculated based on the total number of issued shares listed with the New Taipei City Government on April 7, 2025, which is 47,379,134 shares.
- Note 2: The original subscription prices for the first and second employee stock warrants issued in 2020 were NT\$137.9 and NT\$168, respectively. Due to the cash dividend issued in August 2024, the subscription prices have been adjusted to NT\$130.1 and NT\$158.5.
- Note 3: On March 15, 2024, the Board of Directors appointed Senior Accounting Manager Chen Yen-Han as the Senior Accounting Officer, while the former Accounting Officer, Lin Shu Juan, stepped down. Assistant Manager, Liu Hong Xiang, retired on June 30, 2021.
- Note 4: The employee stock options issued by the Company in 2023 have not yet become exercisable.

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. The main business activities of the Company : The manufacturing and sales of barcode printers and accessories, various types of printer label and consumables and Enterprise Mobile Computers.
2. Revenue mix

Unit: NT\$ thousand; %

Key products \ Year	2023		2024	
	Turnover	Revenue mix	Turnover	Revenue mix
Barcode printer and accessories	5,052,071	60.5%	4,479,440	52.7%
Printer label and consumables	3,299,691	39.5%	3,492,089	41.1%
Enterprise Mobile Computers	-	-	526,603	6.2%
Total	8,351,762	100.0%	8,498,132	100.0%

3. Products and services currently provided by the Company
 - (1) Barcode printers and accessories: R&D, production and sales of thermal and thermal transfer barcode label printers, and production and sales of peripheral products and consumables for barcode label printers, including keyboards, printer accessories, wash label cutters, carbon ribbons, thermal identification wristbands, etc., and service income from providing global warranty plans
 - (2) Various types of label paper and consumables for printers: production and sales of printed label paper and consumables
 - (3) Corporate mobile computers: various rugged mobile computers, RFID readers
4. New products planned for development
 - (1) Thermal transfer/direct thermal industrial barcode printers.
 - (2) Thermal transfer/direct thermal desktop barcode printers.
 - (3) Mobile direct thermal barcode printer.
 - (4) Bar code verification detector.
 - (5) Bar code label printing solution.
 - (6) Enterprise Mobile Computers

(II) Industry overview

1. Current status of the industry

The Auto ID (Automatic Identification) industry encompasses a range of technologies, including barcode systems, mobile computers, RFID (Radio Frequency Identification), biometrics, OCR (Optical Character Recognition), and the

Internet of Things (IoT). These technologies are widely applied across sectors such as logistics, retail, manufacturing, healthcare, warehousing, and smart cities. With increasing demand for digital transformation, smart manufacturing, and supply chain management, Auto ID technologies are rapidly evolving, enabling businesses to enhance operational efficiency and strengthen data management capabilities.

(1) Growing market demand

- Logistics and E-commerce: Driven by the expansion of e-commerce, demand for Auto ID equipment such as barcode scanners, label printers, and RFID readers has surged. These are extensively used for inventory management, order fulfillment, and package tracking.
- Rising applications in healthcare: Hospitals and pharmaceutical supply chains are emphasizing patient identification and Unique Device Identification (UDI) labeling to ensure patient safety and regulatory compliance.
- Smart Manufacturing and Industry 4.0: The integration of industrial automation and IoT with Auto ID technologies is boosting production line efficiency. RFID and barcode labels are widely utilized for supply chain tracking and production monitoring.

(2) Technological advancements driving industry upgrades

- Transition from traditional barcodes to RFID: Many companies are shifting from 1D barcodes to 2D barcodes, and gradually adopting RFID technology to improve data reading speed and accuracy.
- Integration of AI and Auto ID: Artificial intelligence (AI) is increasingly being incorporated into image recognition, smart scanning, and automated data processing, enhancing the accuracy and efficiency of Auto ID devices.
- Mobility trends: Enterprise Mobile Computers that integrate barcode scanning, data processing, and real-time communication are improving on-site flexibility and workforce productivity.

(3) Increased demand for data security and privacy protection

- GDPR (General Data Protection Regulation) and other data protection regulations encourage businesses to strengthen the security management of Auto ID devices and data, to prevent unauthorized access or data breaches.
- Application of blockchain technology: Blockchain is being adopted in certain supply chain management scenarios to enhance the transparency and security of Auto ID data, especially in food, medical, and pharmaceutical industries.
- Cloud data management: Centralized label files and direct upload of data after collection to the cloud, improving timeliness and security.

2. Future development of the industry

(1) Wearable devices and wireless aidc devices popularization

- Wireless wearable barcode scanners and RFID readers can enhance work efficiency and reduce the burden of handheld devices.

(2) Intelligent and AI automatic identification technologies

- AI image recognition (such as computer vision) will be integrated with Auto ID devices to quickly identify products, license plates, and faces, improving the accuracy of data collection and management.

- Smart barcode scanners and automated label systems can automatically recognize damaged or deformed barcodes, enhancing the efficiency of logistics and warehousing operations.
- (3) IoT and auto ID integration
- RFID + IoT solutions: By using RFID to track product locations and combining IoT sensing technologies, conditions such as temperature and humidity can be monitored, especially useful in food cold chain logistics and medical supply chains.
 - Smart warehousing and logistics development: Automated warehouse management systems (WMS) combined with RFID allow for real-time and accurate inventory tracking, improving the accuracy of logistics and delivery.
- (4) 5G and edge computing accelerating data processing
- 5G enhances Auto ID data transmission speeds, enabling Enterprise Mobile Computers and RFID readers to synchronize data in real-time, improving supply chain management efficiency.
 - Edge computing reduces reliance on cloud systems, allowing Auto ID devices to process data instantly, ideal for high-efficiency warehouse management, retail checkout, and other applications.
- (5) Contactless technology and biometric applications
- The widespread adoption of NFC (Near Field Communication) technology enables consumers and businesses to scan product labels with NFC-enabled smartphones to obtain product information or complete payments.
 - Biometric technologies such as fingerprint, iris, and facial recognition will replace traditional access control and identity verification methods, applied in corporate, medical, and financial scenarios.
- (6) Sustainability and environmental practices:
- With increasing environmental awareness, businesses are seeking sustainable solutions, and barcode label printers and mobile computers are no exception. Manufacturers, considering environmental protection, are using recycled materials and recyclable resources to reduce energy consumption and minimize waste.
 - In the future, more energy-efficient and carbon-reducing eco-friendly labels, barcode printers, and mobile computers are expected to appear in the market. Companies will also prioritize products with longer lifespans and those that are easier to recycle, aiming to reduce electronic waste generation.
- (7) Cloud data management
- Centralizing label files and directly uploading data after extraction to the cloud enhances real-time access and security, improves scalability, and strengthens version control.
 - Additionally, using cloud platforms enables seamless collaboration across different locations and departments, improving work efficiency and communication.

- 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 the industry due to their automation and reliability. As technology advances, they will continue to bring innovation and benefits to the industry.

The Auto ID industry is in a rapid development phase, driven by digital transformation, smart manufacturing, the Internet of Things (IoT), artificial intelligence (AI), 5G, and other technologies. By embracing key trends such as intelligence, automation, data security, and environmental sustainability, companies can enhance their competitiveness and explore more market opportunities.

3. Relationship between the upstream, midstream and downstream vendors

In the domestic barcode label printer industry of Taiwan, the supply chain can be separated into raw material manufacturers (upstream vendors), barcode label printer manufacturers (midstream vendors) and various end users in respective businesses and domains (downstream vendors). The Company mainly produces various barcode printers and is in the mid-stream of the industry.

(1)Upstream vendors

Our upstream vendors include manufacturers of various parts and components that are needed for our products, such as motors, power supplies, microprocessors, print heads, dynamic memory, flash memory, LCD and so forth. Examples include EDACPOWER (power supply manufacturer) and Kyocera (print head manufacturer) and so forth.

(2)Midstream vendors

The mid-stream industry is the barcode label printing machine manufacturers. The global barcode label printing machine industry is dominated by large manufacturers in the US and Japan, such as Zebra Technologies and Honeywell from the US, SATO from Japan, and Toshiba Tec., while the large manufacturers in Taiwan are TSC and GoDEX.

(3)Downstream vendors

Our downstream vendors include various enterprises and sectors that purchase our products and they comprise a large array of sectors, including logistics, warehousing, finance, healthcare, IT, retail, postal services, transportation and so forth. Examples include retailers such as Walmart, Costco, the Post Office and Railway Administration Bureau/Directorate General of Highways and so forth.

The vendors in the up/mid/downstream of the barcode label printer industry are illustrated in the figure below:

Upstream Part and component sourcing	Midstream Barcode label printer manufacturing	Downstream	
		Distribution	End users
Print heads	Overseas manufacturers	Distributors (Distributors)	Manufacturing, warehousing
Motors	Zebra, Avery, Honeywell, Toshiba TEC, SATO	Value Added Resellers (VARs)	Storage space management, quality control, raw material inventory management, automated management, etc.
Power supplies	Domestic manufacturers TSC, GoDEX	Original Design Manufacturers (OEMs)	Postal services, shipping Post office, logistics, courier services, railway/highway administration, air freight, etc.
LCD		System Integrators (System Integrators)	Retail and franchise operators Wal-Mart, Costco, 7-Eleven, etc.
CPU		Direct Sales (Direct Sales)	Healthcare industry Drug and patient history data management, various specimen/sample management
Memory			Service industry Ticket printing, membership card production

4. Product development trends

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

- (1) Integration of IoT: Label printers and enterprise and 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: The solutions that support printing from smart phones and tablet computers will be more widely used, and the development of mobile printers will be promoted through the improvement of wireless technology, which will enable 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) Artificial Intelligence and Machine Learning: These technologies will be used for barcode recognition and data collection, optimizing printing processes, improving quality and automating label design and layout.
- (8) Customization and personalization: The printers of the future will provide more customization and personalization options to meet the needs of customized packaging and branding in various industries.

It can be foreseen that in the future, domestic and foreign manufacturers in the barcode label printing industry will seek upstream and downstream integration, and will also move towards more functional integration and intelligent development, sustainability, and mobility, which will jointly shape the barcode and label printer products meeting the changing needs of manufacturing, logistics, retail, healthcare and other industries.

5. State of competition

The global barcode label printer market is highly competitive, with major players primarily from the United States and Japan. The market features a mix of established companies and new entrants, all striving to differentiate themselves through continuous product innovation, pricing strategies, global reach, and customer service in order to maintain or enhance their market positions. Leading companies include the world's top-ranked Zebra Technologies (USA), as well as Japanese firms such as SATO and Toshiba Tec. Other notable players include Taiwan-based TSC Auto ID and U.S.-based Honeywell.

The Company, TSC Auto ID, is currently the world's top four barcode label printer manufacturers and the leader in this field in Taiwan. The Company has the development capability of independent R&D and manufacturing, and can also provide customers with diversified automation solutions. Due to the flexible use of business strategies and effective control of product costs, the Company currently sells in the global market under the self-owned brand of "TSC Auto ID". In addition to the expansion of the printer business, the Company has also acquired certain operating assets of Diversified Labeling Solutions Inc., USA through the subsidiary in USA to develop businesses related to printer peripherals, consumables, and label paper. The company completed the acquisition of MGN sp. z o.o. and Bluebird Inc. in June 2023 and November 2024, respectively, to expand its European label paper market and global enterprise mobile computer business.

(III) Overview of existing technologies and research and development

1. Level of technology for the Company's line of business and research and development

Technology serves as the basis of the Company's development. In light of rapid changes in the industry, TSC relies on its competent R&D team for the design and development of new products to ensure the Company's competitiveness.

Ever since the Company's foray into the barcode label printer market, we have been actively involved in product development and innovation while actively nurturing our R&D talent. Most of our key technologies have been the fruit of independent research and development by TSC's R&D team. With years of profound practical experience in the industry, extensive knowledge of the products and competence in development and innovation, our team is equipped with know-how in key technologies such as the mechanisms, circuitry and firmware of our products. Through our overseas distribution locations and feedback from downstream customers, we are able to collect relevant market information that enable us to predict future trends in product development and potential applications so that we can steer our independent development and new product designs in the right direction. The fact that TSC has been acknowledged by local and foreign customers on numerous occasions reflects our strength in product development and capacity for innovation. The Company is active in its market deployment for barcode printers of high-end and low-end models for vertical development for a more comprehensive product range. Our commitment to improving environmental-friendly products and solutions is unwavering with the goal to reduce enterprise resources wastes and to elevate sustainability. At the same time, we carry out research and development of related software and hardware systems, horizontal integration of systems, and expand product applications, so as to satisfy the market needs of each application fields.

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

Unit: NT\$ thousand

Year Item	2024	2025.01.01–2025.04.19
R&D expenses	304,582	150,491
Operating incomes	8,798,132	2,856,093
R&D expenses as percentage of operating revenue	3.46%	5.27%

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

• **Barcode label printer**

- (1) RE300 Mobile Barcode Printer
- (2) TH/DH series desktop thermal transfer/thermal barcode label printers
- (3) PEX-1000/PEX-2000 series automatic labeling application barcode label printing machine
- (4) MH241/MH241T/MH241P/MH261T Industrial Thermal Transfer Barcode Label Printing Machine
- (5) MB241/MB241T Industrial Thermal Transfer Barcode Label Printing Machine/Linerless Barcode Label Printing Machine
- (6) ML241/ML241P Industrial Thermal Transfer Barcode Label Printing Machine
- (7) ALPHA-30L/ALPHA-40L/ALPHA-40L RFID Label Printing Machine
- (8) TSC Console Web-based Remote Monitoring Software
- (9) TSC Standalone Creator Software
- (10) SOTI Connect IoT Management Solution Integrated Development

• **Enterprise Mobile Computers**

- (1) S10, S20, S50, S70, SF650, EF551, VX500 handheld mobile computers
- (2) T30 tablet computer

(IV) Long and short-term business development plans

1. Short-term development plans

(1) Product planning strategies:

TSC Auto ID's short-term product planning strategy focuses on enhancing the performance and user experience of barcode label printers and RFID printers, while strengthening the functionality of Enterprise Mobile Computers, continually driving innovation and product upgrades. Through comprehensive technological advancements, the Company is dedicated to meeting the needs of businesses in various printing applications, ensuring that the products have strong scalability and flexible configuration options to adapt to future developments.

At the same time, the Company adheres to environmental sustainability values, following eco-friendly principles, from functionality and packaging to material design, creating energy-efficient, recyclable, and low-carbon emission products.

Additionally, TSC Auto ID develops specialized products and comprehensive solutions for specific industries, covering areas such as retail, healthcare, warehouse logistics, and manufacturing logistics automation, to more precisely meet market demands.

(2) Marketing planning strategies:

- A. The company will focus on cultivating in key vertical markets, enhance brand awareness and trust through the successful cases of existing indicator customers, continue to expand the corporate customer base, and increase market share.
- B. With the integration of DLS, MGN and Bluebird operations, TSC will be able to provide one-stop services for our customers by constructing a comprehensive network of global distribution.

(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 improving processes to enhance collaboration and management efficiency. Optimize the cost structure and improve production efficiency to increase product gross profit. Maintain smooth supply chain operations to ensure timely delivery and meet customer demands. Strengthen quality control to ensure compliance with brand standards and customer expectations. Promote company products, increase brand awareness, and motivate sales management to address potential risks that may impact business and financial performance, safeguarding the Company's long-term interests.

2. Long-term development plans

(1) Product planning strategies:

Aside from continuing to strengthen the functions of existing products and new services, it is expected to actively invest in the research and development of hardware and system technologies related to the automated identification industry, as well as cloud solution development and software and hardware solutions and system integration, in accordance with the current industry trends. In particular, the application of RFID technology, the advancement of wireless connection technology, and the development of environmental protection and sustainable products ensure that its products and diversified solutions can meet the needs of the market and remain competitive.

(2) Marketing planning strategies:

Strengthening the market stability of existing products, coupled with the addition of DLS, MGN and Bluebird which will open up new customer groups

and marketing channels, and actively promote product portfolio sales to improve business performance and achieve corporate growth goals.

In the future, we will further promote the competitive advantages of TSC Auto ID by combining barcode label printers, label consumables, Enterprise Mobile Computers and global service plans with strategic partners to extend more value-added overall solutions to different vertical industries and end customers, while enhancing brand awareness and professional image.

(3) Production planning strategies:

We continuously optimize our production equipment to enhance efficiency and yield, while adopting green manufacturing technologies to reduce energy consumption and minimize waste, thereby achieving our sustainability goals.

(4) Operation management strategies:

We are establishing an efficient talent management system to attract, train, and retain top talent, improving overall talent quality to address the challenges of company growth and internationalization. We are continuously investing in product and technology research, development, and innovation to meet customer demands and maintain a competitive edge. We are focusing on brand building and market positioning to differentiate ourselves from competitors, enhancing brand awareness and value. We are actively expanding our market share by developing new channels and markets, while strengthening partnerships with distribution channels. We are integrating environmental sustainability and social responsibility with our long-term strategy, committed to creating the 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	2023		2024	
	Turnover	Ratio	Turnover	Ratio
Taiwan and other parts of Asia	1,223,987	14.66%	1,605,184	18.24%
China	1,234,982	14.79%	1,153,454	13.11%
Americas	4,040,321	48.38%	3,831,245	43.55%
Europe	1,852,472	22.18%	2,208,249	25.10%
Total	8,351,762	100.00%	8,798,132	100.00%

2. Market share

Currently, our company's market share of barcode label printers is second only to that of American and Japanese manufacturers, and we have become one of the top four leading barcode label printer manufacturers in the world. We also continue to enhance our product portfolio of mid-range and high-end label printers and RFID label printers to meet the needs of operating processes in different industries. In the past, the sales market was mainly in Asia, accounting for more than 40%. The layout of the Asian market continues to explore emerging markets such as India and Southeast Asia. The main sales in Europe and the United States are mid-to-high-end printers, which account for more than 40% of the overall 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 booming e-commerce sector. Post-pandemic automation development has further accelerated this trend, as companies increasingly focus on improving productivity, reducing risks, and ensuring workplace safety. As a result, the demand for automatic identification (auto-ID) technologies continues to grow. Barcode label printers and Enterprise Mobile Computers, as core components of these technologies, together form comprehensive solutions with promising market prospects.

Market demand spans across various sectors including e-commerce, manufacturing, logistics, retail, healthcare, and field services. In e-commerce, businesses need to effectively track and manage inventory to ensure accurate order fulfillment, and automatic identification technology is a key tool in achieving this goal. Similarly, the manufacturing and logistics industries also require accurate tracking and management of products and goods to enhance production efficiency and reduce inventory costs. In addition, as the digital transformation of the retail sector accelerates, businesses are seeing increasing demand for POS terminals,

inventory management, and customer interaction solutions, further driving the growth of the automatic identification market.

Looking ahead, the development of the Internet of Things (IoT), artificial intelligence (AI), and big data analytics is expected to further increase the demand for auto-ID technologies. The integrated use of barcode label printers and Enterprise Mobile Computers enables seamless connectivity with IoT devices, cloud computing, and big data platforms, allowing for smarter and more automated production, warehousing, and logistics management—thus propelling market expansion. In the healthcare sector in particular, auto-ID technology enables medical professionals to instantly access patient information, improving diagnostic and treatment efficiency and further expanding its application scope.

In terms of competition, the Company has established a strong market position in the automatic identification industry. With the integration of Enterprise Mobile Computers, we have deeply combined barcode label printers and enterprise mobile computer technologies, offering a more complete automatic identification solution that further strengthens our competitive advantage in the industry. This not only enhances internal operational efficiency but also allows customers to achieve more efficient data management and workflow optimization through a unified platform. The company has a solid customer base in small and medium-sized enterprises and is continually expanding its market share in large enterprises. The Company is committed to improving product quality, technical standards, and service levels to maintain a competitive advantage. At the same time, the Company must closely monitor market trends, innovate continuously, and respond to competitive challenges to maintain its leading position.

Overall, the automatic identification market is full of opportunities and challenges. The Company will continue striving for sustained growth and success. The Company will continue its efforts to achieve sustained growth and success. Through continuous improvement of products and services, seizing market opportunities, strengthening technological innovation, and close cooperation with customers, the Company will expand market share and maintain its solid leading position.

4. Competitive niches

(1) Costs of manufacturing and production technologies

In the ever-changing barcode label printer industry, TSC has established three major production bases for printer products and two major production bases for consumables, including the United States and Europe. With its strong resilient R&D team and mature manufacturing technology, we continue to produce market-leading printer products and RFID barcode identification products in order to respond to the changing needs of the market.

With the maturity of production technology, TSC has introduced barcode identification technology into its production lines, establishing an automated barcode quality identification system and a product component tracking system, enabling the complete recording of production histories for printer products and key parts. In response to the launch of the new generation of desktop products, our product line has become more complete, and sales of industrial products are steadily growing. We have optimized the configuration of our global production bases, enhancing the flexibility of capacity allocation and ensuring the stability of the supply chain. This allows us to dynamically adjust production capacity based on market demand and balance the capacity across our three major production bases, ensuring stable product production to meet global customer needs.

(2) R&D capabilities

Companies have to commit substantial investments towards research and development in order to acquire advanced equipment and recruit outstanding R&D talent. This is how companies maintain their competitiveness while increasing the market share of their products. Innovation and R&D in new products have led to market-leading offerings, services, and solutions, further creating new market demands and becoming a driving force behind 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 2024, the Company invested approximately NT\$305 million in R&D, accounting for about 3.46% of its revenue.

Last year, upgrades to the mid- and entry-level industrial printers (MB/ML241 series) were completed to maintain market competitiveness. The upgraded models offer faster printing speeds, support advanced wireless networking, and are compatible with third-party MDM solutions and future IoT applications. A new series of budget-friendly mobile printers was also developed and launched. These new models outperform competitors with faster print speeds, support both wireless and Bluetooth connectivity, and feature rugged designs for versatile environmental use. Development has also begun on the next-generation high-end industrial printers. These upcoming models will feature dual operating systems, faster print speeds, and more powerful capabilities to meet and even exceed customer expectations.

In addition to hardware innovation and enhancement, the Company continues to invest in software development. The new web-based version of the TSC CONSOLE printer management software and the integrated software development kit (SDK) have been developed and launched. The Company is also continually introducing various solutions to support customer needs.

In response to the rising awareness of global environmental protection, the Company has also set a goal to connect with the world, investing manpower to change product packaging to recyclable environmental protection packaging materials by the end of 2025, and the products themselves use recycled

materials as much as possible. All additives with genotoxic properties are also being completely phased out to comply with RoHS 3.0 regulations, with completion expected by the end of 2025.

(3) Product quality

The barcode label printer manufacturing process of the Company has been certified by the internationally recognized certification body DNV GL Business Assurance, including ISO 9001 for quality management, ISO 14001 for environmental management, and ISO 45001 for occupational health and safety management standards. In addition, several of our products have been honored with the Taiwan Excellence Award. Whether in factory manufacturing or product certification, the Company has long been a leader in Taiwan's related industries. Our products are sold worldwide and have received various international certifications. We continue to obtain Energy Star and FSC-related certifications, demonstrating our commitment to environmental protection and corporate sustainability. TSC focuses on innovative development and encourages employees to improve daily operational practices. In recent years, we have implemented multiple digital workflows to reduce human errors, enhance manufacturing efficiency, and further promote standardized production, continuously advancing product quality.

We are committed to rigorous supply chain management, cost control, and mature manufacturing capabilities. We have demonstrated enough in the barcode label printing industry to be followed by other related companies and we continue to promote high-quality products to the world to meet customer needs generating revenues and profits for the enterprises.

5. Advantages, disadvantages and countermeasures for prospective development

The development prospect of barcode 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 multi-functional and high quality products according to the principle of market segmentation in order to build its product niche.

B. Versatile marketing strategies

TSC has distributed products across the world under its original brand name. In order to ensure its competitive edge, the Company has actively maintained close partnership with local distributors and endeavored to strengthen customer services in the hopes of elevating its brand to be the benchmark in the industry. With regards to market development for new

products, the Company started out with strategic international OEM/ODM alliances to familiarize itself with distribution channels in the market and establish its presence. Presently, the Company is primarily focused on the marketing of its own products, supplemented with brand promotion and after-sales services in order to increase revenue from marketing. In recent years, TSC Auto ID has been honored to receive many awards from international authorities, such as:

- 2020 Listed as one of the “Top 100 Fast Growing Companies” by CommonWealth Magazine.
- 2022 - 2024 Awarded Interbrand Taiwan's Best International Brand Potential Star for three consecutive years
- 2023 PEX2000 RFID print engine won the “Golden Award” of the 20th China IOTE 2023
- 2023 T6000e awarded as “China IoT Industry Innovative Product” by IoT Star 2023

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.

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 barcode label printer have been approved and registered by DNV for compliance with the ISO-9001 standard. Following the footsteps of Alpha-2R, our MB240 and ML240 series have once again received the Taiwan Excellence Award in 2020. These achievements and recognitions validate the Company's insistence on its quality policies. Not only that, multiple models of our barcode 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) Disadvantages

A. Market price pressure:

Competition in the market was intense and pricing pressures are higher, which may have a certain impact on the profit margins of barcode label printer manufacturers and enterprise and mobile computers.

Countermeasures:

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.

B. Uncertainty of international trade:

Uncertainty in international trade policies and trade frictions may have an impact on the global supply chain and market demand for barcode label printers and mobile computers.

Countermeasures:

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

C. Environmental regulations: increased environmental regulations may bring additional costs and challenges to the design and manufacture of barcode label printers and enterprise and mobile computers.

Countermeasures:

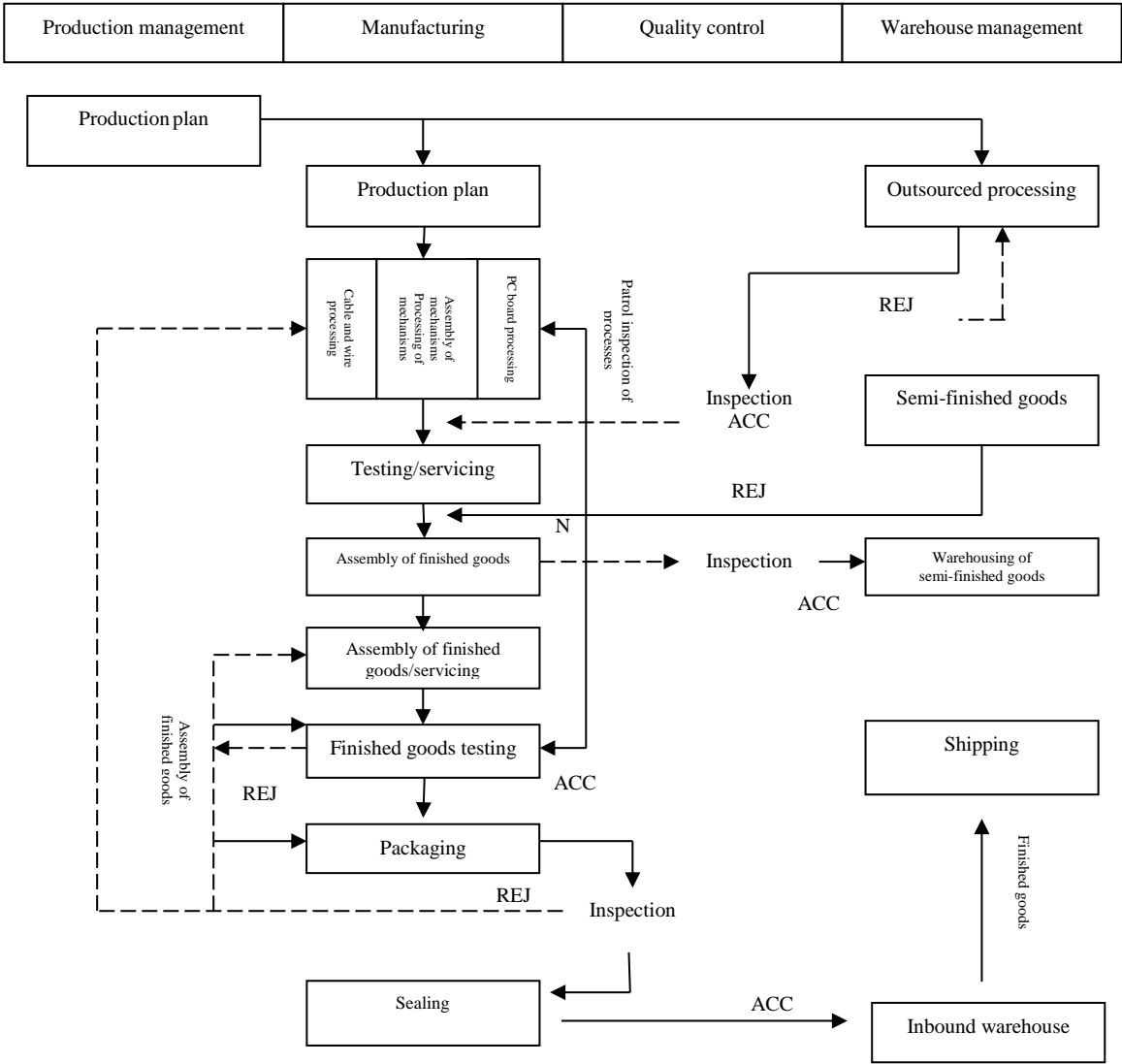
In terms of environmental regulations, the Company has always been a leader in relevant industries in Taiwan. In addition to passing the ISO14001 environmental management system, the Company continues to monitor changes in environmental regulations and new requirements to ensure that product design and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

Key products	Product contents	Main application and functions
Barcode label printers and accessories	Thermal transfer barcode label printers, related components and spare parts	Identification, tracking and management of raw materials, finished products, assets, personnel, security, services, etc. in logistics, manufacturing, retail, government agencies, healthcare and other industries
Enterprise Mobile Computers	Rugged mobile computers, RFID readers	
Blank label	Paper for barcode label printer	Convenient for applications such as item identification, tracking and management

2. Manufacturing process



(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
Print heads	Kyocera	Normal
Adhesives	Morgan, Fasson, Acucote, Green Bay	Normal
PCB	KING HOYA	Normal
Microprocessor	Microchip	Normal
Injection molded components	JIULUN ENTERPRISE	Normal
Paper	Avery, Scandstick	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	2023				2024			
	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	689,838	17.80%	None	Morgan	822,729	20.25%	None
2	Fasson	306,335	7.91%	None	Fasson	413,718	10.18%	None
3	Others	2,878,722	74.29%	None	Others	2,826,293	69.57%	None
	Net purchase	3,874,895	100.00%	—	Net purchase	4,062,740	100.00%	—

2. Main customers in the last two years:

Unit: NT\$ thousand; %

Item	2023				2024			
	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	8,351,762	100.00%	None
	Net sales	8,351,762	100.00%	—	Net sales	8,351,762	100.00%	—

III. Employees

April 19, 2025

Year		2023	2024	April 19, 2025
Employee count	General staff	535	705	691
	Indirect employees	63	139	137
	Direct employees	504	478	464
	Total	1,102	1,322	1,292
Average age		40.42	41.50	41.70
Average years of service		6.86	7.04	7.20
Distribution of academic background %	Doctoral Degree	0.00	0.16	0.15
	Master's Degree	9.63	9.90	9.75
	University/ College	47.52	43.18	41.72
	Senior high school	36.18	43.18	43.89
	Junior high school and below	6.68	3.59	4.49

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

- (1) 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 is committed to becoming an exemplary happiness-driven company. We will continue to empower talent, enhance employee health and well-being, promote a diverse, fair, and inclusive environment, care for the disadvantaged, and actively contribute to the sustainable development of the community, in order to build a more inclusive society.

1. Human rights defense

1.1 Human rights policies and practices

The Company supports and respects relevant international labor and human rights regulations, and references the International Labor Convention, the United Nations Universal Declaration of Human Rights, and other norms, and takes actions to be consistent with the Responsible Business Alliance (RBA) Code of Conduct and other public policy commitments, and their implementation. The Company's Human Rights Policy has been disclosed on the official website. On August 20, 2024, we established the "Human Rights Management Policy" to prevent inequalities in the workplace caused by factors such as gender, nationality, or educational background.

- 1.1.1 The Company complies with labor regulations and protects employees' rightful interests by making mandatory pension fund contributions, maintaining open communication channels between labor and management, learning and satisfying employees' needs, and making mutually beneficial decisions for labor and management. We have also established an Employee Welfare Committee to handle various welfare matters in a win-win situation for both employees and employers.
- 1.1.2 In 2024, the company revised the "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures" and regulations regarding unlawful workplace treatment in accordance with the law. We integrated internal and external complaint mailboxes and established a dedicated complaint hotline to ensure employee safety and provide a secure working environment.
- 1.1.3 The Company has also implemented the "External Provider Management Procedures," requiring suppliers to sign a "Supplier code of conduct compliance declaration" and adhere to the RBA Code of Conduct. All supplier business activities must fully comply with applicable laws and regulations in their respective operating countries.
- 1.1.4 Each year, we identify and assess potential human rights risks through regular communication, evaluations, and audits, and implement ongoing improvement plans based on the identified risks.

1.2 Training and advocacy

The details of the human rights protection-related education and training conducted in 2024 are as follows:

Education and training courses	Total hours	Number of people
RBA internal audit training	108	18
RBA code of conduct training	46.5	186
Understanding DEI and workplace diversity integration	50	50
Workplace sexual harassment prevention strategies and practices	43	43

1.3 Grievance channels and remedial mechanisms

The Company has established comprehensive internal and external grievance channels and communication frameworks. Simultaneously, we are committed to protecting the safety of complainants. If any personnel discover potential human rights violations, they can report them anonymously or through various communication channels to provide feedback or report suspected violations to the Company. This will initiate the corresponding investigation and handling procedures. Once it is confirmed that a human rights violation was caused or facilitated by the Company, we will activate remedial mechanisms based on the nature of the incident and, when necessary, collaborate with relevant stakeholders to prevent recurrence.

2. Employee communication

The Company has established diverse communication channels. Through various communication channels, we convey company policies, promote understanding and collaboration between the organization and individuals, and enhance the overall cohesion of the Company.

- 2.1 Every quarter, we hold all-hands meetings, global management meetings, and monthly headquarters management meetings to transparently and accurately communicate policies and operational statuses, while also promoting cross-departmental discussions and collaboration.
- 2.2 In addition to policy communication, the all-hands meetings also include cross-departmental activity sharing, such as promoting club activities and team-building event highlights. These efforts aim to deepen employee exchanges and create positive memories.
- 2.3 The inaugural issue of “Global News Quarterly” was constantly published to share important information of each branch office and praise outstanding employees, so that employees distributed in different locations can know each other's status, and become more cohesive overall.
- 2.4 Through regular labor-management meetings, occupational safety meetings, and monthly meetings with migrant workers, the Company has established a two-way communication platform between employers and employees, working together to create a diverse, fair, and inclusive work environment.
- 2.5 We promote other communication channels, such as suggestion boxes, innovation proposals, performance notes, and grievance mailboxes, encouraging employees to actively share their ideas and opinions. We also regularly respond to the

feedback provided by employees.

- 2.6 We continue to conduct annual surveys on employee engagement. After the survey, employees were invited to discuss and formulate improvement initiatives, which were incorporated into the Company's annual objectives for implementation and tracking, collectively contributing to the creation of an excellent workplace at TSC. In 2024, the survey response rate exceeded 90%, reflecting employees' trust in the communication channels and active participation. Compared to 2023, employee engagement increased by 2.1%, demonstrating that the establishment of a two-way communication culture has effectively enhanced the employee work experience."

3. Diversity, equity, and inclusion

In matters such as hiring, training, compensation, promotion, dismissal, or retirement, the Company bases its planning and evaluation on organizational business needs, job content, and individual performance. Relevant details are formalized into internal management regulations to ensure effective implementation and the achievement of diversity, equity, and inclusion. Discrimination based on race, social class, nationality, religion, disability, health status, gender, sexual orientation, age, trade union membership, employee representative status, employee grievance actions, or political stance is prohibited.

3.1 Diverse and inclusive workforce composition

The Company respects all employees, considers them our most valuable asset, and places great importance on employee well-being in our daily management practices. We are committed to creating a high-quality work environment and treat all employees with fairness and humanity.

The diversity indicators for 2024 (Taiwan region employees only) are as follows:

Employee gender distribution

Gender	Ratio
Male	57.40%
Female	42.60%

Employee age distribution

Age	Ratio
Under 30 years old	14.80%
31-50 years old	76.60%
51 years old and above	8.60%

Employee diversity hiring statistics

Category	Ratio
Indigenous peoples	0.80%
People with disabilities	1.10%

3.2 Equal development support measures

The Company values employee rights and welfare, including the physical and mental well-being of all groups. We hire people with disabilities in compliance with legal ratios and conduct surveys on religious affiliation and disability needs to understand the diverse requirements of our employees. Based on these needs, we make adjustments to provide employees with suitable work environments and facilities.

4. Employee welfare measures:

4.1 Remuneration measures

- 4.1.1 According to the Articles of Incorporation, any profits concluded from a financial year are subject to employee remuneration of no less than 2% and no more than 10%, which the board of directors may decide to distribute in shares or in cash. We appropriately reflect operational performance or 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 In August, 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.
- 4.1.5 The annual promotion and salary review process is implemented and appropriate adjustments are made to ensure that no form of discrimination or unfair treatment is involved. This is to allow employees to contribute to the right place, and to be paid accordingly.

4.2 Vacation and other welfare measures

The Company has established a number of measures to care for the physical and mental health of its employees and has expanded its care for their lives.

- 4.2.1 The Company provides new employees with special vacation days that are better than the law to help new employees adapt to their career changes, increase their retention rate, and improve the Company's competitiveness in the talent market.
- 4.2.2 The "TSC Friendly Family Care Leave" system has been established, providing employees with additional leave days beyond statutory holidays to reduce the need for employees to request unpaid leave or leave the workplace to care for family members.
- 4.2.3 Employee "Counseling Services" have been implemented to provide a 24-hour, 365-day toll-free helpline, with expanded management-oriented counseling services. Through third-party professional and objective assistance, employees can address issues, relieve stress, and achieve mental and physical balance. In addition, we also provide our employees with a monthly Good Mood Digest to provide them with better psychological care.
- 4.2.4 We have integrated various employee welfare systems and care measures, updating the "TSC Well-Being Guidebook" to give employees a comprehensive understanding of the company's support, which can be accessed when needed
- 4.2.5 We have increased the employee travel subsidy and arranged multiple overseas travel routes, open to employees and their family members. It allows employees to take adequate rest after the outbreak, adjusts to the high level of stress brought by the environment and society, and also rewards employees for their tireless efforts in their positions.
- 4.2.6 We organized the "TSC Baby Camp," fully subsidizing employees' children to participate in a summer character-building camp. The camp focused on developing self-discipline and emotional management skills, laying the foundation for confidence, communication, and interpersonal relationships. Parental involvement in the process fostered shared growth among family members and helped cultivate positive interactions across different families.

- 4.2.7 Team-building activities have created opportunities for cross-departmental interactions, allowing employees to get to know each other beyond work tasks, building good relationships and fostering more collaboration.
- 4.2.8 Sports Week activities have allowed family members to join in the step competition, helping employees and their families develop good exercise habits in a fun way. These activities not only promote physical fitness and stress relief but also strengthen family bonds.
- 4.2.9 Christmas-themed activities were held, organized by team members from various departments, encouraging employees to express gratitude, decorate the Christmas town, and participate in theme dressing. These activities fostered friendships across departments and factories and created wonderful memories.
- 4.2.10 A comprehensive review of company regulations has been conducted, simplifying processes under compliance, providing clear guidelines for employees and improving efficiency.
- 4.2.11 Continue to provide a series of health and lifestyle seminars to increase daily functions and establish a high quality of life.

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 Our company implements diverse learning programs through employees' self-created "Personal Learning Plans" to help employees achieve their learning goals and further establish a learning culture. This allows employees to leverage their strengths and enables the continuous progress of the Company.
- 5.2 There are three main categories of learning activities: General knowledge learning, functional learning and professional learning activities are designed to cater to

- different targets and needs, offering a wide range of learning opportunities.
- 5.3 Based on the Company's policies and training needs surveys, we plan a series of functional learning activities each year to improve employees' communication, proposal, and collaboration skills, thus helping the Company achieve its goals.
 - 5.4 We also hold management leadership workshops to deepen coaching leadership and the development of a talent teams. This enhances the leadership abilities of managers and strengthens internal connections and performance within the organization.
 - 5.5 Through the implementation of Individual Development Plans (IDP), employees are encouraged to set their own learning development directions and gradually achieve their learning goals, unlocking their potential for career development.
 - 5.6 To enhance employees' innovative thinking, we have introduced the "DNA of Innovators" book club, where employees engage in reading and team discussions, sharing ideas to enhance their proposal skills and further transform the team's thinking and work methods.
 - 5.7 We continue to enrich the book rack with new books and encourage employees to recommend new titles. This promotes a culture of shared reading and continuous learning, cultivating the habit of autonomous learning among employees.
 - 5.8 The annual performance management process is put into practice through setting goals at the beginning of the year, providing timely feedback during the period, making improvements, and conducting evaluations at the end of the year. This ensures that employees' performance remains aligned with the team's strategy, enabling the achievement of company goals.
 - 5.9 Every quarter, we conduct a selection of outstanding employees through a nomination system, encouraging employees to discover and recognize others' abilities. These employees are then recognized at the all-staff meeting, strengthening their professional behaviors and fostering a positive workplace atmosphere.
 - 5.10 High-value bonuses are awarded to encourage innovative proposals. Through the Innovation Committee, employees are given an open and equal opportunity to submit their ideas and are provided with corresponding resources, empowering them to bring their creativity to life and realize their potential.
 - 5.11 Education and training progress in the last year (2024):

Course category	Course sessions	Total participant count	Total hours	Total expenses (NT\$ thousand)
Professional learning	151	1,664	3,303.69	1,238.90
General learning	88	2,353	3,287.35	
Competency learning	31	555	2,372.25	
Total	270	4,572	8,963.29	

6. Pension 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 2005.07.01, 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 from the employee's monthly salary and transfer the amount to the individual pension account with the Labor Bureau. However, the Company uses the actuarial results of the actuaries for the withheld pension accounts of the Bureau of Labor Insurance but whose seniority before 2005.07.01 and the 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 relevant 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) Unless the employee has any of the following situations, the Company shall not force the employee to retire:
 - (1) Aged 60 or above
 - (2) Physical or mental disabilities that make the employee unfit for the job.
 - (3) The mandatory retirement age of 65 can be extended through negotiation between the employer and employee; for employees in special jobs that require high physical strength or pose other hazards, the Company may request approval from the relevant central authority for an adjustment, but this age cannot be less than 55.
- (III) Employees of the Company who meet the following conditions may voluntarily apply for early retirement, which will be executed upon approval by the General Manager:
 - (1) Those with more than 15 years of service and at least 45 years of age.
Those who meet the above conditions must submit an application and follow the relevant procedures.

6.2 Pension payment standard

- (1) The work tenure under the Labor Standards Act's retirement pension system (Old Labor Pension System) is calculated based on the pension standards outlined in Article 55 of the Labor Standards Act.
- (2) For employees who are mandatorily retired, if their physical or mental disabilities are caused by performing their duties, an additional 20% will be added to the pension as stipulated in the previous paragraph.
- (3) The standard for the pension base is calculated based on the average monthly salary at the time of approved retirement (calculated in accordance with Article 2, Paragraph 4 of the Labor Standards Act).
- (4) For workers eligible for the New Labor Retirement System, the employer shall make monthly pension contributions for the workers on behalf of the workers and deposit them in the personal pension account established by the Bureau of Labor Insurance; the relevant pension contribution standards are as follows:
 - (a) The employer's monthly contribution to the labor pension shall not be less

than 6% of the labor's monthly salary.

(b) The grading scale for monthly wage payment as stated in the preceding paragraph shall be prepared by the central competent authority and submitted to the Executive Yuan for approval.

(c) Employees may voluntarily contribute within 6% of their monthly wages. The voluntary labor contribution may be fully deducted from the total comprehensive income of the current year.

6.3 Timing of pension payment

The pension shall be paid in full in one lump sum within 30 days after the retiree has been approved and has completed the resignation procedures. However, if the Company's operations or financial difficulties occur and the pension reserve fund provided in accordance with the law is insufficient, the instalment payment may be made after approval from the competent authority.

For workers covered by the New Labor Pension System, pension claims and pension calculation shall follow the Labor Pension Act and relevant laws and regulations.

6.4 Time limit for claiming pension

Retirees claim for pension, which extinguishes due to non-use of pension for five years, starting from the month after retirement.

6.5 Pension claim implementation status:

Pension system	Old system	New system
Applicable laws	Labor standards act	Labor pension act
How to make a contribution	Contribution method	6% is contributed to the individual account at the Bureau of Labor Insurance based on the employee's insured salary level.
Contribution amount	The accumulated amount in the Labor Pension Reserve Fund is NT\$4,298,000.	In 2024, the contribution amounted to NT\$13,390,000.

7. Social responsibility

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 and the Company.

7.1 In 2024, the Company was awarded the RBA VAP Silver Certification, adhering to the five core areas of Human Rights, Health and Safety, Environment, Ethics, and Management Systems. This demonstrates the Company's commitment to corporate social responsibility and meeting stakeholder expectations, while also encouraging value chain partners to strengthen risk management and resilience across the upstream and downstream supply chain.

7.2 The Company has officially joined the "2024 TALENT, in Taiwan held by Talent Sustainability Action Alliance," with six action guidelines: "Meaning and Value," "Diversity and Inclusion," "Rewards and Incentives," "Physical and Mental Health," "Nurturing and Growth," and "Communication and Experience," to create a diverse and inclusive workplace environment.

7.3 We continue to enhance awareness of sustainability and social responsibility,

encouraging employees to participate in ESG-related training, which covers key topics such as corporate sustainability management, TCFD risk identification, corporate governance evaluation, DEI and diverse workplaces, and information security. A total of 649 participations and 596 hours of training were accumulated during the 113 year.

- 7.4 A CSR committee was set up to call on employees to discuss social responsibility issues and lead them to fulfill their social responsibilities through a series of activities.
- 7.5 Cooperated with Eden, a non-profit organization, to organize a series of projects to care for the slow-flying angels (children with developmental delays), and the staff participated in the accompanying activities and donated to the projects to support them with practical actions.
- 7.6 In response to Earth Day, we held a charity sale encouraging employees to donate unused items, giving them a “second life,” promoting resource conservation and waste reduction. All proceeds from the sale were donated to charitable organizations.
- 7.7 Employees are encouraged to incorporate ESG elements into team-building activities by integrating social welfare initiatives and eco-friendly practices—such as using public transportation to reduce carbon emissions and participating in the Andrew Charity Association’s Food Bank Program—to contribute to society and the environment, while also enhancing their awareness of social responsibility and sense of connection with the organization.
- 7.8 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.
- 7.9 We continue to participate in the industry-academia collaboration internship program jointly promoted by the Financial Supervisory Commission and the Ministry of Education, while also organizing campus recruitment events. By offering internship opportunities and recruiting recent graduates, we aim to help university students gain early exposure to the workplace, reduce youth unemployment, and promote our 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. Employee service code of conduct:

The Company has established a set of Employee Work Rules in accordance with the Labor Standards Act and related laws that outline the rights and obligations between labor and the employer for sound management as well as unity within the workforce. The work rules also include the following service code of conduct:

- (1) Employees shall be loyal to their duties, comply strictly with all of the Company's policies, and obey the supervision of their supervisors without excuse. Managerial personnel are expected to treat their subordinates with respect and offer appropriate guidance.
- (2) Employees are expected to work diligently and deliver high-quality, productive results while reducing wear to the Company's assets. Employees shall also maintain confidentiality of all secrets pertaining to their business activities or duties.
- (3) Employees shall escalate work-related reports progressively up the reporting line, and may not skip levels when reporting except in emergency or special circumstances.
- (4) Employees shall wear proper attire and ID badges according to rules of the Company. ID badges are to be returned to the Company upon replacement or resignation.
- (5) Employees shall comply with safety and health regulations and rules of the Company, maintain safety, health, and cleanliness of the workplace and nearby environment, and take actions to prevent burglary, fire, and other hazards.
- (6) Employees may not bring weapons, hazardous items (referring to controlled items listed in Article 4 of the Controlling Guns, Ammunition and Knives Act), contraband, or unrelated items into the workplace.
- (7) Employees are not allowed to take company property out of the work premises without approval. Employees who wish to take company property outside the workplace may do so only after obtaining a permit from the department in charge of management.
- (8) Employees may not leave their job posts without approval during work hours.
- (9) Employees are not permitted to bring outsiders into the plant without the approval of the plant manager or above.
- (10) Employees may not exploit their vested authorities for their own gains or the gains of others.
- (11) Employees may not accept kickbacks or illicit gains in exchange for any actions at work, whether such actions are legitimate or illegitimate.
- (12) Employees are required to swipe their cards in person when getting on or off work. No third party is allowed to swipe their cards on behalf of them. If any violation is verified, it will result in dismissal of both parties.

- (13) Employees who clock in more than 15 minutes after work commencement time are treated as late arrival, and those who clock out more than 15 minutes before end-of-day are treated as early departure. Employees should apply for leave of absence when arriving more than 15 minutes late or leaving more than 15 minutes early; failure to comply will be deemed as unjustified absence.
- (14) Employees who forget to clock in/ out should obtain signed approval from the head of the department on the current day (for clock-in) or the next day (for clock-out). Failure to do so within the prescribed period shall be deemed as absenteeism.
- (15) Those who ask for leave during working hours must clock out before going out. If the employee is unable to clock out to get off work during business hours, it shall be approved with the signature and seal of the unit manager.
- (16) Employees who are absent from work without applying or extending leave of absence are treated as unjustified absence.
- (17) Employees shall tidy up their workplaces before leaving work. Managers are required to inspect the areas they are in charge of before leaving.

10. 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.

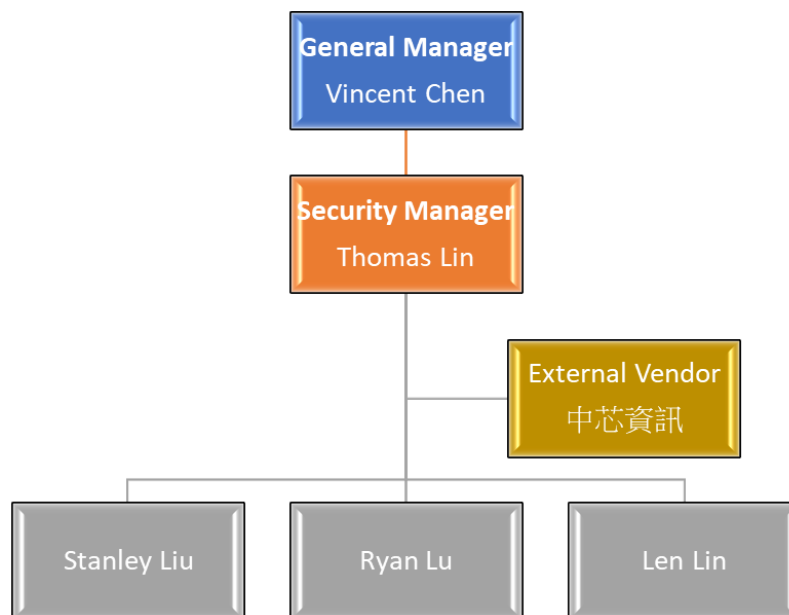
VI. Cybersecurity Management

(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 General manager 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. The “Information Security Management Policy Operation and Implementation” for 2024 was reported to the Board of Directors on March 15, 2025.

2. Structure of cybersecurity organization



(II) Cybersecurity Policy

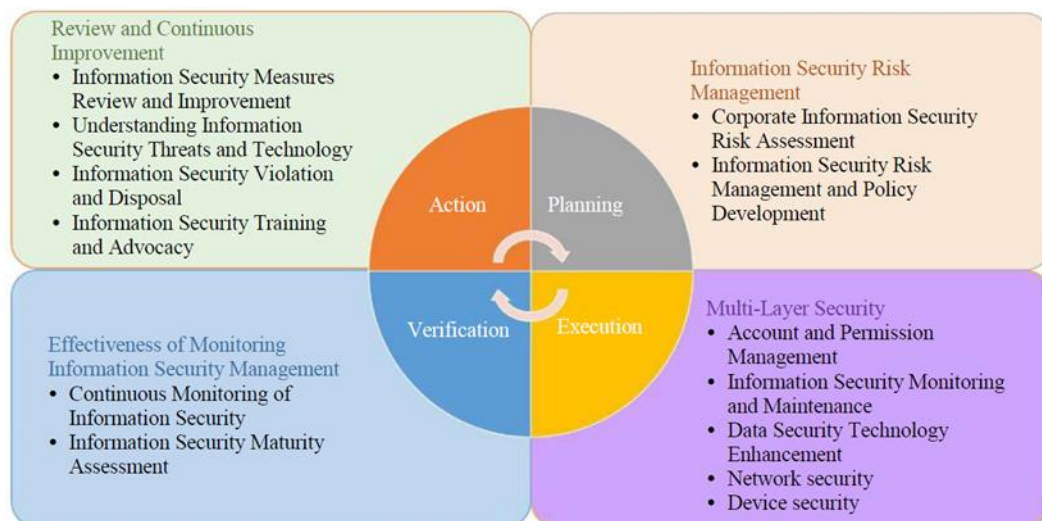
1. Corporate information security management strategy and framework

The information security team is responsible for coordinating the promotion of information security management-related issues and holds regular information security meetings every month to review the applicability of information security policies and protection measures and give report on the effectiveness of implementation according to the management cycle of Plan-Do-Check-Act (PDCA).

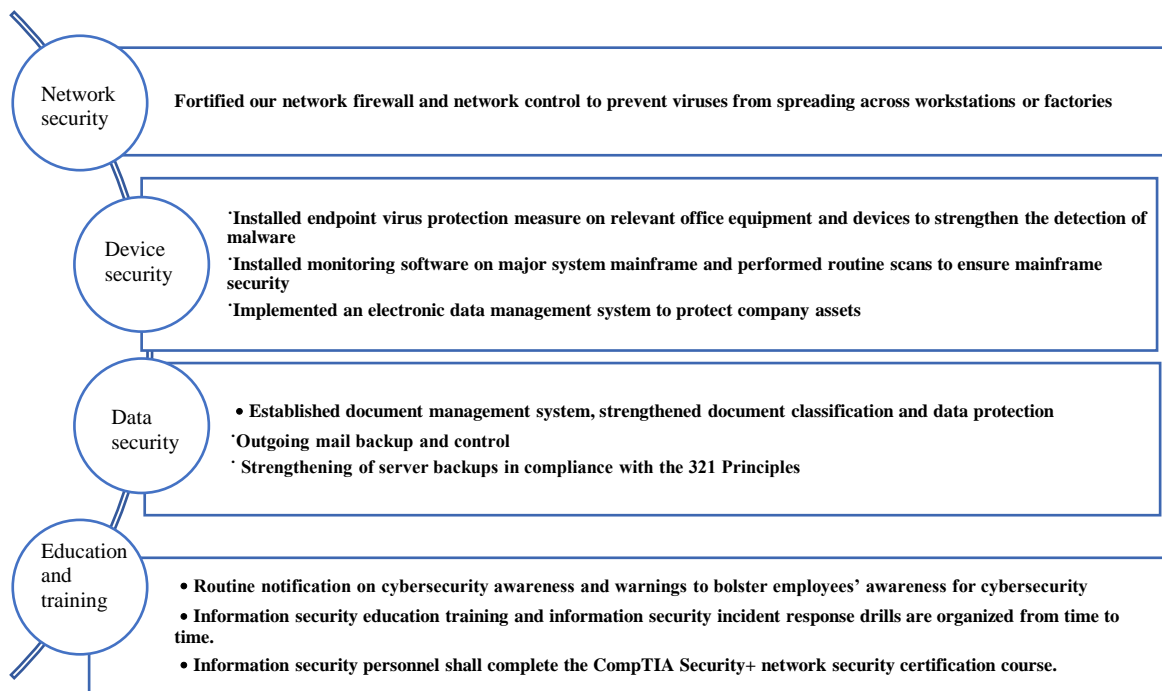
The “planning stage” focuses on information security risk management, establishes a complete Information Security Management System (ISMS), reduces corporate information security threats from the systematic, technical, and procedural aspects, and establishes the protection of confidential information that meets customer needs. The “Execution Phase” of the service involves the

construction of multi-layered information security protection, continuous introduction of innovative information security defense technologies, integration and internalization of information security control mechanism into software and hardware maintenance and other daily operating processes, systematic monitoring of information security, maintenance of the “review stage” of the confidentiality, integrity, and availability of key assets of the Company. Proactive supervision and audit is conducted to ensure the continued effectiveness of information security regulations. Information security indicators measurement and quantitative analysis of the “action stage” is conducted according to the review results principally for the purpose of review discussion and continuous improvements to practice supervision and 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, regularly review and implement improvement actions including information security measures, education and training, and promotion based on the performance indicators and maturity assessment results to ensure that the Company's important and confidential information is not leaked.

2. Enterprise information security risk management and improvement framework



3. Specific Management Solutions



4. Resources committed towards cybersecurity management

(1) Outcome of corporate cybersecurity promotion in 2024



(2) The Company continues to invest resources in information security-related fields. In 2024, the investment in information security projects cost about NT\$4 million. Resource investment includes building a sound infrastructure, strengthening information security defense equipment and education and training, etc., to improve information security governance capabilities and improve information security protection mechanism.

Unit: NTD

Projects or Investment Projects	Amount
One-year license for backup software	320,000
Email backup	180,000
Three-year license for anti-virus software	595,000
Endpoint protection software licensing	560,000
Firewall warranty update and protection module authorization	263,000
Destroyed 63 hard-disk drives (degaussing + puncturing)	22,050
Electronic data management system	2,271,500
Information security training	104,000

(III) Losses incurred due to major information and communications security incidents in the most recent year and up to the date of publication of the annual report, possible impacts, and response measures: None.

VII. Major contracts :

Nature of Contract	Party	Dates of Commencement and Termination of Contract	Main Contents	Restrictions
Mid-term loans	Yuanta Commercial Bank	2024/3/14 - 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	Far Eastern International Bank	2024/12/09 - 2027/12/09	Loan of NT\$300 million	None
Mid-term loans	KGI Bank	2023/03/27 - 2026/03/13	Loan of NT\$300 million	Note 1
Mid-term loans	KGI Bank	2024/12/02 - 2027/12/02	Loan of NT\$300 million	Note 1
Syndicated loan	Taishin International Bank	2024/12/24 - 2029/11/14	Loan of NT\$1 billion	Note 2
Syndicated loan	Cathay United Bank	2024/12/24 - 2029/11/14	Loan of NT\$1 billion	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 $\geq 100\%$;

(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 2014; not less than NT\$2.5 billion in fiscal year 2015; and not less than NT\$3 billion in fiscal year 2016 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; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	3,961,887	5,948,499	1,986,612	50.14%
Financial assets measured at fair value through other comprehensive incomes - non-current	1,354,200	849,072	-505,128	-37.30%
Property, plant and equipment	1,276,149	1,442,391	166,242	13.03%
Right-of-use assets	148,301	678,641	530,340	357.61%
Intangible assets	418,727	1,073,007	654,280	156.25%
Goodwill	1,261,280	1,945,645	684,365	54.26%
Deferred income tax assets	433,697	668,750	235,053	54.20%
Other non-current assets	100,862	99,858	-1,004	-1.00%
Total assets	8,955,103	12,705,863	3,750,760	41.88%
Current liabilities	2,193,588	3,834,188	1,640,600	74.79%
Non-current liabilities	1,300,244	3,770,396	2,470,152	189.98%
Total liabilities	3,493,832	7,604,584	4,110,752	117.66%
Share capital	471,406	473,791	2,385	0.51%
Capital surplus	676,011	722,280	46,269	6.84%
Retained earnings	3,549,585	3,595,538	45,953	1.29%
Other equity	764,269	234,184	-530,085	-69.36%
Total shareholders' equity	5,461,271	5,025,793	-435,478	-7.97%
<p>Explain the main reasons and impacts of the company's significant changes in assets, liabilities and equity in the past two years (changes between the previous and subsequent periods are more than 20% and the amount of change is NT\$10 million) and future response plans:</p> <ol style="list-style-type: none"> 1. Current assets: Mainly due to the increase in current assets as a result of the acquisition of Bluebird Inc. 				

2. Financial assets measured at fair value through other comprehensive incomes - non-current: The investee's share price has decreased.
3. Right-of-use assets: Mainly increased due to the acquisition of Bluebird Inc. during the period.
4. Intangible assets: Primarily arose from customer relationships and trademark rights resulting from the acquisition of Bluebird Inc.
5. Deferred tax assets: Mainly increased due to the acquisition of Bluebird Inc. during the period.
6. Current liabilities, non-current liabilities: Mainly increased due to the acquisition of Bluebird Inc. during the period.
7. Other equity: The difference was mainly due to an increase of NT\$68,877 thousand in translation loss on the Financial Statements of foreign operating institutions and of NT\$598,962 thousand in investment income from equity instruments measured at fair value through other comprehensive income or loss.

The Company's financial position is sound and the aforementioned changes have no significant impact on the Company.

II. Review and analysis of financial performance

(I) Comparative analysis of operating performance:

Unit: NT\$ thousand; %

Item	2023	2024	Amount increase (decrease)	Variation (%)
Net operating revenues	8,351,762	8,798,132	446,370	5.34%
Operating costs	5,544,541	6,062,972	518,431	9.35%
Gross profits	2,807,221	2,735,160	-72,061	-2.57%
Operating expenses	1,610,622	1,818,494	207,872	12.91%
Operating profits	1,196,599	916,666	-279,933	-23.39%
Non-operating income and (expenses)	60,186	17,745	-42,441	-70.52%
Profits before tax	1,256,785	934,411	-322,374	-25.65%
Income tax expense	329,912	262,195	-67,717	-20.53%
Net income for the period	926,873	672,216	-254,657	-27.47%

Analysis and explanation of variations:

1. Operating profit, profit before tax, income tax expense, and net profit for the period: The decline in printer business revenue, along with increased labor costs and amortization of acquisition premiums from the acquisition of Bluebird Inc., as well as the construction of information systems, led to higher operating costs and expenses, resulting in a decrease in operating profit, profit before tax, income tax expense, and net profit for the period.
2. Non-operating income and (expenses): The loss from financial instruments measured at fair value through profit or loss increased by NT\$18,612 thousand, and financial costs rose by NT\$34,545 thousand, leading to a 70.52% decrease in net non-operating income.

(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 compiled based on factors such as the Company's annual sales target, market demand conditions and development trends, customer operating profiles and the Company's current order status, and is taken into account reasonable assumptions such as the overall industry prospects and development trends and historical operating performance.

(IV) Possible impact on the company's future financial operations and response plans: The company's performance is showing a stable development trend and its financial position is sound, which can meet the needs of future business growth.

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
1,065,550	1,132,392	(375,308)	245	1,822,879	None	None
<p>Analysis of cash flow variations for the last year:</p> <p>1. Operating activities: Net cash inflow of NT\$1,132,392 thousand in the current period was mainly attributed to net income and non-cash expenses (depreciation).</p> <p>2. Investing activities: The net cash outflow for the period was NT\$2,691,663 thousand, mainly due to the acquisition of Bluebird Inc. and the purchase of real estate, plant, and equipment.</p> <p>3. Fund-raising activities: The net cash inflow for the period was NT\$2,316,355 thousand, primarily due to obtaining a syndicated loan from banks for the acquisition of Bluebird Inc.</p>						

(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
1,822,879	1,420,000	(213,000)	3,029,879	None	None
<p>1. Analysis of cash flow variation for the next year:</p> <p>(1) Net cash inflow from operating activities mainly comprises revenues generated from operations.</p> <p>(2) Cash outflows mainly represent the Company's expectations toward operational requirements, capital expenditure, repayment of maturing bank loans, and cash dividend payments.</p> <p>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.</p>					

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) Reinvestment policy for the most recent fiscal year: the Company is primarily involved in the manufacture and sale of barcode label printers; its investment policies are to gain 100% ownership in upstream and downstream businesses.

(II) Main causes of profit or loss:

Unit: NT\$ thousand

Description Item	2024 Profit (loss) amount	Main causes of profit or loss	Improvement plans	Investment plans for the coming year
TSC Auto ID (H.K.) Ltd.	121,221	The mainland subsidiary contributed to profitability.	The Company will continue to expand markets and increase the number of customers to sustain revenue growth.	The Company will adhere to its current investment policy and will seek appropriate investment opportunities based on changes in the industry environment.
TSC Auto ID Technology America Inc.	15,317	Despite a slight decline in revenue due to regional economic slowdown, overall profitability has been maintained.	Continue market expansion efforts; strive to increase customer base and revenues.	
TSC Auto ID Technology EMEA GmbH	151	Expenses are well-controlled.	Continue market expansion efforts; strive to increase customer base and revenues.	
Tianjin TSC Auto ID Technology Auto ID Technology Co., Ltd.	130,982	Both domestic and international sales have achieved steady growth, with effective control over production costs and expenses.	Continue market expansion efforts; strive to increase customer base and revenues.	

Description Item	2024 Profit (loss) amount	Main causes of profit or loss	Improvement plans	Investment plans for the coming year
TSC AUTO ID TECHNOLOGY ME, Ltd. FZE	(1,382)	Regional economic slowdown has led to a decline in revenue.	Continue market expansion efforts; strive to increase customer base and revenues.	The Company will adhere to its current investment policy and will seek appropriate investment opportunities based on changes in the industry environment.
TSC AUTO ID TECHNOLOGY Spain, S.L.	244	Expenses are well-controlled.	Continue market expansion efforts; strive to increase customer base and revenues.	
Diversified Labeling Solutions, Inc.	87,349	Stable performance with effective cost control.	Continue market expansion efforts; strive to increase customer base and revenues.	
Precisions Press & Label, Inc.	9,375	Stable performance with effective cost control.	Continue market expansion efforts; strive to increase customer base and revenues.	
TSC Auto ID Technology India Private Ltd.	615	Primarily service- based revenue, with no sales revenue.	Adjusting service revenue to improve the profit structure.	
Mosfortico Investments sp. z o.o.	(36,981)	Due to the recognition of investment loss in MGN and the amortization regarding customer relationships.	To merge with MGN in the future.	
MGN sp. z o.o.	(15,706)	The label paper market is sluggish, resulting in lower-than- expected gross profit.	By leveraging cross-selling synergies with European affiliates, we continue to improve sales performance in the European market.	
Bluebird Inc.	62,506	Stable performance with effective cost control.	Continue market expansion efforts; strive to increase	

Description Item	2024 Profit (loss) amount	Main causes of profit or loss	Improvement plans	Investment plans for the coming year
			customer base and revenues.	The Company will adhere to its current investment policy and will seek appropriate investment opportunities based on changes in the industry environment.
Bluebird Latin America S.de R.L. de CV	2,682	The company’s expenses are well- controlled.	Continue market expansion efforts; strive to increase customer base and revenues.	
Bluebird USA Inc.	(73)	The Company is the primary source of expenses.	Continue market expansion efforts; strive to increase customer base and revenues.	
Bluebird India R&D Center Private Ltd.	1,827	The company’s expenses are well- controlled.	Continue market expansion efforts; strive to increase customer base and revenues.	
Bluebird Germany GmbH	(1,918)	The Company is the primary source of expenses.	Continue market expansion efforts; strive to increase customer base and revenues.	
Bluebird Europe SL	(27)	The Company is the primary source of expenses.	Continue market expansion efforts; strive to increase customer base and revenues.	
Printronic Auto ID Technology Co., Ltd.	(162)	The company resolved to dissolve and liquidate in the board meeting held in May 2024, and reported the completion of liquidation to the court in November 2024.		

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 1.06% of the Company's net operating revenues in 2024. These interest expenses had accrued primarily on bank loans that the Company had borrowed for working capital and hedging. Considering that 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 Taiwan, 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\$637,780 thousand of R&D expenses in 2025.

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

The Company carries out business activities strictly in compliance with laws and rules of the competent authority, and 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 Board of Directors of the Company approved the acquisition of the shares of Bluebird Inc., a Korean company. Bluebird's technologies, products, and distribution channels are highly complementary to those of the Company, and the post-merger operational synergies are expected to be significant. Therefore, the Company plans to acquire shares of Bluebird Inc. to enrich the Group's overall product portfolio and provide customers with a comprehensive automatic identification system solution. At the same time, through the combined existing channels and markets of both companies, the Group aims to expand sales of existing products, thereby enhancing the Group's overall market share and brand competitiveness.

In conjunction with this transaction, the Company also intends to approach the remaining minority shareholders of Bluebird Inc. (hereinafter referred to as the "Minority Shareholders") to explore the possibility of acquiring their shares at a price not exceeding that of the current share acquisition transaction—approximately KRW 17,520 per share or its equivalent in USD. Depending on the minority shareholders' willingness to sell, the Company anticipates acquiring up to a total of 245,260 shares from the Minority Shareholders, representing an equity stake of approximately 3.49% of Bluebird Inc.'s total issued shares (hereinafter

referred to as the “Minority Shareholder Transaction”). If the Minority Shareholders are willing to sell all of their shares to the Company, upon completion of the Share Acquisition and the Minority Shareholder Transaction, Bluebird Inc. will become a wholly-owned subsidiary of the Company.

2. Possible Risks and Countermeasures:

Potential risks of unrecognized liabilities and related legal proceedings of the target company:

3. Countermeasures:

The Company has deposited a portion of the acquisition payment into a trust account and purchased insurance.

(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 1 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

(I) Consolidated Business Reports Covering Affiliated Enterprises

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