

Stock Code: 1315

Tahsin Industrial Corporation

2024 Annual Report

**Prepared by Tahsin Industrial Corp.
Printed on May 20, 2025**

This Annual Report can be found on the website below:
Market Observation Post System: **mops.twse.com.tw**
The Company's website: www.tahsin.com.tw

I. Name, Job Title, and Contact Number of the Company's Spokesperson and Acting Spokesperson

Spokesperson: LAI, KEN-MIN
Job Title: Vice President
TEL: (04)23595511
Email: h1@mail.tahhsin.com.tw

Acting Spokesperson: Chen,Ming-Je
Job Title: Manager
TEL: (04)23595511
Email: h1@mail.tahhsin.com.tw

II. Addresses and Telephone Numbers of Head Office, Taipei Office and Plants

Name	Address	TEL
Taichung Headquarter	No. 51, Industrial 35th Road, Xitun District, Taichung City	(04)23595511
Chung-Kan Plant	No. 336, Zili Road, Wuqi District, Taichung City	(04)26393355
Taipei Office	10th Fl., No. 369, Fuxing North Road, Songshan District, Taipei City	(02)27128311

III. Stock Transfer Handling Agency

Name: Transfer Agency Department,CTBC Bank Co. ,Ltd.
Address: 5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Website:www.ctbcbank.com
TEL:+866-2-6636-5566

IV. The Name of the CPA, the Name, Address, Website Address and the Telephone Number of the Accounting Firm of the Most Recent Annual Financial Report:

CPAs: WANG, WU-CHANG and CHIU, KUEI-LING
Accounting Firm: Crowe Horwath (TW) CPAs
Address: 7th Floor, No. 122, Dunhua North Road, Songshan District, Taipei City
Website:www.crowe.com.tw
TEL:(02)87705181(Operator)

V. Name of Overseas Trade Places for Listed Negotiable Securities: None.

The way to inquire about the overseas securities information: None.

VI. The Company's Website: www.tahhsin.com.tw

Table of Contents

Chapter 1 Letter to Shareholders

Chapter 2 Corporate Governance Report

I. Information About Directors, General Manager, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches	7
II. Remuneration of Directors (including Independent Director), General Manager, and Deputy General Manager	18
III. Implementation of Corporate Governance	28
IV. Information on Audit Fees of the CPAs	100
V. Information on Replacement of CPAs	100
VI. Description of whether the Company's Chairman, General Manager, or Managers in Charge of Finance and Accounting Operations Held Positions in the Accounting Firm or Affiliates of Its CPAs in the Most Recent Year	100
VII. Status of Share Transfer and Changes in Equity Pledge by Directors, Supervisors, Managers, and Shareholders with More than 10% Shareholdings in the Most Recent Year until the Publication Date of the Annual Report	101
VIII. Information on Relationship Among the Company's Ten Largest Shareholders	102
IX. The Number of Shares Held by the Company, by the Directors, Supervisors and Managers of the Company, and by any Entities either Directly or Indirectly Controlled by the Company in the Same Investee Enterprise, and the Calculation of the Consolidated Shareholding Ratio of the above Categories	103

Chapter 3 Funding Status

I. Capital and Shares	104
II. Shareholder Structure	106
III. List of Major Shareholders	107
IV. Explanation of the Company's Dividend Policy, Implementation Status, and Anticipated Major Changes	108
V. Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting	108
VI. Remuneration to Employees and Directors	109
VII. Status of Stock Buyback	112
VIII. Issuance of Corporate Bond	112
IX. Issuance of Preferred Shares	112
X. Issuance of Overseas Depositary Receipt	112
XI. Employee Stock Option	112
XII. Status of New Share Issuance in Connection with Mergers and Acquisition	112

XIII. The State of Implementation of the Company's Capital Allocation Plan . . .	112
--	-----

Chapter 4 Operations Overview

I. Description of the Business	113
II. Technology, Research and Sales Overview	121
III. Distribution of the Numbers, Average Years of Service, Average Age, and Level of Education of Employees in the Most Recent Two Years	128
IV. Information on Environmental Protection Expenditures	129
V. Labor Relations	130
VI. Information Security Management	143
VII. Important Contracts	148

Chapter 5 Review and Analysis of the Company's Financial Position and Financial Performance and Risk

I. Financial Position	149
II. Financial Performance	150
III. Consolidated Statements of Cash Flow	151
IV. Impact of any Major Capital Expenditures during the Most Recent Fiscal Year	152
V. The Investment Policy for the Most Recent Fiscal Year and Investment Plans for the Coming Year	152
VI. Risk Analysis and Assessment	153
VII. Other Important Matters	158

Chapter 6 Special Notes

I. Information on Affiliates	159
II. Private Placement of Securities of the Most Recent Year up to the Publication Date of this Report	159
III. Other Necessary Supplementary Information	159

Chapter 1 Letter to Shareholders

I. 2024 Business Report

Dear shareholders, ladies and gentlemen,

We present here the Company's 2024 business performance report. It is as follows:

In 2024, the Company's operating revenue was NT\$2.14706 billion, a reduction of 0.47% compared with that in 2023. The operating profit was NT\$ -74.99 million, a reduction of NT\$89.33 million compared with that in 2023. The net income before tax was NT\$262.02 million, a reduction of NT\$105.7 million compared with that in 2023. The net income after tax was NT\$288.9 million, a reduction of NT\$141.61 million compared with that in 2023.

The sales analysis of the Group by product and by region in the most recent two fiscal years is as follows:

By Product, Sales						
Product Category	2024		2023		Unit: NT\$ thousand Increased (Decreased) from the previous year	
	Amount	%	Amount	%	Amount	%
Rainwear Category	1,111,182	51.75	1,037,447	58.09	73,735	7.11
Garment Category	424,040	19.75	481,790	22.33	(57,750)	(11.99)
New Products Category	151,465	7.06	175,360	7.99	(20,895)	(12.12)
PP Corrugated Board	239,679	11.16	237,205	11.00	2,474	1.04
Others	220,694	10.28	228,391	10.59	(7,697)	(3.37)
Total	2,147,060	100.00	2,157,193	100.00	(10,133)	(0.47)

By Region Sales						
Region	2024		2023		Unit: NT\$ thousand Increased (Decreased) from the previous year	
	Amount	%	Amount	%	Amount	%
Taiwan	498,587	23.22	381,818	17.70	1116,769	30.58
Americas	297,663	13.86	324,488	15.04	(26,825)	(8.27)
Europe	663,287	30.89	666,650	30.90	(3,363)	(0.50)

Japan	305,082	14.21	369,016	17.11	(63,934)	(17.33)
Others	382,441	17.82	415,221	19.25	(32,780)	(7.89)
Total	2,147,060	100.00	2,157,193	100.00	(10,133)	(0.47)

Analysis of consolidated operating income, profitability and return on investment for the most recent two years is as follows:

(1) Consolidated Operating Income and Earnings Statement for the Most Recent Two Years

Unit: NT\$ thousand

Items	2024		2023	
	Amount	%	Amount	%
Net operating revenue	2,147,060	100.00	2,157,193	100.00
Operating gross profit	289,048	13.46	352,259	16.33
Operating profit	(74,992)	(3.49)	14,342	0.66
Net profit before taxes	262,020	12.20	367,722	17.05
Net Income after Tax	208,897	9.73	250,507	16.25

(2) Profitability

Items		2024	2023
Profitability	Return on total assets (%)	1.95	3.08
	Return on shareholders' equity (%)	2.09	3.30
	As a Percentage in Paid-in Capital (%)	Operating profit	1.45
		Income before Tax	37.11
	Net profit rate (%)	9.73	16.25
	Earnings per share (NT\$)	2.15	3.66

(3) Return on Investment

Items	2024	2023
Price-earnings (P/E) Ratio	33.20	19.46
Price-dividend (P/D) Ratio	14.28	14.25
Cash Dividend Yield	7.00%	7.02%

II. 2025 Business Plan Overview

(I) Impact from Competition, Legislation and Overall Business Environment

Impact from Competition:

In recent years, ongoing geopolitical conflicts and prolonged warfare, coupled with frequent extreme weather events, as well as challenges such as increased U.S. tariffs and low-cost competition from China's excess production capacity, have further exacerbated global economic uncertainty and instability.

Legislation Environment:

The Company is continuously promoting sustainability. Alerted by the record-high hottest year in 2024, we now see cold damages, heat waves, floods, droughts, hurricanes, and heavy rain increasingly becoming the new norm. Extreme climate events are becoming a crisis that the entire world must face together. Everyone around the globe should take a more proactive role in promoting change, adopting new lifestyles, and reducing negative impacts through practical actions to achieve a greener way of living.

In adherence to the principles of sustainability, the Group integrates environmental, social, and corporate governance concepts into its core businesses and operations. We are committed to working with our partners to build low-carbon business models, co-create a green and sustainable industry chain, and move together toward achieving sustainability goals.

Impact from Overall Business Environment:

Internationally:

Facing a series of major executive orders issued by the newly elected U.S. President, the global economy is overshadowed by concerns over uncertainty, and this leads to the rise of protectionism, divergent monetary policy trends across countries, and escalating geopolitical tensions. The changes in international situations continue to pose significant challenges to the global economy.

Domestically:

New regulations and industrial policies, such as the mandatory remuneration clauses and the introduction of carbon fees in 2025, will impact corporate operations and the investment environment. In a volatile and uncertain environment, it is essential to remain pragmatic and diligent, pursue innovation and progress, establish robust risk management mechanisms, and strengthen core business competitiveness to address potential risks and ensure sustainable corporate development.

II. Outline of 2025 Business Plan

〈I〉 Summary of 2025 Business Plan

1. Operating Strategies:

[Improve staff living standards] [Technological innovation, Attaches great importance to the quality]

[Stimulate employees' potential to create profits] [Serve customers at reasonable prices]

2. Estimated target for sales:

The sales target in 2025 is NT\$1.95 billion for the Company, and NT\$2.28 billion for the Group. We will continue to stabilize order receiving, ensure balance of production capacity, maintain competitive advantages in order to improve business performance and profitability.

The anticipated sales for major products of the Group in 2025 is as follows:

Unit: NT\$ Million

	Anticipated sales for the Company			Anticipated sales for the Group		
Product category	Domes- tic sales	Export sales	Expected sales	Domes- tic sales	Export sales	Expected sales
Raincoat	113	902	1,015	113	1,090	1,203
Garment	110	375	485	110	405	515
Stationery	2	79	81	2	191	193
Binding machine	-	33	33	-	33	33
Lamina- tor	-	117	117	-	117	117
PP corru- gated board	186	33	219	186	33	219
Total	411	1,539	1,950	411	1,869	2,280

3. Important production and sales strategies:

- ① Domestic sales market: Continue to develop new products, satisfy needs of each major distributor by rich and diversified product lines as well as sufficient inventory, prepare online catalogs, and actively conduct the sales promotional activities for the purpose of attracting more consumers and new distributors to join
- ② Export market: In face of diversification and versatility of products, continue to improve technical ability, and expedite production efficiency; meanwhile ensure product quality by strict manufacturing processes, provide customers with desirable products, and deepen co-operation with customers by professional and enthusiastic service.
- ③ Pay attention to industry trends, new product development, and raw materials changes, grasp important information in the market, and implement various sustainable development of business in combination with environmental protection issues.
- ④ Deliver shipments of goods on time, based on customers' delivery time. The document machines and binding machines for export can be shipped subject to customers' demands; pay attention to inventory and price of materials, maintain product quality and price competitiveness; meanwhile develop related products of the document machines, and enhance product assembly and manufacturing technology.
- ⑤ Actively promote recycling and reuse of PP boards, reduce purchasing rate of new materials in order to achieve the goal of environment protection, obtain certification of recycled materials, and upgrade the added value, actively promote green economy to create green business opportunities; investigate foreign information on use and sales of PP boards, and evaluate overseas sales opportunities.

〈 II 〉 Future development strategy:

- ① Development of new customers and acquisition of new orders:
Actively participate in important exhibitions at home and abroad, demonstrate excellent product process technology and quality, visit new and old customers, and develop potential customers, provide customers with desirable products with enthusiastic service, trustworthy quality, and timely shipment. In terms of products for domestic sales, explore new projects from institutional groups and government departments and win their orders, and enhance product sales performance.
- ② Exploit overseas production bases and outsourcing:
Pay attention to changes of the international tariff policies and conditions of the textile garment industry in countries of the Association of South-east Asian Nations, flexibly adjust order distribution strategy, and ensure stable supply of products; evaluate exploitation of overseas productions

bases and order outsourcing, and meanwhile train excellent personnel, and strengthen the overall production capability in order to cope with market changes.

③ Optimization of new equipment:

Continue to replace equipment in each factory area, import various automation machines, match use of digital software, increase output of machines with precise and effective utilization, conduct statistics and analysis of backend big data, and achieve energy-saving and output maximization.

④ Save energy, reduce carbon, and build greenhouse gas inventory:

The factory area is equipped with solar energy for self-used power generation; make full use of green electricity, and optimize power generation effects, check use of various energy in the factory area, build data of greenhouse gas emission, and take realistic actions to carry out energy-saving and carbon reduction policy and to do our best to fulfil corporate social responsibility.

⑤ Price negotiation of raw materials and stock management:

Strengthen price negotiation of raw materials, develop new suppliers, reduce production cost, create profit, activate stock, and increase product value.

Looking ahead, the global economy confront with variety of challenges and multiple risks including regional conflicts, geopolitics, climate change, and transitions to net-zero emission. Tahsin arranges for sustainable, preserves honest and integrity, deepens business management internally, develop market externally, invest resources, improve professionalism, optimize technology and ensure qualities; We are dedicated to achieving annual sales target and consistently creating better investment benefits for all shareholders.

II. Information About Directors, General Manager, Deputy General Managers, Assistant Deputy General Managers, and Heads of Departments and Branches

1. Directors (I)

April 22, 2025

Title (Note 1)	Nationality or Place of Registration	Name	Gender	Age Note 2	Date elected	Terms	First Elected Date (Note 3)	Shares held when being elected		Shares currently held		Shares currently held by spouse, or minor children		Shares Held in the Name of Other Persons	
								Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Chairman	Taiwan	Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG	Male	73	06.16.2023	three years	05.20.2005	9,500,000	9.59%	9,500,000	9.59%	388,294	0.39%	0	0
Vice Chairman	Taiwan	HU, PO-YI	Male	64	06.16.2023	three years	06.22.1999	1,700,961	1.72%	1,700,961	1.72%	748,454	0.76%	0	0
Director	Taiwan	Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN	Male	72	06.16.2023	three years	06.20.2014	2,546,694	2.57%	2,546,694	2.57%	0	0	0	0
Director	Taiwan	Ping Fang Investment Co., Ltd. (representative) LIU, WAN-CHENG	Male	75	06.16.2023	three years	06.05.2020	1,901,500	1.92%	1,901,500	1.92%	402,322	0.41%	1,901,500	1.92%
Director	Taiwan	HU, BOR-CHON	Male	66	06.16.2023	three years	06.06.2008	1,500	0	1,500	0	4,504	0	0	0
Director	Taiwan	Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN	Male	67	06.16.2023	three years	05.20.2005	4,000,000	4.04%	4,000,000	4.04%	34,534	0.03%	0	0
Independent Director	Taiwan	LIN, KO-WU	Male	74	06.16.2023	three years	06.23.2017	0	0	0	0	0	0	0	0
Independent Director	Taiwan	YANG, TE-WANG	Male	73	06.16.2023	three years	06.23.2017	9	0	9	0	0	0	0	0
Independent Director	Taiwan	YANG, KUO-SHU	Male	75	06.16.2023	three years	06.05.2020	0	0	0	0	0	0	0	0

Title (Note 1)	Name	Major Education and Work Experience (Note 4)	Position(s) Held Concurrently in the company and/or in Any Other Company	Other Managers, Directors and Supervisors Roles Held by Spouse or Second-degree Relations			Note (5)
				Title	Name	Relationships	
Chairman	Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG	Director, Tahsin Industrial Corp.	Chairman of the Board of the Company, Chairman of the Board of Tahsin Shoji Co., Ltd, Tah Chi Co., Ltd., and Tai-Ho Co., Ltd., Member of the Sustainability Committee and the Chief Sustainability Officer of the Company	Director	HU, PO-YI	Brother-In-Law	Explained in Note 5
Vice Chairman	HU, PO-YI	Director, Tahsin Industrial Corp.	Vice Chairman of the Board of the Company, Chairman of the Board of Tah Quan Investment Co., Ltd., Tah Fa Investment Co. Ltd. and T.H. USA	Chairman	WU, ZI-CONG	Brother-In-Law	None
Director	Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN	Director, Tahsin Industrial Corp.	Chairman of Good Harvest Machinery Industrial Co., Ltd.	Director	LIU, WAN-CHENG	Brother-In-Law	None
Director	Ping Fang Investment Co., Ltd.(representative) LIU, WAN-CHENG	General Manager, Tahsin Industrial Corp. Director, Tahsin Industrial Corp.	Chairman of Ping Cheng Investment Co. Ltd.	Director	HU, PEI-TUAN	Brother-In-Law	None
Director	HU, BOR-CHON	Director, Tahsin Industrial Corp.	Chief Executive Office, Tahsin Industrial Corp. and Chairman of the Board, Chang Cai Co., Ltd.	None	None	None	None
Director	Tah Cheng Investment Co., Ltd.(representative) LAI, KEN-MIN	Senior Deputy General Manager, Tahsin Industrial Corp. Director, Tahsin Industrial Corp.	Senior Deputy General Manager, Tahsin Industrial Corp.	None	None	None	None
Independent Director	LIN, KO-WU	Partner, First Horwath & Company CPAs	Convenor of the Remuneration Committee, the Audit Committee and the Sustainability Committee Independent director of Landis and Zig Sheng Industrial	None	None	None	None
Independent Director	YANG,TE-WANG	Division Chief, Tahsin Industrial Corp.	Member of the Remuneration Committee, the Audit Committee and the Sustainability Committee	None	None	None	None
Independent Director	YANG, KUO-SHU	Deputy Division Chief, Tahsin Industrial Corp.	Member of the Remuneration Committee, the Audit Committee and the Sustainability Committee	None	None	None	None

Note 1: For juristic person shareholders, their names and representatives shall be stated (for representatives, the names of juristic person shareholders they represent shall be indicated respectively), and filled in Table 1.

Note 2: Please list the actual age and express it in a range, such as 41 ~ 50 years old or 51 ~ 60 years old.

Note 3: Any disruption of duty as a Director or Supervisor after he/she is elected for the first time shall be included in a separate note.

Note 4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 5: Where the Chairman of the Board of Directors and the General Manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, the measures adopted in response thereto and relevant information.

Table 1: Major Shareholders of the Corporate Shareholders**April 22, 2025**

Name of corporate shareholders	Major Shareholders of the Corporate Shareholders and their Shareholding Ratio (Note)
Tah Quan Investment Co., LTD.	<ol style="list-style-type: none"> 1. Tah Fa Investment Co., Ltd. (44.39%) 2. WU, ZI-CONG (13.90%) 3. HU, PO-YI (30.61%) 4. CHEN, RUI-ZHEN (11.10%)
Daxinchang Investment Co., Ltd.	<ol style="list-style-type: none"> 1. HU, PEI-TUAN (87.69%) 2. HU, NAI-YUAN (8.25%) 3. HU, NAI-WEN (4.06%)
Ping Fang Investment Co., Ltd.	<ol style="list-style-type: none"> 1. LIU, WAN-CHENG (49.71%) 2. HU, CHUN-FANG (49.71%) 3. LIU, WEI-PING (0.58%)
Tah Cheng Investment Co., Ltd	<ol style="list-style-type: none"> 1. Tah Fa Investment Co., Ltd. (41.18%) 2. HU, PO-YI (29.41%) 3. CHEN, RUI-ZHEN (29.41%)

Note: Fill in the key shareholder name of the corporate shareholder and their shareholding ratio.

If the key shareholder is a corporate shareholder, please proceed to fill in more details in Table 2 below.

Table 2: In Case the Major Shareholders in Table 1 are Corporate Shareholders.**April 22, 2025**

Name of corporate shareholders	Major Shareholders of the Corporate Shareholders and their Shareholding Ratio
Tah Fa Investment Co., Ltd.	Tahsin Industrial Corp. (100%)

Information on Directors (II)

I. Disclosure of professional qualifications of directors and independence of independent directors:

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independent status (Note 2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Chairman of the Company, Chairman of Tahsin Shoji Co., Ltd., Tah Chi Co., Ltd., Tai-Ho Co., Ltd., Member of the Sustainability Committee, and the Chief Sustainability Officer of the Company None of any matters under Article 30 of the Company Act. 	<p>Among the nine directors listed on the left, there are no spousal or second-degree kinship relationships between them.</p>	None
HU, PO-YI	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Vice Chairman of the Board of the Company, and Chairman of the Board of Tah Quan Investment Co., Ltd., Tah Fa Investment Co. Ltd. and T.H. USA. None of any matters under Article 30 of the Company Act. 		None
Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Chairman of Daxinchang and Good Harvest Machinery Industrial Co., Ltd. None of any matters under Article 30 of the Company Act. 		None
Ping Fang Investment Co., Ltd. LIU, WAN-CHENG	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Chairman of Ping Cheng Investment Co. Ltd. None of any matters under Article 30 of the Company Act. 		None
HU, BOR-CHON	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Chief Executive Officer of the Company and Chairman of Chang Cai Co., Ltd. None of any matters under Article 30 of the Company Act. 		None

Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Director, Senior Deputy General Manager, and Member of the Sustainability Committee of the Company. None of any matters under Article 30 of the Company Act. 		
Independent Director LIN, KO-WU	<ul style="list-style-type: none"> Working experience in accounting, finance, operation judgment, crisis management and operation management and certificate of national examination required for accountant. Convenor of the Remuneration Committee, the Audit Committee, and the Sustainability Committee of the Company. Independent director of Landis and Zig Sheng Industrial. None of any matters under Article 30 of the Company Act. 	<p>Among the three independent directors on the left :</p> <p>◎All possess the qualifications for independence required of independent directors</p> <p>◎Fully compliant with the conditions for independence</p>	2
Independent Director YANG, TE-WANG	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Member of the Remuneration Committee, the Audit Committee, and the Sustainability Committee of the Company. None of any matters under Article 30 of the Company Act. 	<ul style="list-style-type: none"> In accordance with the Company's articles, directors are appointed through a nomination system. The Company has obtained written declarations from each director during the nomination and selection process of board members. Two of the independent directors are not holding shares of the company, one of them is holding nine shares. <p>Upon verification, neither they themselves, their spouses, nor any relatives within the second degree of kinship served as a director, supervisor, or employee of a company with a specific relationship with the company.</p>	None
Independent Director YANG, KUO-SHU	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Member of the Remuneration Committee, the Audit Committee, and the Sustainability Committee of the Company. None of any matters under Article 30 of the Company Act. 	<ul style="list-style-type: none"> No remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the last two years. <p>For implementing corporate governance and strengthening the qualification and independence of independent directors, the qualifications and independence of each independent director are reviewed annually. On May 13, 2024, the Board of Directors submitted the qualifications checklist for review by the Corporate Governance Officer and obtained a declaration from each independent director regarding their qualifications during their tenure.</p>	None

Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, state their accounting or financial background and work experience, and also state whether there are no circumstances in the paragraphs of Article 30 of the Company Act.

Note 2: Independent directors shall describe the independence status, including but not limited to whether they, their spouses and any of second-degree relatives are directors, supervisors or employees of the company or its affiliated enterprises; the number and proportion of shares held by them, their spouse, and second-degree relatives (or in the name of others); whether they are directors, supervisors or employees of a company with a specific relationship with the company; the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the last two years.

II. Diversity and independence of the board of directors:

The Company respects the diversification policy of directors. In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the board of directors has passed the Corporate Governance Practice Principles on the March 25, 2022, specifying that diversification should be taken into consideration when it comes to the composition of the members in the board of directors, regardless of gender, race, and nationality. In order to strengthen the functions of the board of directors and achieve the ideal goal of corporate governance, the board of directors should be equipped with capabilities as follows:

- 1. Business judgment ability**
- 2. Accounting and financial analysis ability**
- 3. Operation and management capability**
- 4. Crisis management capability**
- 5. Industrial expertise**
- 6. International market view**
- 7. Leadership**
- 8. Decision-making ability.**

The diversity, independence and implementation of the Company's current board of directors are as follows:

Items Name	Basic composition							Professional background				Professional competence								
	Nationality	Gender	Part-time employee of the Company	Age			Seniority of independent director 3 to 6 years	Industrial experience	Business Management	Financial Economy	Mechanical Engineering	Operational judgment	Accounting and finance	Operation and management	Crisis management	Industrial Expertise	International market view	Leadership	Decision-making ability	
				50 to 59 years old	60 to 69 years old	70 to 75 years old														
Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG	Taiwan	Male	✓			✓		Chairman and Director, Tahsin Industrial Corp.	✓				✓	O	✓	✓	✓	✓	✓	✓
HU, PO-YI	Taiwan	Male	✓		✓			Director, Tahsin Industrial Corp.	✓				✓	O	✓	✓	✓	✓	✓	✓
Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN	Taiwan	Male				✓		Director, Tahsin Industrial Corp.			✓	✓	O	✓	✓	✓	✓	✓	✓	✓
Ping Fang Investment Co., Ltd. LIU, WAN-CHENG	Taiwan	Male				✓		General Manager and Director, Tahsin Industrial Corp.	✓				✓	O	✓	✓	✓	✓	✓	✓
HU, BOR-CHON	Taiwan	Male	✓		✓			Director, Tahsin Industrial Corp.	✓				✓	O	✓	✓	✓	✓	✓	✓
Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN	Taiwan	Male	✓		✓			Senior Deputy General Manager and Director, Tahsin Industrial Corp.	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓

Independent Director LIN, KO-WU	Taiwan	Male				✓	✓	Partner, First Horwath & Company CPAs		✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director YANG, T E-WANG	Taiwan	Male				✓	✓	Division Chief, Tahsin Industrial Corp.	✓			✓	O	✓	✓	✓	✓	✓	✓
Independent Director YANG, KUO-SHU	Taiwan	Male				✓	✓	Deputy Division Chief, Tahsin Industrial Corp.	✓			✓	O	✓	✓	✓	✓	✓	✓

Note: Professional competence: v refers to having ability, o refers to having partial ability.

The specific goals of diversification policy and its performance are as follows:

Management objectives	Achievement
At least one third of the directors equipped with computer industry, marketing, or technology specialty	Achieved
At least one third of the independent directors equipped with financial accounting, technology, or law specialty	Achieved

1. There are 9 directors of the 20th board of directors of the company, all of whom are from the R.O.C. The composition structure is 3 independent directors, 4 directors with employee status, and 0 female directors (the percentage of them to the total board members is 33.3%, 44.4%, 0% respectively). Sexual equality will be taken into the future plan and the goal is to have female directors account for 11.11% of the total.
2. The age distribution range of directors is 3 directors in the age range of 60-69, and 6 directors in the age range of 70-75.
3. Directors receive reports from the management team during board meetings, provide guidance and suggestions, and maintain good communication with the management. During the current term (20th term), from June 16, 2023 to March 12, 2025, a total of 10 board meetings have been held, with an overall director attendance rate of 95.56%.
4. The seniority distribution range of independent directors: independent directors Lin, Ko-Wu, and Yang, Te-Wang have served for 8 years since June 23, 2017, independent director Yang, Kuo-Shu has served for 5 years since June 5, 2020, and all the independent directors have not served over 3 terms.
5. 6 directors were equipped with business management, marketing, and mechanical engineering specialties, 3 directors were equipped with financial accounting, economics, and business management specialties. The implementation of a diversification policy helps to improve governance efficiency and operating performance.
6. All directors possess considerable professional skills and hands-on experience, equipped with operation judgement, accounting and finance, business management, crisis management, industrial experience,

international market outlook, leadership, decision-making ability, etc.

- 7. The diversification orientation, independence and implementation of directors include the standards set out in Article 20 of the Company's "Corporate Governance Best Practice Principles"; in the future, the diversification policy will be revised in due course according to the operation, operation type and development needs of the board of directors, including but not limited to the two major standards of basic conditions and values (gender, age, nationality and culture), professional knowledge and skills (professional background) to ensure that board members should generally have the knowledge, skills and qualities necessary to perform their duties.**
- 8. No directors have any of the matters under Article 30 of the Company Act.**

2.1.3 General Manager, Deputy General Manager, Assistant General Manager, Managerial Officers, and Supervisors of Departments and Branches

On April 22 2025

Title (Note 1)	Nationality	Name	Gender	Age	Tenure date	Shares Held		Shares held by spouse, or minor children		Shares Held in the Name of Other Persons		Major Education and Work Experience (Note 2)	Position(s) Held Concurrently in Any Other Company	Managers who have spousal or second-degree family relationships within the Company			Remarks (Note 3)
						Shares	Shareholding ratio:	Shares	Shareholding ratio:	Shares	Shareholding ratio:			Title	Name	Relationships	
General Manager	Taiwan	CHEN, YI-CHIEH	Male	55	06.26.2023	0	0.00	0	0.00	0	0.00	Deputy General Manager, Tahsin Industrial Corp.	Invest Supervisor, Tah Fa Investment Co., Ltd.	None	None	None	None
CEO of Factory Affairs	Taiwan	HU, BOR-CHON	Male	66	04.01.2004	1,500	0.00	4,504	0.00	0	0.00	Director, Tahsin Industrial Corp.	Chairman, Chang Cai Corp., Ltd.	None	None	None	None
Senior Deputy General Manager	Taiwan	LAI, KEN-MIN	Male	67	08.10.2017	12,162	0.01	34,534	0.03	0	0.00	Director, Tahsin Industrial Corp.	None	None	None	None	None
Assistant General Manager	Taiwan	DAVID CHEN	Male	63	08.10.2017	0	0.00	0	0.00	0	0.00	Manager, Tahsin Industrial Corp.	Director, Tah Fa Investment Co., Ltd.	None	None	None	None

Note 1: Shall include information regarding General Manager, Deputy General Manager, Assistant General Managers, Supervisors of Departments, and Branch Agencies. Persons who hold positions equivalent to General Manager, Deputy General Manager, or Assistant General Managers shall also be disclosed.

Note 2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 3: Where the Chairperson of the Board of Directors and the General Manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).

Description: For implementing the principles of corporate governance and division of Labor in function, the Chairman and General Manager WU, ZI-CONG resigned from the position of General Manager on June 26, 2023. The Deputy General Manager of the Company, CHEN, YI-QIAN, has been promoted to the position of General Manager, and this appointment was approved by the Board of Directors on June 26, 2023.

2.2 Remuneration of Directors (including Independent Director), General Manager, and Deputy General Manager

(1) Remuneration of Directors (including Independent Director)

Unit:NT\$ Thousand December 31, 2024

Title	Name	Remuneration of Directors								Ratio of total remuneration (A+B+C+D) to net income after tax (Note 10)		Remuneration Paid to Part-Time Employees								Ratio of total remuneration (A+B+C+D+E+F+G) to net income after tax % (Note 10)		Remuneration paid to directors from an investment company other than the company's subsidiary (Note 11)
		Base Remuneration (A) (Note 2)		Retirement Pension (B)		Directors' remuneration (C) (Note 3)		Allowances (D) (Note 4)				Salaries, bonus and special subsidies (E) (Note 5)		Retirement pension (F)		Employees' compensation (G) (Note 6)						
		The company	All companies listed in this financial report (Note 7)	The company	All companies listed in this financial report (Note 7)	The company	All companies listed in this financial report (Note 7)	The company	All companies listed in this financial report (Note 7)	The company	All companies listed in this financial report (Note 7)	The company	All companies listed in this financial report (Note 7)	The company	All companies listed in this financial report (Note 7)	The company		All companies listed in this financial report (Note 7)		The company	All companies listed in this financial report (Note 7)	
Cash amount	Stock amount															Cash amount	Stock amount					
Chairman	Tah Quan Investment Co., Ltd. (Representative): WU, ZI-CC	3,600	3,600	0	0	1,140	1,140	0	0	2.31	2.31	16,019	21,779	0	0	18	0	18	0	20,777 10.11%	26,537 12.91%	None
Vice Chairman	HU, PO-YI																					
Director	Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN																					
Director	Ping Fang Investment Co., Ltd. (representative)LIU, WAN-CHENG																					
Director	HU, BOR-CHON																					
Director	Tah Cheng Investment Co., Ltd. (Representative): LAI, KEN-MIN	2,160	2,160	0	0	0	0	9	92	1.10	1.10	0	0	0	0	0	0	0	0	2,252 1.10%	2,252 1.10%	None
Independent Director	LIN, KO-WU																					
Independent Director	YANG, TE-WANG																					
Independent Director	YANG, KUO-SHU																					

Table of Remuneration Ranges

Remuneration Ranges for Directors	Name of Director			
	Total Remuneration for the First Four Items (A+B+C+D)		Total Remuneration for the First Seven Items (A+B+C+D+E+F+G)	
	The company (Note 8)	All companies listed in this financial report (Note 9)H	The company (Note 8)	All companies listed in this financial report (Note 9)I
Less than NT\$ 1,000,000	Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG, HU, PO-YI Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN, HU, BOR-CHON, Ping Fang Investment Co., Ltd. (representative) LIU, WAN-CHENG, Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN, LIN, KO-WU, YANG, TE-WANG YANG, KUO-SHU	Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG, HU, PO-YI Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN, HU, BOR-CHON, Ping Fang Investment Co., Ltd. (representative) LIU, WAN-CHENG, Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN, LIN, KO-WU, YANG, TE-WANG YANG, KUO-SHU	Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN, Ping Fang Investment Co., Ltd. (representative) LIU, WAN-CHENG, LIN, KO-WU, YANG, TE-WANG YANG, KUO-SHU	Ping Fang Investment Co., Ltd. (representative) LIU, WAN-CHENG, LIN, KO-WU, YANG, TE-WANG YANG, KUO-SHU
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	None	None	None	None
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	None	None	None	None
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)			HU, BOR-CHON, Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN	Daxinchang Investment Co., Ltd. (representative) HU, PEI-TUAN, HU, BOR-CHON, Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	None	None	Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG, HU, PO-YI	Tah Quan Investment Co., Ltd. (representative) WU, ZI-CONG, HU, PO-YI
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (exclusive)	None	None	None	None
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (exclusive)	None	None	None	None
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (exclusive)	None	None	None	None
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (exclusive)	None	None	None	None
Over NT\$ 100,000,000	None	None	None	None
Total	9 directors	9 directors	9 directors	9 directors

Note 1: The name of the directors shall be listed separately (for corporate shareholders, the name of corporate shareholders and representatives shall be listed separately), and the payments shall be disclosed collectively. Directors who also serve as General Manager or Deputy General Managers shall be listed in the table and the table below (3).

- Note 2:** Remuneration of directors in the most recent year (including salaries, job remuneration, severance, bonuses, and performance fees).
- Note 3:** Remuneration paid to directors in the most recent fiscal year upon the approval of the Board of Directors.
- Note 4:** Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). When expenditures, such as housing, cars, and other transportation, or dedicated personal expenses, the nature and cost of the assets, actual rental fee or assumed rental fee based on fair market rate, petrol cost, and other payout should be disclosed. If a personal driver has been given, please explain in a footnote as to the salary of the driver. Yet the driver's salary will not be included in the remuneration.
- Note 5:** Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance, and driver allowance received by directors who concurrently serve as employees (including General Manager, Deputy General Managers, other managerial officers, and employees) in the most recent fiscal year. When expenditures, such as housing, cars, and other transportation, or dedicated personal expenses, the nature and cost of the assets, actual rental fee or assumed rental fee based on fair market rate, petrol cost, and other payout should be disclosed. If a personal driver has been given, please explain in a footnote as to the salary of the driver. Yet the driver's salary will not be included in the remuneration. Any compensations recognized under IFRS2 Share-Based Payment, including issuance of employee option certificates, new restricted employee shares, and cash capital increase by stock subscription shall also be included.
- Note 6:** For directors concurrently holding positions in the company in the most recent fiscal year (including the General Manager, Deputy General Managers, other managerial officers, or employees) and receiving the remuneration (including stock and cash), the employees' remuneration paid in the most recent fiscal year upon the approval of the Board of Directors shall be disclosed. If such remuneration cannot be estimated, the remuneration to be distributed in the most fiscal year shall be based on the proportion of the remuneration distributed last year and filled in Schedule 1-3.
- Note 7:** Total remuneration in the various items paid out to the Company's directors by all companies (including this Company) listed in the consolidated statement shall be disclosed.
- Note 8:** For the total remuneration in various items paid out to the company's directors, the name of each director shall be disclosed in the corresponding range of the remuneration. For the total remuneration in various items paid out to the company's directors, the name of each director shall be disclosed in the corresponding range of the remuneration.
- Note 9:** Total remuneration in various items paid to every director of this Company by all companies (including this Company) listed in the consolidated statement shall be disclosed. The name of the director shall also be disclosed in the proper remuneration range.
- Note 10:** Net profit refers to the after-tax net income for the most recent fiscal year; for those that have already adopted the IFRS principles, net profit refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year.
- Note 11:**
- a. The amount of remuneration received from subsidiaries other than investment companies by the company's directors should be stated clearly in this column.
 - b. If the director receives remuneration from investments in other companies that are not subsidiaries of this company, the said remuneration shall be included in Column I in the remuneration range table. The name of the column shall also be changed to "All investments in other companies".
 - c. Remuneration in this case shall refer to compensation, reward, employee bonuses, expenses of business execution, and other related payments received by the company's director for being a director, supervisor, or managerial officer of investment companies other than subsidiaries of the company.
- * The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

Remuneration to General Manager and Deputy General Manager (Summarized in accordance with the Range of Remuneration disclosed)

Unit: NT\$ thousand December 31, 2024

Title	Name	Salary (A) (Note 2)		Retire- ment Pen- sion (B)		Bonuses and special expenses (C) (Note 3)		Employees' Remunera- tion (D) (Note 4)				Ratio of A,B,C,D Total Re- muneration to Net Income (%) (Note 8)		Whether or not the person re- ceives remunera- tion from other non-subsidi- ary compa- nies that this com- pany has in- vested in (Note 9)
		The com- pany	All com- panies listed in this fi- nancial report (Note 5)	T he com- pany	All com- panies listed in this finan- cial re- port (Note 5)	The com- pany	All compa- nies listed in this fi- nancial re- port (Note 5)	The com- pany		All compa- nies listed in this fi- nancial re- port (Note 5)		The company	All com- panies listed in this fi- nancial report (Note 5)	
								Cas h am oun t	St oc k am oun t	Cas h am oun t	Stoc k amo unt			
General Man- ager	CHEN, YI-QIAN	4,041	5,521	0	0	6,680	6,680	18	0	18	0	10,739 5.22%	12,219 5.94%	None
CEO of Factory Affairs	HU, BOR- CHON													
Overseas CEO	HUANG, CHUN- JIA													
Senior Deputy General Man- ager	LAI, KEN-MIN													

*Regardless of title, any position equivalent to General Manager, Deputy General Manager (e.g., President, CEO, director) shall be disclosed.

Description: Mr. Huang Chun-Jia, the company's Overseas CEO, honorably retired on January 3, 2025. The position of Overseas CEO will temporarily remain vacant.

Table of Remuneration Ranges

Ranges of Remuneration paid to General Manager and Deputy General Manager of the Company	Names of General Manager and Deputy General Manager	
	The Company (Note 6)	All companies listed in this financial report (Note 7) E
Less than NT\$ 1,000,000	None	None
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	HUANG, CHUN-JIA	HUANG, CHUN-JIA
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	CHEN, YI-QIAN, HU, BOR-CHON LAI, KEN-MIN	CHEN, YI-QIAN
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	None	HU, BOR-CHON LAI, KEN-MIN
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (exclusive)	None	None
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (exclusive)	None	None
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (exclusive)	None	None
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (exclusive)	None	None
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (exclusive)	None	None
Over NT\$ 100,000,000	None	None
Total	4 directors	4 directors

Note 1: The names of the General Manager and Deputy General Managers shall be listed separately, and the payments shall be disclosed collectively. If a director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2) above.

Note 2: General Manager and Deputy General Manager's compensations in the most recent fiscal year (including salary, professional compensation, and severance).

Note 3: Cash and non-cash compensations to the General Manager and Deputy General Manager in the most recent year, including bonus, reward, reimbursement of expenses, special allowances, various subsidies, housing, and use of vehicle. When expenditures, such as housing, cars, and other transportation, or dedicated personal expenses, the nature and cost of the assets, actual rental fee or assumed rental fee based on fair market rate, petrol cost, and other payout should be disclosed. If a personal driver has been given, please explain in a footnote as to the salary of the driver. Yet the driver's salary will not be included in the remuneration. Any compensations listed under IFRS2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares, and cash capital increase by stock subscription shall also be included.

Note 4: The amount of employee compensation of General Managers and Deputy General Managers in the most recent fiscal year, which has been approved and assigned by the Board of Directors (including share bonus and cash). If the amount cannot be estimated, the amount for the current fiscal year should be

calculated pro rata, based on the actual amount of the previous fiscal year. Net profit refers to the after-tax net income for the most recent fiscal year; for those that have already adopted the IFRS principles, net profit refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year. NIAT refers to the net profit after tax in the most recent year; in cases where international financial reporting standards are adopted, the NIAT represents the net profit after tax of individuals or respective financial statements in the most recent year.

Note 5: Total compensations of various items paid out to this Company's General Managers and Deputy General Managers by all companies (including this Company) listed in the consolidated statement shall be disclosed.

Note 6: Names of the Company's General Managers and Deputy managers shall be disclosed in the range corresponding to the total of compensations paid to them.

Note 7: Total compensation of various items paid to every General Manager and Deputy General Manager of the company by all companies (including the company) listed in the consolidated statement shall be disclosed. The name of the General Manager and Deputy General Manager shall also be disclosed in the proper compensation range.

Note 8: NIAT refers to the net profit after tax in the most recent year; in cases where international financial reporting standards are adopted, the NIAT represents the net profit after tax of individuals or respective financial statements in the most recent year.

Note 9: a. The amount of remuneration received from subsidiaries other than investment companies by the Company's General Managers and Deputy General Managers should be stated clearly in this column.

b. If the company's General Managers or Deputy General Managers receive remuneration from investments in other companies that are not subsidiaries of the company, the said remuneration shall be included in column E in the remuneration bracket table. The name of the column shall also be changed to “All investments in other companies”.

c. Remuneration in this case shall refer to remuneration, compensation (including remuneration as a company employee, director, or supervisor), business expenses, and other related payments received by the General Managers or Deputy General Managers of this Company for being a director, supervisor, or managerial officer of other non-subsidiary companies that this company has invested in.

The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

2.2.3 Distribution of Employee Compensation and Names of Distribution Managers

Unit: NT\$ thousand

December 31, 2024

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total Amount as A Proportion of Net Income After Tax (%)
Manag- ers	General Manager	CHEN, YI- QIAN	0	18	18	0.0087
	CEO of Factory Af- fairs	HU, BOR- CHON				
	Overseas CEO	HUANG, CHUN-JIA				
	Senior Deputy General Manager	LAI, KEN- MIN				

Note 1: Names and job titles should be disclosed individually, but the earning distributions can be disclosed on an aggregate basis.

Note 2: Remuneration paid to managers in the most recent fiscal year upon the approval of the Board of Directors (including stock dividends and cash). If the amount cannot be estimated, the amount shall be based on the amount paid in the previous year. NIAT refers to the net profit after tax in the most recent year; in cases where international financial reporting standards are adopted, the NIAT represents the net profit after tax of individuals or respective financial statements in the most recent year.

Note 3: Applicability of managers is based on the Ministry of Finance Securities & Futures Commission Letter No. Taiwan-Finance-Securities-(3)-0920001301 issued on March 27, 2003, which is as follows:

(1) General Managers or their equivalents; (2) Deputy General Manager or their equivalents; (3) Assistant General Manager or their equivalents; (4) Chief Financial Officer; (5) Chief Accounting Officer; and (6) other persons authorized to manage affairs and sign documents on behalf of a company

Note 4: If Directors, General Manager, or Deputy General Manager have received employee compensations (including shares and cash), this form shall be filled out in addition to Table 1-2.

2.2.4 Separately compare and describe total remuneration, as a percentage of net income, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to Directors, Supervisors, General Manager, and Deputy General Managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to ESG-related performance evaluation and future risk exposure:

- (1) Analysis of the Total Remuneration of Directors, General Managers, Deputy General Managers, and Their Equivalents as a Percentage of the Company's After-Tax Income in the Individual Financial Statement in the Last Two Years:

Unit: NT\$ Thousand

Item Position	The Company				Consolidated Companies			
	2023		2024		2023		2024	
	Total	Ratio of Total Amount to NIAT	Total	Ratio of Total Amount to NIAT	Total	Ratio of Total Amount to NIAT	Total	Ratio of Total Amount to NIAT
Directors' Re- muneration	21,410	6.13%	20,777	10.11%	26,810	7.67%	26,537	12.91%
General Man- agers' and Deputy Gen- eral Manag- ers' Remu- neration	10,912	3.12%	10,739	5.22%	12,352	3.53%	12,219	5.94%
NIAT	349,399	-	205,569	-	349,399	-	205,569	-

Description:

1. Due to the business performance not meeting the target in 2024, the total remuneration of directors in 2024 decreased compared with that in 2023.
2. The Remuneration Committee of the Company held three meetings on March 5, 2024, November 1, 2024, and February 19, 2025, as of the printing date of the annual report, for reviewing the remuneration structure of Directors and managers, and standards for year-end bonus distribution. The conclusion was submitted to the Board of Directors for discussion and approval.
3. On March 12, 2025, the Board of Directors adopted a resolution to distribute the 2024 remuneration of NT\$ 1.28 million for employees and directors' remuneration of NT\$ 1.14 million, all of which will be paid in cash.

(2) Description of the policy for payment of remuneration, the standard and combination, the procedures for setting remuneration, and the relationship between business performance and future risks:

1. The Policy for Payment of Remuneration, the Standard and Combination:

① The remuneration of Directors of the Company:

It is determined based on the level of operational involvement of individual directors, as well as the Board of Directors' assessment of the company's annual performance and internal evaluations, in reference to industry standards. In addition, if the company makes a profit during the year, no more than 0.5% of such profit shall be allocated as directors' remuneration in accordance with Article 27 of the Company's Articles of Incorporation. The Company conducts regular evaluations of directors' remuneration in accordance with the "Regulations on Board Performance Evaluation," and the related performance assessments and remuneration reasonableness are reviewed by both the Remuneration Committee and the Board of Directors. The remuneration of Directors of the Company is divided into three categories:

i. Fixed monthly remuneration

ii. The attendance fee of the functional committees

iii. Remuneration paid to directors upon the approval of the Board of Directors

② Independent directors are not involved in the distribution of directors' compensation, and receive a fixed monthly remuneration and the attendance fee of the functional committees

③ For remuneration of managers in addition to a fixed monthly salary in accordance with corporate standards, a performance bonus, and a year-end bonus are issued based on the operation of the company. Other related bonuses may be paid in accordance with the sustainable business strategies, annual business performance, financial situation, and individual assessment. Reasonable recommendations were submitted by the Remuneration Committee after review, and were approved by the Board of Directors Resolution. The basis for determining management bonuses includes both short-term and long-term financial and non-financial performance indicators. Bonus targets are set based on the fulfillment of the company's core values, operational management capabilities, profitability contribution, and participation in sustainable development. The calculation of operational and sustainability performance-based compensation takes into account the achievement rates of these indicators. The bonus system is subject to ongoing review in light of actual business conditions and relevant regulations, ensuring reasonable remuneration that balances sustainable corporate development with risk management.

Short-Term Financial and Non-Financial Performance Indicators:

- 1. Individual Indicators:** Regular monthly review of work performance and achievement rate.
- 2. Financial Indicators:** Financial performance and departmental goal achievement rate.
- 3. Managerial Indicators:** Talent development and enhancement of employee capabilities and quality.
- 4. Corporate Governance:** Emphasis on ethical management, regulatory compliance, and risk control.
- 5. Sustainability Indicators:** Implementation, attention to, and promotion of net-zero carbon reduction initiatives.
- 6. Risk Indicators:** Environmental pollution, employee safety, and information security.

Long-Term Financial and Non-Financial Performance Indicators:

- 1. Individual Indicators:** Achievement rate of sustainability implementation.
- 2. Financial Indicators:** Group operational growth rate and increase in market share.
- 3. Managerial Indicators:** Talent cultivation with a global perspective.
- 4. Corporate Governance:** Enhancement of corporate value.
- 5. Sustainability Indicators:** Deepening sustainable practices across all employees.
- 6. Risk Indicators:** Resource shortages, extreme climate change, and geopolitical conflicts.

④ The overall compensation for employees of the Company includes: monthly salary, festive bonuses, performance bonuses, and year-end bonuses. The Company establishes a reasonable compensation policy by referring to market salary levels, its operational performance, and internal organizational structure, while adhering to the principle of sharing operating results. Annual salary adjustments are made in a timely manner in accordance with applicable government regulations and external market and industry trends. Performance evaluations for daily work, year-end assessments, and bonuses are based on the Company's operational results and individual performance. If the Company generates profit in a given year and such profit is sufficient to offset accumulated losses, any remaining balance shall be allocated as follows: not less than 0.5% of the surplus shall be distributed as employee remuneration, and not less than an additional 0.5% shall be allocated for salary adjustments or bonus distributions specifically for frontline employees.

⑤ The combination of remuneration paid by the Company is based on the Remuneration Committee Charter, including cash remuneration, retirement benefits or severance, various subsidies, and other measures with concrete rewards; the scope of directors' and managers' remuneration should be consistent with the published company annual report.

2. The Procedures for Setting Remuneration:

- ① Regular evaluation of the remuneration of Directors and managerial office is based on the assessment results in accordance with the "Regulations on Board Performance Evaluation" and the "Compensation Criteria". At the same time, related industry risks and sustainability management indicators

are also incorporated, with performance metrics such as quality, pollution, carbon reduction, occupational safety, and information security. These indicators are closely integrated with corporate governance, overall operations, and sustainable development.

- ② The remuneration of the Chairman and the General Manager refers to peer companies and the business performance of the Company, and is reviewed by the Board of Directors. The evaluation criteria of the Chairman's performance are based on annual operating results related to operations, management, finance, and sustainable development. The scope of evaluation also includes net income before tax and the corporate governance evaluation indicators; The evaluation criteria of the General Manager's performance include various performance goals related to operating and management, finance supervision, safety management, internal control, and the implementation of quality and sustainable development measures, among others.
- ③ The operating evaluation and the reasonableness of remuneration of directors and managers are annually evaluated and reviewed by the Remuneration Committee and the Board of Directors. In addition to the individual achievement rate and the contribution, the overall operating performance, the future risks of the industry, the effectiveness of implementing sustainability, various indicators, actual business situations, and related laws and regulations are taken into consideration.

3. The Relationship Between ESG-related Performance and Future Risks:

- ① The Company's remuneration policies, including related payment standards and systems, are reviewed primarily based on overall business performance. Upholding the principle of sharing operational results, the remuneration standards are determined according to the achievement rate of strategic execution and the level of contribution, in order to enhance the whole team's responsibility for long-term performance. In addition, industry remuneration benchmarks are taken into account to ensure the remuneration of the Company's management staff remains competitive, thereby retaining outstanding managerial talent.
- ② The financial performance of Managers and the effectiveness of business strategies are incorporated with risk control and sustainability management to ensure the possible risks in duties are manageable and preventable, and the result of evaluation on actual performance is linked to related human resources and remuneration policies. Critical decisions from the managerial level should be made after assessing various risk elements. The related performance of decision making reflects on the profits of the Company, and the remuneration of the managerial level is related to the performance on risk control and sustainability.
- ③ Establishing rewards, evaluation, and remuneration linkages related to carbon reduction and long-term performance goals:

Current Planning:

The performance goals for the General Manager and managerial personnel include indicators related to finance, business strategy, and sustainability performance. These are linked to variable remuneration and annual evaluations.

Short-Term Goals (3 years):

Incorporate net-zero carbon reduction targets into the annual performance evaluations of managerial personnel, with achievement levels tied to remuneration assessments.

Mid-Term Goals (5 years):

Strengthen the linkage between remuneration and sustainability performance by integrating net-zero targets into the evaluation criteria of individual behaviors, with weighted proportions applied to the managerial personnel of the Group.

Long-Term Goals (10 years):

Enhance the linkage between remuneration and sustainability performance and extend the implementation coverage to all employees across the Group.

2.3 Implementation of Corporate Governance:

1. Information on the Operation of the Board of Directors

A total of 6 (A) Board meetings were held in the last year. The attendance of the Directors was as follows:

Title	Name (Note 1)	Times of attending in person B	Times of attending by proxy	Rate of Actual Presence (Attendance) [B/A] (Note 2)	Remarks
Chairman	Tah Quan Investment Co., Ltd. (representative): WU, ZI-CONG	6	0	100	Reappointed Re-election Date: June 16, 2023
Vice Chairman	HU, PO-YI	6	0	100	Reappointed Re-election Date: June 16, 2023
Director	HU, BOR-CHON	5	1	83	Reappointed Re-election Date: June 16, 2023
Director	Daxinchang Investment Co., Ltd. (Representative): HU, PEI-TUAN	4	2	67	Reappointed Re-election Date: June 16, 2023
Director	Ping Fang Investment Co., Ltd.: LIU, WAN-CHENG	5	1	83	Reappointed Re-election Date: June 16, 2023
Director	Tah Cheng Investment Co., Ltd. (representative): LAI, KEN-MIN	6	0	100	Newly-elected Election Date: June 16, 2023
Independent Director	LIN, KO-WU	6	0	100	Reappointed Re-election Date: June 16, 2023
Independent Director	YANG, TE-WANG	6	0	100	Reappointed Re-election Date: June 16, 2023
Independent Director	YANG, KUO-SHU	6	0	100	Reappointed Re-election Date: June 16, 2023

Other matters that shall be reported:

- I. Where one of the following circumstances apply for the operations of the Board of Director meetings, the date, session, proposal contents, opinions of all Independent Directors, and the Company's actions in response to the opinions of the Independent Directors shall be stated:

- (1) Matters referred to in Article 14-3 of the Securities and Exchange Act:

In the fiscal year 2024 and up to the date of publication of the annual report, the

company has convened 6 board meetings in total, with the material resolutions as follows: is listed on pages 90-98 of the annual report, 3 independent directors expressed no objection to the matters listed in Article 14-3 of the Securities and Exchange Act and adopted the resolution accordingly.

- (2) Except for the aforementioned matters, any other resolutions from the Board of Directors where an independent director has a dissenting or qualified opinion that is on record or stated in a written statement: None.

II. When executing directors' recusals for proposals involving conflicts of interest, the name of the Director, the content of the proposal, the reason for the recusal, and the results of the voting should be stated:

(1) The 5th Board meeting of the 20th Board of Directors: (March 12, 2024)

①Parties recused: Director HU, BOR-CHON, LAI, KEN-MIN, attending General Manager CHEN YI-CHIEN and Financial Accounting Manager CHEN, MIN-TSE, for a total of 4 persons.

②Content of the proposal: Distribution plan of remuneration to managers in 2023.

③Reasons for recusal and voting participation:

Interested parties should be recused from discussion and voting due to their managerial duties in the Company.

(2) The 9th Board meeting of the 20th Board of Directors: (November 12, 2024)

①Parties recused: Chairman WU, ZI-CONG, Vice Chairman HU, PO-YI, Director HU, BOR-CHON, LAI, KEN-MIN, attending General Manager CHEN YI-CHIEN and Financial Accounting Manager CHEN, MIN-TSE, for a total of 6 persons.

②Content of the proposal: Distribution plan of year-end bonus to executive directors and managers.

③Reasons for recusal and voting participation:

Interested parties should be recused from discussion and voting due to their involvement in executive director and managerial duties within the Company.

(3) The 10th Board meeting of the 20th Board of Directors: (March 12, 2025)

①Parties recused: Director HU, BOR-CHON, LAI, KEN-MIN, attending General Manager CHEN YI-CHIEN and Financial Accounting Manager CHEN, MIN-TSE, for a total of 4 persons.

②Content of the proposal: Distribution plan of remuneration to managers in 2024.

③Reasons for recusal and voting participation:

Interested parties should be recused from discussion and voting due to their managerial duties in the Company.

III. The information of self-evaluation of the board members, the Board of Directors, and the functional committees, such as the evaluation cycle, period, scope, method, and contents, and the implementation of the evaluation.

(1) Cycle, period, scope, method, and contents of the evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year	January 2024~December 2024	Board members	Self-evaluation by board members	<ul style="list-style-type: none"> Alignment of the goals and missions of the company (8%) 2. Awareness of the duties of a director (10%) Participation in the operation of the company (44%) 4. Management and communication of internal and external relationships (9%) The director's professionalism and continuing education (20%) Internal control (9%)
		Board of Directors	Internal evaluation	<ul style="list-style-type: none"> Participation in the operation of the company (25%) Improving the quality of decision-making by the Board of Directors (25%) Composition and structure of the Board of Directors (20%) Election and continuing education of the directors (15%) Internal control (15%)
		Audit Committee		<ul style="list-style-type: none"> Participation in the operation of the company (18%) Awareness of the duties of the Audit Committee (22%) Improving the quality of decision-making by the Audit Committee (32%) Composition of the Audit Committee and the election of its members (14%) Internal control (14%)
		Remuneration Committee		<ul style="list-style-type: none"> Participation in the operation of the company (22%) Awareness of the duties of the Remuneration Committee (22%) Improving the quality of decision-making by the Remuneration Committee (40%) Composition of the Remuneration Committee and the election of its members (16%)

(2) The implementation status of the board members' evaluation:

2024

1. The Company formulated the “Measures for the Evaluation of the Board of Directors' Performance”, which was adopted by the Board of Directors on November 11, 2016.
2. The performance evaluation of the board members, the Board of Directors, and the functional committees was conducted in December each year.
3. During December 1 to December 31, 2024, the board members, the Board of Directors and the functional committees conducted an internal evaluation. There were 30 self-evaluation indicators for the board members, 47 evaluation indicators

for the Board of Directors, 22 evaluation indicators for the Audit Committee, and 18 evaluation indicators for the Remuneration Committee. The evaluation results were divided into five grades: excellent, well, good, fair, and to be strengthened. The executive unit was responsible for the overall compilation of the results and submitted to the Chairman and the convener of the Audit and Remuneration Committee at the end of December. The evaluation results shall be reported to the latest board meeting in the next year.

4. According to the above measures, the evaluation results of 2024 have been submitted to the Board of Directors and the audit committee on March 12, 2025 and reported by the remuneration committee on February 19, 2024.

5. According to the law, the performance appraisal results should be reported to the TWSE before the end of the first quarter of the next year, starting from 2020. The report was completed on March 21, 2025. In addition, the implementation is fully disclosed in the annual report and the company's website for reference.

(3) The results of the 2024 annual self-evaluation of the board members, the Board of Directors and functional committees are summarized as follows:

The self-assessment questionnaire was answered by 9 board members of the company. The assessment results are analyzed as follows:

1. Evaluation year: 2024

2. Evaluation period: From January 1 to December 31, 2024

3. Self-evaluation period: from December 1 to December 31, 2024

4. Directors who conducted the self-evaluation:

① **Chairman: WU, ZI-CONG**

② **Vice Chairman: HU, PO-YI**

③ **Director: HU, BOR-CHON, HU, PEI-TUAN, LIU, WAN-CHENG, LAI, KEN-MIN**

④ **Independent Director LIN, KO-WU, YANG, TE-WANG, YANG, KUO-SHU**

5. Evaluation results:

① **Board members**

There were 9 self-evaluation questionnaires with 30 items. The evaluation results of 2024 were: 95.09 points, which was “well”.

② **Board of Directors**

The performance evaluation covers five aspects, with 47 items in total. The evaluation results of 2024 were 92.76 points, which was “well”.

③ **Audit Committee**

The performance evaluation covers five aspects, with 22 items in total. The evaluation results of 2024 were 99.09 points, which was “excellent”.

④ **Remuneration committee**

The performance evaluation covers four aspects, with 18 items in total. The evaluation results of 2024 were 98.88 points, which was “excellent”.

6. Chairman's comments:

Each director is fully aware of their duties and responsibilities. Beyond adhering to relevant regulations, they are committed to the ideals of sustainable management and pragmatic integrity, thereby effectively performing their functions as members of the Board. During this year, the attendance rate of directors reached 91.11%; the internal and external interactions are effective and directors' duties are well done.

7. Comments of Independent Director LIN, KO-WU:

Relevant laws and regulations, financial status, risk control, etc., are implemented and managed under proper judgment, and the directors in respective functional committees have objectively exercised the functions and powers to fulfill their supervisory duties.

Note 1: The execution cycle of the Board of Directors' evaluation.

Note 2: The period of the performance evaluation of the Board of Directors.

Note 3: The scope of evaluation covers the performance evaluation of the board, individual directors, and functional committees.

Note 4: Methods of evaluation include the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5: Contents of the evaluation shall cover the following aspects:

(1) Performance evaluations of the Board of Directors:

At least including participation in the operation of the company, decision quality of the Board of Directors, composition and structure of the Board of Directors, election/appointment, and continuing education of the directors, and internal control.

(2) Performance evaluations of individual board members:

At least including alignment of the goals and mission of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationships and communication, professionalism and continuing education of the directors, and internal control.

(3) Performance evaluation of the functional committees:

Participation in the operation of the company, awareness of the duties of the functional committees, improvement of the quality of decision-making by the functional committees, makeup of the functional committees, election of their members, and internal control.

IV. Communication between Independent Directors, Supervisor of internal audit and the CPA:

1. The tenure distribution of independent directors:

The independent directors LIN, KO-WU and YANG,TE-WANG assumed office on June 23, 2017, with 6-year tenures. Independent director YANG, KUO-SHU assumed office on June 5, 2020, with a 3-year tenure. All independent directors have served for no more than 3 consecutive terms.

2. Attendance of independent directors in meetings:

Convenor LIN, KO-WU, and committee members YANG,TE-WANG and YANG KUO-SHU had 100% attendance in all Audit Committee meetings and Board meetings in 2024.

3. The Company's internal audit managers and CPAs may directly contact Independent Directors as necessary so as to maintain good mutual communication.

4. The Company's internal audit manager periodically reports to the Independent Directors on internal audit matters and internal control operations. to fully express and communicate on audit operations and effectiveness. Additionally, based on company needs or at the request of the independent directors, ad hoc meetings and communications with independent directors are conducted outside of the Audit Committee meetings. Independent directors may provide responses or opinions as deemed necessary. The implementation and effectiveness of such interactions have been adequately demonstrated.

5. The Company's certifying CPA regularly (on a quarterly basis) reports to the independent directors on the results of the financial statement reviews and internal control audits. The CPA also provides explanations regarding accounting treatment principles, material items affecting profits and losses, recent regulatory amendments, and governance-related matters. A consensus has been reached on all relevant communication topics.

Summary of the significant discussion for the year and the most recent year is as follows:

Date	Method	Communications between internal audit managers	Execution results
2024.03.05	Discussion	Review of the audit and assessment report for January 2024.	No comment on communication matters
2024.03.12	Discussion	Review of the audit and assessment report for February 2024.	No comment on communication matters
2024.04.30	Discussion	Review of the audit and assessment report for March 2024.	No comment on communication matters
2024.05.13	Discussion	Review of the audit and assessment report for April 2024.	No comment on communication matters
2024.06.21	Discussion	Review of the audit and assessment report for May 2024.	No comment on communication matters
2024.08.12	Discussion	Review of the audit and assessment report for June 2024.	No comment on communication matters
2024.08.27	Discussion	Review of the audit and assessment report for July 2024.	No comment on communication matters
2024.10.09	Discussion	Review of the audit and assessment report for August 2024.	No comment on communication matters
2024.11.05	Discussion	Review of the audit and assessment report for September 2024.	No comment on communication matters
2025.01.08	Discussion	Review of the audit and assessment report for October to November 2024.	No comment on communication matters
2025.02.19	Discussion	Review of the audit and assessment report for December 2024.	No comment on communication matters

2025.02.19	Discussion	Review of the audit and assessment report for January 2025.	No comment on communication matters
2025.03.12	Discussion	Review of the audit and assessment report for February 2025.	No comment on communication matters

Summary of significant discussion between independent directors and CPAs for the year and the most recent year is as follows:

Date	Method	Communication matters with our accountants	Execution results
2024.03.05	Discussion	1. Review of standalone and consolidated financial statements for the 4th quarter of 2023. 2. Internal control audit report.	No comment on communication matters
2024.04.30	Discussion	1. Review of consolidated financial statements for the 1st quarter of 2024. 2. Internal control audit report.	No comment on communication matters
2024.08.12	Discussion	1. Review of consolidated financial statements for the 2nd quarter of 2024. 2. Internal control audit report.	No comment on communication matters
2024.11.05	Discussion	1. Review of consolidated financial statements for the 3rd quarter of 2024. 2. Internal control audit report. 3. Statement on the Suitability and Independence of the Certified Public Accountant.	No comment on communication matters
2024.12.20	Written	Governance matters related to the audit plan for the 2024 Financial Statements	No comment on communication matters
2025.03.04	Written	Governance matters related to communication during the completion stage of audit work for the 2024 Financial Statements	No comment on communication matters
2025.03.04	Written	1. Review of standalone and consolidated financial statements for the 4th quarter of 2024. 2. Statement on the Suitability and Independence of the Certified Public Accountant.	No comment on communication matters

V. Goals of strengthening the functions of the board of directors in the current year and the most recent year

(Establishing a functional committee and enhancing information transparency) and implementation status:

1. To strengthen the competence of the Board of Directors, the Company established the following functional committees, and their implementation is disclosed:

(1)The Audit Committee: Please refer to p.39 of this report

(2)The Remuneration Committee: Please refer to p.57 of this report

2. Related information on the actual operation of the Board of Directors:

(1) Material resolution of the Board: Please refer to p.91 of this report

(2) The information has been published on Tahsin's website (www.tahhsin.com.tw).

Note 1: Where a director or supervisor is a legal person, the name of the legal person shareholder and the name of its representative shall be disclosed.

Note 2:

(1) Before the end of the year, should any director or supervisor leave the position, departure dates should be indicated in Notes. Actual attendance rate (%) shall be calculated using the number of Directors' Meetings convened and actual presence (attendance) during the term of service.

(2) Before the end of the year, if there is any re-election of a director, the newly and previously elected directors should both be listed, with the status as to whether they are previously elected, newly elected, or re-elected, and the re-election date stated in remarks. Actual presence (attendance) rate (%) shall be calculated using the number of Directors' Meetings convened and actual times of presence (attendance) during the term of service.

2. Operation of the Audit Committee:

(1) A total of 5 (A) Board meetings were held in the latest year. The attendance of the Independent Directors was as follows:

Title	Name	Attendance in Person (B)	Times of attending by proxy	Attendance in Person) (Note 1, Note 2)	Remarks
Convener	LIN, KO-WU	5	0	100	Date of Establishment: June 16, 2023
Members	YANG,TE-WANG	5	0	100	Date of Establishment: June 16, 2023
Members	YANG, KUO-SHU	5	0	100	Date of Establishment: June 16, 2023

Other matters that shall be reported:

(1) If the Audit Committee operates under any of the following circumstances, it shall state the date, period, content of the proposal, independent directors' objections, qualified opinions or major recommendations, the results of the Audit Committee's resolutions, and

the Company's response to the opinions of the Audit Committee:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

In the year 2024 and up to the date of publication of the annual report, the company has convened five board meetings in total, with the material resolutions listed on page 38-44 of the annual report, three independent directors expressed no objection to the matters listed in Article 14-5 of the Securities and Exchange Act. These were approved by the Audit Committee, and were submitted to the Board of Directors for approval.

(2) Except for the previous matters, other matters that have not been approved by the Audit Committee and have been approved by more than two thirds of all directors: None.

II. During the execution process where the Independent Director avoids interested proposal, the name of the Independent Director, the content of the proposal, the reason for the avoidance, and the results of the voting should be stated: None.

III. Communication between Independent Directors, Supervisor of internal audit and CPA:

Matters, methods and results of communication on the company's financial and business status:

① Before the meeting of the board of directors and the audit committee, the audit supervisor will report the results of the internal audit on a selected date. Independent directors can understand and express their opinions at the meeting.

② Financial statements are sent to independent directors for approval after being audited by CPAs. When opinions are expressed by independent directors during the review of the financial report, a detailed explanation will be given by the accounting officer, while further discussion with CPAs can also be held.

③ The CPAs have been appointed to audit the individual and consolidated financial statements of the company and its subsidiaries for 2024, and the communication with the governance units:

Both parties communicated and confirmed governance items, including the reliability of financial information disclosure of the company, job responsibilities of auditors, understanding of significant risks that the Company faces, and risk-reducing measures at the managerial level. The discussion was effective and without

objections.

- ④ The individual and consolidated financial statements for 2024 were approved by the Audit Committee on March 12, 2025 and were submitted to the Board of Directors for approval.**
- ⑤ For communication matters, see page 33-34 of the annual report.**

Note 1: Before the end of the year, should any independent director leave the position, departure dates should be indicated in Notes. Actual presence (attendance) rate (%) shall be calculated using the number of meetings of the Audit Committee convened and actual presence (attendance) during the term of service.

Note 2: If any re-election of independent directors takes place before the end of the year, the newly elected and previously elected independent directors should both be listed with the status of whether they are previously elected, newly elected, or re-elected, and the election date clarified in Notes. His or her attendance rate (%) will be calculated on the basis of the number of Audit Committee meetings held during his or her tenure and the number of such meetings attended.

(2) Information on the establishment of the Audit Committee

To establish a sound governance system, strengthen internal supervisory mechanisms, and enhance operational efficiency, the Company, in accordance with the Securities and Exchange Act, created the position of independent directors at the 18th term of the Board of Directors (2017). The election of independent directors was conducted under a candidate nomination system, with the Board consisting of nine members (including two independent directors). In the 19th Board re-election (2020), the Board remained at nine members (including three independent directors). On June 5, 2020, the Company established an Audit Committee to replace the functions of the supervisors. Upon the expiration of their terms, the original supervisors were automatically dismissed. The Audit Committee is composed of all independent directors.

(3) The major duties of the Audit Committee:

1. The main purpose of the operation of this committee is the supervision of the following matters:

- (I) The fair expression of the company's financial statements.**
- (II) Engagement (dismissal) of the CPA, their suitability and independence.**

(III) Effective implementation of the company's internal controls.

(IV) The company complies with relevant laws and regulations.

(V) Control of the company's existing or potential risks.

2. The Committee assists the Board of Directors in carrying out its supervisory duties, and its functions and powers are as follows:

(I) The internal control system shall be established or amended in accordance with the provisions of Article 14-1 of the Securities and Communications Law.

(II) Assessment of the effectiveness of the internal control system.

(III) In accordance with the provisions of Article 36 1 of the Securities and Communications Law, the procedures for the acquisition or disposition of assets, the transaction of derivative commodities, the loan of funds to others, the endorsement of others or the provision of guarantees for the processing of major financial business activities.

(IV) Matters involving the director's own interests.

(V) Material assets or financial derivatives transactions

(VI) Material capital loans, endorsements or guarantees.

(VII) Offering, issuing or private placement of securities with equity nature.

(VIII) Appointment, dismissal or remuneration of the CPA.

(IX) Appointment and removal of the head of finance, accounting or internal audit.

(X) Annual financial report and semi-annual financial report.

(XI) Material matters specified by other companies or competent authorities.

(4) Operation and the summary of the annual work of the Audit Committee in 2024:

- 1. The current (20th) Board of Directors has established an Audit Committee composed entirely of its three independent directors.**
- 2. Summary of annual work:**

- **Reviewing the Financial Statement**

The Board of Directors has submitted the 2024 Business Report, the

proposal for earnings distribution, and the consolidated and individual financial statements—including quarterly reviews and annual audits—audited and attested by CPAs Mr. Wang Wu-Chang and Ms. Chiu Kuei-Ling of Crowe (TW) CPAs. The Audit Committee has completed its review of the above documents and found no material discrepancies.

- **Assessment of the Effectiveness of the Internal Control System**
The Audit Committee has assessed the effectiveness of the Company's internal control system (including finance, operations, risk management, information security, and legal compliance controls). The Committee has also reviewed periodic reports submitted by the Internal Audit Department and the attesting CPAs, and no deficiencies have been identified.
- **Amendments to part of the Articles of the Company's "Internal Control System" and "Internal Audit Implementation Guidelines"**
Certain articles were amended in response to practical operational needs. The revised articles were approved by the Audit Committee on November 12, 2024, and subsequently submitted to the Board of Directors for resolution in accordance with the regulations.
- **Establishment of the Company's "Sustainable Development Committee" and Appointment of Its Members**
In accordance with the organization's charter for the Sustainable Development Committee, the Committee was established. The proposal was approved by the Audit Committee on November 12, 2024, and subsequently submitted to the Board of Directors for resolution in accordance with the regulations.
- **Appointment of the Chief Sustainability Officer**
To further promote the Company's commitment to sustainable development and enhance long-term corporate sustainability value, a Chief Sustainability Officer position was established in accordance with the organization's charter of the Sustainable Development Committee. The proposal was approved by the Audit Committee on November 12, 2024 and subsequently submitted to the Board of Directors for resolution in accordance with the regulations.
- **Annual Evaluation of the Independence and Suitability of the Attesting CPAs**
The annual assessment is conducted based on the "CPA Independence Declaration" and the "Audit Quality Indicators (AQI)" report provided by the attesting CPAs. The evaluation results are then submitted to the Board of Directors for review. The most recent evaluation was approved by the Audit Committee on November 12, 2024, and subsequently submitted to the Board for resolution in accordance with the regulations.
- **Ad Hoc Evaluation of the Independence and Suitability of the Attesting CPAs**
In coordination with internal personnel rotation requirements of Crowe (TW) CPAs, an ad hoc evaluation was conducted starting from the audit of the Company's Q1 2025 financial statements. The evaluation was based on the "CPA Independence Declaration" and the "Audit Quality Indicators (AQI)" report provided by the attesting CPAs. The results of the evaluation were submitted to the Board of Directors and, after being reviewed and approved by the Audit Committee on March 12, 2025, they were submitted to the Board for resolution in accordance with the regulations.

(5) Operation Status of the Audit Committee in 2024 and up to the Date of the Annual Report Publication:

In 2024 and up to the date of publication of this annual report, the Company convened a total of five Audit Committee meetings. The material resolutions made during these meetings are summarized as follows:

- ① The 5th meeting of the 2nd Audit Committee: (March 12, 2024)**
- **Submitted and approved: Key business, financial issues and internal audit report.**
 - **Submitted and approved: Evaluation Results of the 2023 Self-Assessment of the Board Members, the Board of Directors, the Audit Committee, and the Remuneration Committee**
 - **Approved by resolution: The proposal for the company's 2023 business report and financial statements (including consolidated financial statements) has been prepared.**
 - **Approved by resolution: The proposal for the earnings distribution of the second half of 2023.**
 - **Approved by resolution: The proposal for the statement on self-evaluation of the internal control system in 2023.**
 - **Approved by resolution: Amendment to part of the Articles of the Company's "Organization Charter of the Audit Committee".**

Dealing with the opinion from the Audit Committee:

The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.

- ② The 6th meeting of the 2nd Audit Committee: (May 13, 2024)**
- **Submitted and approved: Key business, financial issues and internal audit report.**
 - **Submitted and approved: Report on corporate governance-related laws and regulations**

- **Approved by resolution: The proposal for the company's 2024 Q1 consolidated financial statements has been prepared.**
- **Approved by resolution: Amendment to the Company's "Operational Guidelines for Financial and Business Transactions among Affiliates".**
- **Approved by resolution: Amendment to the Company's "Procedures for the Prevention of Insider Trading".**
- **Approved by resolution: Amendment to the Company's "Corporate Governance Best Practice Principles".**
- **Approved by resolution: Amendment to the Company's "Organizational Charter for the Sustainable Development Committee."**

Dealing with the opinion from the Audit Committee:

The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.

③ The 7th meeting of the 2nd Audit Committee: (August 12, 2024)

- **Submitted and approved: Key business, financial issues and internal audit report**
- **Submitted and approved: Summary Report on information security and stakeholder engagement by category.**
- **Submitted and approved: Greenhouse gas inventory disclosure and implementation status.**
- **Approved by resolution: The proposal for the company's 2024 Q1 consolidated financial statements and the business report for the first half of 2024 have been prepared.**
- **Approved by resolution: The proposal for the earnings distribution of the first half of 2024.**
- **Approved by resolution: Implementation status of the Sustainability Report (including CPA Assurance Report).**

- **Approved by resolution: Investment proposal by subsidiary Da Yue Co. Ltd. to increase investment in Tahsin Fumei.**
- **Approved by resolution: Capital Increase Plan for Subsidiary Da Yue Co. Ltd.**

Dealing with the opinion from the Audit Committee:

The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.

- ④ **The 8th meeting of the 2nd Audit Committee: (November 12, 2024)**
- **Submitted and approved: Key business, financial issues and internal audit report**
 - **Submitted and approved: Summary Report on information security, integrity, and stakeholder engagement by category.**
 - **Submitted and approved: Implementation Status of Sustainability Initiatives**
 - **Approved by resolution: The proposal for the company's 2024 Q3 consolidated financial statement has been prepared.**
 - **Approved by resolution: The proposal for the company's 2025 “Business Plan”.**
 - **Approved by resolution: The proposal for the Company’s 2025 Internal Audit Plan.**
 - **Approved by resolution: Approval of personnel changes related to derivatives trading authorization.**
 - **Approved by resolution: Amendments to Certain Articles of the Company’s “Internal Control System” and “Internal Audit Implementation Guidelines.”**
 - **Approved by resolution: Report on the periodic**

evaluation of the independence and suitability of the at-testing CPAs.

- **Approved by resolution: Proposal on the establishment of the “Sustainable Development Committee” and the appointment of its Members.**
- **Approved by resolution: Proposal on the appointment of the Company’s Chief Sustainability Officer.**
- **Approved by resolution: Termination of Operations of the U.S. Subsidiary Tahsin USA**

Dealing with the opinion from the Audit Committee:

The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.

- ⑤ **The 9th meeting of the 2nd Audit Committee: (March 12, 2025)**
- **Submitted and approved: Key business, financial issues and internal audit report**
 - **Submitted and approved: Summary Report on information security, integrity, and stakeholder engagement by category.**
 - **Submitted and approved: Report on the implementation of sustainable development and greenhouse gas inventory.**
 - **Submitted and approved: Report on corporate governance-related laws and regulations.**
 - **Submitted and approved: Evaluation Results of the 2024 Self-Assessment of the Board Members, the Board of Directors, the Audit Committee, and the Remuneration Committee**
 - **Approved by resolution: The proposal for the company's 2024 business report and financial statements (including consolidated financial statements) has been prepared.**

- **Approved by resolution: The proposal for the earnings distribution of the second half of 2024.**
- **Approved by resolution: 2024 Internal Control System Self-Assessment Declaration.**
- **Approved by resolution: Report on the evaluation of the independence and suitability of the attesting CPAs.**
- **Approved by resolution: Replacement of the attesting CPAs.**
- **Approved by resolution: The proposal for personnel changes related to derivatives trading authorization.**
- **Approved by resolution: Amendments to part of the Articles of the Company's "Endorsement and Guarantee Operating Procedures."**

Dealing with the opinion from the Audit Committee:

The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.

3. Status of corporate governance implementation and differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, with reasons

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Does the Company set and disclose a corporate governance code of practice according to the Corporate Governance Practice Principles?	V		The Company has formulated the Company's "Corporate Governance Practice Principles" with reference to the contents of the "Corporate Governance Practice Principles for TWSE/GTSM-Listed Companies", which was adopted by the Board of Directors on March 25, 2022. It has been disclosed on the Market Observation Post System and the Company's website: www.tahhsin.com.tw .	No difference
II. Ownership Structure and Shareholders' Equity				
(I) Has the company set internal operating procedures to deal with shareholder proposals, doubts, disputes and litigation matters, and does it implement these in accordance with its procedures?	V		The Company has built a fully structured spokesperson system, set up a hotline, e-mail address, and a stakeholders' section on its website to deal with related issues. The Company's website: www.tahhsin.com.tw	No difference
(II) Does the Company hold a register of major shareholders and persons exercising ultimate control over those major shareholders?	V		The company, through stock transfer agency of CTBC Bank, manages related matters, gets hold of major shareholders along with persons exercising ultimate control in the register of shareholders, and files changes in internal shareholdings on a monthly basis.	No difference
(III) How does the company establish its risk management mechanism and firewalls involving related enterprises?	V		The company, on May 13, 2024, has passed the provisions formulated for the control and management of related operational procedures on financial business between the company and its affiliates, and related party transaction management, endorsements/guarantees, lending funds to others. In addition, Operation Management of Subsidiaries is stipulated in the Guidelines for Internal Control System to implement the risk control mechanism of subsidiaries.	No difference
(IV) Has the Company stipulated internal rules that prohibit company insiders from trading securities using information not yet disclosed to the market?	V		(1) The Board of Directors of the company has passed the updates to the "Company Governance Practice Principles" on March 25, 2022, submitted to the shareholders' meeting on June 17, 2022; This Principle and "Regulations of for the Prevention of Insider Trading" stipulate that all Company personnel shall adhere to the provisions of the laws and regulations, the board members should exercise the functions and powers in highly disciplined manners and with awareness, and may not take advantage of their position and of undisclosed information of which they have learned to engage in insider trading. (2) The Company conducts education and publicity on relevant laws and regulations at least once a year. The directors and managers newly appointed in June 2023 have arranged insider trading prevention education within 3 months of assuming office. (3) In the insider trading prevention course promoted by the company starting since 2023,	No difference

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>internal personnel and employees are reminded not to trade their stocks during the 30-day blackout period before the announcement of annual fiscal report, and the 15-day blackout period before the quarterly financial report.</p> <p>(4) The Department of Stock Affairs of the Company notified the Board of Directors by email 7 days prior to the commencing date of the Board of Directors Meeting, informing them of the blackout periods for trading stocks before the announcement of the annual and quarterly financial reports, to prevent directors from violating the regulation inadvertently.</p>	
III. Organization and responsibilities of the Board of Directors (I) Have a policy of diversity and specific management goals been established and implemented for the composition of the Board of Directors?	V		<p>The Company has set a policy and specific management objectives for the diversification of board members, and Article 20 of the Company's Code of Practice on Corporate Governance sets out the capabilities that the Board of Directors as a whole should have, and please refer to pages 10-16 of the Annual Report for implementation.</p>	No difference
(II) In addition to Remuneration Committee and Audit Committee established according to law, has the Company voluntarily formed other functional committees?	V		<p>On November 12, 2024, the Board of Directors approved the establishment of the Sustainable Development Committee, the appointment of its members, and the Chief Sustainability Officer.</p>	No difference
(III) Has the Company set performance assessment rules and methods for the Board of Directors and does it perform this evaluation every year, report the results of the performance appraisal to the Board of Directors and apply them to the remuneration of individual Directors and their nomination for reappointment?	V		<p>(1) On November 11, 2016, the Board of Directors of the company passed the "Measures for the Evaluation of the Board of Directors' Performance."</p> <p>(2) The results of the self-evaluation of the board members, the Board of Directors, and the functional committees in 2024 are all well and excellent. It has been provided to the Remuneration Committee for reference on February 19, 2025, and also submitted to the Board of Directors on March 12, 2025, and the declaration has been completed. The results of the evaluation of performance will be used as a reference basis for the renewal or nomination of directors. In addition, the evaluation measures, methods, implementation and evaluation results are simultaneously disclosed on Tahsin's website.</p>	No difference
(IV) Does the company regularly evaluate the independence of the CPA?	V		<p>The Company regularly evaluates the independence and suitability of CPAs on an annual basis based on the "Accountant Independence Statement" and the "Audit Quality Indicators (AQI)". The latest evaluation result has been reported to the Board of Directors for deliberation and approval on November 12, 2024.</p> <p>In the annual assessment, CPAs WANG, WU-CHANG and CHIU, KUEI-LING of Crowe Horwath (TW), both met standards for independence assessment of the Company (Note 1) and were eligible to serve as CPAs for the Company. The accounting firm also issued statements of independence</p>	

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			(Note 2).	
IV. Does the TWSE/TPEX listed company have a dedicated eligible and appropriate number of personnel for corporate governance and appointed a Supervisor in charge of the company's corporate governance affairs (including but not limited to providing information required for Director/Supervisor's operations, assisting Directors and Supervisors to comply with laws and regulations, convening board/shareholder meetings in compliance with the law, and producing meeting minutes of board/shareholder meetings)?	V		<p>The governance officers supervise the corporate governance related affairs and the Share Affairs Division of the Finance Department is responsible for the execution:</p> <p>(1) Handle the meeting related matters of the Board of Directors, the Audit Committee, the Remuneration Committee, and the shareholders' meeting in accordance with the law.</p> <p>(2) Prepare the minutes and annual report.</p> <p>(3) Provide data for the directors, Audit Committee, Remuneration Committee, and Sustainable Development Committee to carry out business.</p> <p>(4) Assist each director to complete the training according to the regulated hours (6 hours).</p> <p>(5) Handling matters related to insider changes.</p> <p>(6) Strengthen the revision of corporate governance-related norms and the establishment of the official website investor zone.</p> <p>(7) Other matters stipulated in the Articles of Incorporation or laws.</p>	No difference
V. Has the company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), appointed a section of the Company's website for stakeholder affairs, and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	V		<p>(1) The company has kept good communication channels respectively with investors, employees, customers, end users, suppliers, and distributors through Labor Management Meetings, General Affair Department, Procurement Department, Finance Department, and other responsible units.</p> <p>(2) A section of the Company's website is designated and has been working smoothly for stakeholder affairs to directly communicate with the relevant interested parties via the spokesperson, acting spokesperson, or domestic customer-service reception window depending on the nature of the interested-party matters, and to adequately respond to stakeholders' inquiries on significant corporate social responsibility issues.</p> <p>(3) A report on the communication between various categories of stakeholders has been regularly reported to the board of directors on March 12, May 13, August 12, and November 12, 2024 and March 12, 2025.</p>	No difference
VI. Has the Company commissioned professional shareholder services agency to hold Shareholders' Meeting and other relevant events?	V		The Company has not only set up a dedicated share officer but also commissioned a stock transfer agency of CTBC Bank to deal with the affairs of the shareholders.	No difference
VII. Information Disclosure (I) Has the company established a website to disclose information on financial status and corporate governance?	V		Information on financial status and corporate governance has been disclosed in the investor section on the Company's website. Website: www.tahhsin.com.tw	No difference
(II) Has the company adopted other measures (such as	V	V	<p>(1) The Company has a spokesperson and an acting spokesperson.</p> <p>(2) Dedicated persons are assigned to gather</p>	No difference

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>English website, a designated person responsible for the collection and disclosure of information, implementation of the spokesman system, the legal entities announcements uploaded to website, etc.) to disclose information?</p> <p>(III) Does the Company announce and declare its annual financial reports within two months after the end of the fiscal year, and announce and declare the financial reports for the first, second and third quarter and the operation situation of each month earlier than the prescribed period?</p>			<p>(3) and disclose related information on the website in a timely manner.</p> <p>(4) The website also provides business related information in Chinese and English, and the English version of the annual financial information is also disclosed to enhance the transparency of corporate information.</p> <p>Disclosure of investor conference information in the Financial Information section of the Investor Relations area on the Company's website.</p> <p>The Company shall, in accordance with the law, announce and declare within 75 days after the end of each fiscal year since 2023, and announce and declare within 45 days after the end of the first, second and third quarter of each fiscal year. The declaration of operating conditions of each month shall be completed within the stipulated time limit.</p>	The company has filed the financial reports within the deadlines prescribed by law
<p>VIII. Has the company disclosed other information to facilitate a better understanding of its corporate governance (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relations, rights of stakeholders, professional development of the Directors and Supervisors, implementation of risk management policies and risks assessment, and purchasing liability insurance for the Directors and Supervisors)?</p> <p>VIII. Has the company disclosed other information to facilitate a better understanding of its corporate governance?</p>	V	V	<p>I. Employee Rights:</p> <p>(1) The Company has always attached great importance to the rights and interests of employees. The Company continuously enhances the quality of the workplace environment by improving both hardware and software facilities. These efforts include renovating employee dormitories, creating a clean and comfortable dining environment with nutritious meals prepared by professional chefs, providing regular health check-ups for employees, and implementing profit-sharing mechanisms. It also organizes seminars for new employees from time to time, sets up physical suggestion boxes, stipulates regulations for appeals and reporting, designates special personnel to understand and reply, and implements communication channels with employees to express their opinions, so that employees can enjoy a perfect welfare system and feel at ease and happy to work.</p> <p>(2) In response to government's advocating for breastfeeding policy, nursery rooms have been set up for female staff members. The company also provides childcare services for children under compulsory school age of its employees through outsourcing. Designated parking spaces for pregnant women have also been provided to let these women park their scooters and cars.</p> <p>(3) Labor Management Meetings are held every quarter to reach consensus, ensuring sustainable development of the company through harmonious labor management relations.</p> <p>II. Employee Care:</p> <p>(1) To safeguard employees' health, starting from November 2020, we provided health consultation channels for employees in accordance with the regulations of the labor inspection,</p>	<p>No difference</p> <p>No difference</p>

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
VIII. Has the company disclosed other information to facilitate a better understanding of its corporate governance?	V		<p>and allocate one doctor and one nurse through a professional consulting company; Nurses enter the headquarters and the Zhonggang Plant 8 times a month, 2 hours each time, and doctors 6 times a year, 2 hours each time, to assist employees in self health check-up, prevention and precautions.</p> <p>(2) In order to take care of employees' health, the company plans to sign contacts with medical institutions and allocates budget for medical check-up for the staff members every 2 years to help them know their physical conditions better so as to prevent diseases and care themselves.</p> <p>(3) Health education courses are held on an ad hoc basis to promote a healthy diet and to provide accurate health information.</p> <p>(4) As for catering, designated personnel are appointed to control and manage ingredients, water used and environment of the company's cafeterias. Food warming devices were installed to ensure food safety for employees.</p> <p>(5) Smoking is prohibited in factories and dormitories. Furthermore, fire drills are held twice a year to recognize actual workplace surroundings of the employees and conduct exposure assessment of risk factors. Alarm systems have been introduced in appropriate locations and workplace assessments are made regularly, which also forms the basis for workplace improvement plans. Training courses on fire-fighting are offered periodically to enhance awareness of fire safety and improve common understanding of the operation of various fire-fighting equipment, aiming to better employees' response to crisis and ensure the safety of all. The domestic self-defense and fire safety training was conducted on April 18, 2024 in the first half of the year, with 40 participants. The second session was held on October 17, with 40 participants; The overseas fire drill at the Myanmar plant was conducted on June 20, 2025 in the first half of the year, with 1,116 participants. The second drill was held on December 24, with 1,149 participants.</p>	No difference
VIII. Has the company disclosed other information to facilitate a better understanding of its corporate governance?	V		<p>(6) For staff welfare measures, please refer to Section 4.5 Labor Relations under Chapter 4 Operational Overview of this annual report.</p>	No difference
	V		<p>III. Investor Relations: The Company has set up a spokesperson system, and the website has a “stakeholder” and “investor section” to provide a way of contact to investors, including financial information disclosure, legal talks, etc., to maintain good interaction with investors, and to provide investors' feedback opinions to the company's senior management and relevant units for reference for improvement and adjustment.</p>	No difference
	V		<p>IV. Supplier Relations: The Company has signed Corporate Social Responsibility (CSR) Commitment Letters with 160</p>	No difference

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
VIII. Has the company disclosed other information to facilitate a better understanding of its corporate governance?	V		<p>suppliers (49%). These letters outline commitments to CSR principles and internationally recognized fundamental labor and human rights. They explicitly prohibit the employment of child labor and any form of forced or compulsory labor. In the event of any violation of CSR policies, suppliers are required to formulate corrective action plans and ensure continuous implementation and monitoring. In addition, suppliers must comply with relevant domestic environmental regulations and work together to promote environmental sustainability.</p> <p>Supplier contracts shall comply with local laws and regulations, and all suppliers shall comply with relevant local laws and regulations on corporate governance, environmental protection, labor and human rights.</p> <p>V. The rights of stakeholders: (1) Through a variety of communication channels and information disclosure, the Company maintains good exchanges and communication with investors, employees, customers, suppliers, consumers, etc. respectively, to understand reasonable expectations and needs of the stakeholders, regardless of economic, social, environmental and ethic questions, appeals, reports or suggestions and other internal and external issues. The Company will uphold the good faith principle for appropriate treatment or provide improvement plan to achieve effective communication. (2) The website of the Company's stakeholder section www.tahhsin.com.tw</p> <p>VI. Professional development of Directors: (Note 3)</p> <p>VII. Implementation of risk management policies and risk evaluation measures (1) Management mechanism: Audit Office Auditors examine the effectiveness and suitability of hedging transactions of finance department from time to time and produce audit reports to submit to the Board of Directors while continuing to follow up on improvements. Besides, auditors formulate annual audit plan depending on the risk assessment result in order to duly supervise and control risk management. Internal audit managers, likewise, report to Independent Directors regularly (1.5~2 months) on audit assessments to maintain a good two-way communication. The audit plan for 2025 was reported on December 30, 2024; the audit implementation for 2024 was reported on February 24, 2025 as scheduled.</p>	No difference
VIII. Does the Company have other important information that help understand the implementation of corporate governance?	V		<p>● Finance Department The Company's derivative financial commodity transactions, investment cases, endorsement guarantees, capital loans and bank financing, etc. are all assessed and analyzed by the Finance</p>	No difference

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>Department and implemented in accordance with the resolutions of the Board of Directors.</p> <p>(2) Formulation of trading strategies: The President Office of the company is in charge of the development and revision of trading strategies, coordination with relevant department, and verification of budget for foreign exchange activities. The President Office should submit the actual variance and resulted profit and loss to President in written form.</p> <p>(3) Operational strategy: Finance department collects the company's budget, foreign exchange income and expenses, gathers and analyzes domestic and international Financial information, performs short-term and long-term foreign exchange buying and selling in advance, reviews profit and loss occurred, and strictly controls risk positions and effectiveness of risk management through written credit assessment.</p> <p>VIII. Information security management:</p> <p>(1) The Board of Directors has approved the establishment of Chief Information Security Officer on March 24, 2023, and established information security risk management structure in 2021, with detailed specifications for information security rights and responsibilities, operations, protection and system storage and control management of network security management, etc. The information security group is responsible for consolidating the development, implementation, and risk management of related policies.</p> <p>(2) The information security reports were regularly reported to the Board of Directors on March 12, May 13, August 12, November 12 2024 and March 12, 2025.</p> <p>(3) Ad-hoc internal education, training and promotion are conducted twice a year.</p> <p>(4) The Company has not taken out the information security insurance, but it regularly backs up and establishes firewall and network security management, and updates the virus pattern at any time to ensure the Company's information risk is minimized. As the issue of information security risk management is becoming increasingly important, the Company will conduct prudent assessment of the necessity of information security insurance. For details, please refer to the Company's investor section on the official website.</p> <p>IX. Implementation of Customer Policies:</p> <p>(1) Export: Besides making good use of environmental-friendly materials in response to green policy, innovating the technology to ensure product quality and on-time delivery, we strive to provide our customers with stable and reasonable prices.</p> <p>(2) Domestic sales: Promote sustainable business, join eco-friendly recycling supplier association , implement green promotions and application</p>	

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>of technology.</p> <p>X. Status of liability insurance purchased for Directors, Supervisors, and persons of important positions by the Company:</p> <p>(1) To reduce the risks associated to directors, key employees and the company and establish a comprehensive corporate governance mechanism, the company submitted the matters related to insurance to the Board of Directors on August 12, 2024.</p> <p>(2) Information regarding the liability insurance purchased, including the amount, period, cover, and premium rate, etc.</p> <p>(3) The insurance amounted to US\$5 million, and is effective from July 1, 2024 until July 1, 2025.</p> <p>(4) The supervisor's insurance liability is proposed to be applied before the 15th day of the month following the policy effective date of the same year.</p>	
IX. Please state the improvements as well as priority enhancements and measures for the unimproved aspects based on the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year. (Leave blank if your company was not evaluated.)			Corporate governance assessment results in 2024 (11th Session) of the company indicated the improvement status, and measures for matters yet to be improved: (Note 4)	No difference
Note 1: Evaluation standards for the suitability and independence of CPAs.				
Evaluation Items	Evaluation Results		Are the standards fulfilled?	
1. Do CPAs have direct or significant indirect financial interests with the Company?	No		Yes	
2. Are there any financing or guarantee activities between CPAs and Directors of the Company?	No		Yes	
3. Have CPAs and members in the audit team held positions of Directors, managers, or posts that impose critical impact on audits currently or in the last two years?	No		Yes	
4. Have CPAs provided non-audit services to the Company that may directly affect audits?	No		Yes	
5. Do CPAs hold shares issued by the company?	No		Yes	
6. Do CPAs act as the legal counsel of the company or on behalf of the company to coordinate conflicts with other third parties?	No		Yes	
7. Are CPAs family members or relatives of the Company's Directors, managers, or other individuals in positions that could seriously impact audits?	No		Yes	
Do CPAs have any close business relationship or potential employment relationship with the Company	No		Yes	
Do CPAs receive any commission related to the business?	No		Yes	
Have CPAs' tenure lasted for more than seven consecutive years?	No		Yes	

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
	Are CPAs concurrently employed in regular positions or receiving fixed salaries from the Company or its affiliated companies?			No Yes
12.	Have there been any disposals or incidents affecting the principle of independence?			No Yes
13.	Have the CPAs provided and reported Audit Quality Indicators (AQIs) to the Company's Audit Committee, so that the Company can refer to these indicators as part of its assessment process for evaluating CPAs' suitability?			Yes Yes



Note 2
Crowe (TW) CPAs
Floor 19-1, No. 285, Section 2,
Taiwan Boulevard,
West District, Taichung City,
40308, Taiwan
Tel +886 4 23211868
Fax +886 4 23211866
WWW.CrOWe.tW

LETTER OF INDEPENDENCE

Recipient: Tahsin Industrial Corporation

We have been commissioned to audit the FY 2024 financial statement of Tahsin Industrial Corp. We confirm that our firm, affiliated companies, partners of our firm and their relatives, members of the audit engagement team, and their relatives will comply with the independence requirements governed by No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China.

Crowe (TW) CPAs
CPA: Wang, Wu-Chang
CPA: Chiu, Kuei-Ling

October 31, 2024

Note 3: Professional development of Directors

Title	Name	Attendance Date	Organizer	Course Title	Hours of Study
Chairman	WU, ZI-CONG	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3H
		2024.06.16	Taiwan Investor Relations Institute	Hostile Takeovers: Focusing on Safe-guarding Management Control	3H
Vice Chair-man	HU, PO-YI	2024.11.15	Securities and Futures Institute	2024 Legal Compliance Seminar on Insider Equity Transactions	3H
		2024.12.04		Seminar for the Sustainable Development Committee and Chief Sustainability Officers	3H
Director and CEO	HU, BOR-CHON	2024.09.11	Securities and Futures Institute	Sustainable Development Strategy and Planning for TWSE/TPEX-Listed Companies	3H
		2024.10.18		2024 Insider Trading Prevention Seminar	3H
Director	HU, PEI-TUAN	2024.09.06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3H
		2024.10.01	Taiwan Independent Director Association	2024 ESG Forum: Achieving Win-Win for Environment and Economy—Implementing ESG Practice in Taiwan	3H
Director	LIU, WAN-CHENG	2024.09.06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3H
		2024.10.23	BCSD Taiwan	GHG Protocol Corporate Standard and Scope 3 Training – Building a New Carbon Era Through ESG Knowledge	7H
Director	LAI, KEN-MIN	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3H
		2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6H
		2024.09.06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3H
		2024.10.29	Taiwan Stock Exchange	CDP SME Questionnaire Training – Building a New Carbon Era Through Sustainable Knowledge	6H
		2024.11.15	Securities and Futures Institute	2024 Legal Compliance Seminar on Insider Equity Transactions	3H
Independent Director	LIN, KO-WU	2024.05.09	Securities and Futures Institute	Economic and Financial Trends in Mainland China	3H
		2024.09.11		Sustainable Development Strategy and Planning for TWSE/TPEX-Listed Companies	3H
		2024.12.17	Taiwan Corporate Governance Association	Remuneration of Senior Executives and ESG Performance System Design	
Independent Director	YANG, TE-WANG	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3H
		2024.10.04	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3H
Independent Director	YANG, KUO-SHU	2024.06.18	Taiwan Stock Exchange	CDP SME Questionnaire Training – Building a New Carbon Era Through Sustainable Knowledge	6H

Note 4: Improvements Made Based on the 11th Corporate Governance Evaluation Indicators		
1.15	Has the company established and disclosed on its website internal regulations prohibiting internal personnel (directors or employees) from trading securities using undisclosed information in the market? This includes, but is not limited to, the directors who are not permitted to trade their stocks during the 30-day blackout period before the announcement of the annual fiscal report, and the 15-day blackout period before the quarterly financial report. Does the company provide explanations on the implementation status?	The Corporate Governance Best Practice Principles and the Procedures for Preventing Insider Trading have both been revised and implemented
2.14	Has the company set up functional committees other than statutory committees, and do such functional committees have no less than three members, with at least half of the members being independent directors, and more than one member having the required professional ability, and does the company disclose the organization, responsibility, and operations of such committees?	The sustainable development committee has already been established
4.4	Does the company compile and upload the ESG report by the end of September, based on GRI guidelines issued by the Global Sustainability Reporting Institute (GRI), to the MOPS and the company's website?	The report has already been compiled, submitted, and disclosed on the company website
4.5	Has the ESG report prepared by the company been verified by a third party?	Already verified by a third party

Note 4: Priority Areas for Improvement Not Yet Addressed Under the 11th Corporate Governance Evaluation Indicators		
1.1	Does the company report to shareholders at the regular shareholders' meeting the remuneration received by directors, which includes remuneration policies, individual remuneration details, and amounts?	Under internal evaluation
1.6	Has the company held the regular shareholders' meeting by the end of May?	Under internal evaluation
2.6	Is the company's Board of Directors formed with at least one female Director?	Sexual equality and proportion planning are under consideration
2.9	Does the company develop succession plans for board members and key management levels, and disclose the operational status on the company's website or in its annual report?	Under internal evaluation
2.23	Will the company's regulations or procedures of the Board of Directors' performance evaluation specify that an external evaluation should be performed at least once every three years? If there is, will the company disclose the results of the evaluation on the company's website or annual report?	Under internal evaluation
3.4	Does the company announce the annual financial report within two months after the end of the fiscal year?	Under internal evaluation
3.6	Does the company disclose the interim financial report in English within two months after the reporting period of the Chinese version of the interim financial report?	Under internal evaluation
3.8	Does the company voluntarily announce the financial forecast report for each quarter?	Under internal evaluation
3.13	Has the Company's annual report voluntarily disclosed individual Directors' and Supervisors' remuneration?	Under internal evaluation
3.20	Has the Company been invited (voluntarily) to hold at least two roadshows?	Under internal evaluation

4. Remuneration Committee:

(1) Information on the Members of the Remuneration Committee

<div>Criteria</div> <div>Name</div> <div>Identity (Note 1)</div>		Professional qualifications and experience (Note 2)	Independent status (Note 3)	Concurrent compensation committee position in other publicly listed companies
Independent Director (Convener)	LIN, KO-WU	<ul style="list-style-type: none"> Working experience in accounting, finance, operation judgment, crisis management and operation management. Acquired the Certificate of national examination required for an accountant. Convener of the Remuneration Committee and the Audit Committee of the Company. Independent director of Landis and Zig Sheng Industrial. Involved in none of the matters under Article 30 of the Company Act. 	<ul style="list-style-type: none"> The three independent directors listed, 2 years before being elected and during their tenure, have qualified for "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and qualifications listed in Article 14-2 of the "Securities and Exchange Act." And the independent directors, in compliance with Article 14-3 of the "Securities and Exchange Act.", have been granted the power of making decision and expressing opinions, they should maintain independent to execute the duties related to their business. For independent directors, please refer to Page 16-17 of the annual report. 	2
Independent Director	YANG, TE-WANG	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Member of the Remuneration Committee and the Audit Committee of the Company. Involved in none of the matters under Article 30 of the Company Act. 		None
Independent Director	YANG, KUO-SHU	<ul style="list-style-type: none"> Working experience in business, finance, operation judgment, crisis management and operation management. Member of the Remuneration Committee and the Audit Committee of the Company. Involved in none of the matters under Article 30 of the Company Act. 		None

Note 1: Please specify the relevant working years, professional qualifications, experience and independence status of the members of the Remuneration Committee in the form. If they are independent directors, please state that the relevant contents of the information of directors and supervisors (I) in Table 1 on page OO. Please fill in the "Title" field as Independent Director, or otherwise (In case of convener, please note).

Note 2: Professional qualifications and experience: Description of the professional qualifications and experience of individual salary and compensation committee members.

Note 3: Independent status : It is stated that the members of the Remuneration Committee meet the independence status, including but not limited to whether he, his spouse and any of second-degree relatives is a director, supervisor or employee of the company or its affiliated enterprises; the number and proportion of shares held by himself, spouse, second-degree relatives (or in the name of others); whether he is a director, supervisor or employee of a company with a specific relationship with the company; the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the last two years.

(2) Operations of the Remuneration Committee

I. There are 3 members in the Company's Remuneration Committee.

II. The Company's Remuneration Committee faithfully performs the following functions and submits its recommendations to the Board of Directors for approval:

- 1. Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for the directors and managerial officers.**
- 2. Regularly evaluate and define the remuneration and year-end bonuses of executive directors and managerial officers and directors' remuneration.**

III. Current Term: From June 26, 2023, to June 15, 2026.

The Remuneration Committee held two meetings (A) in the most recent year, and the qualifications and attendance of the committee members are shown as follows:

Title	Name	Attendance in Person	Times of Entrust	Actual Presence (%) (Note 1)	Remarks
Convener	LIN, KO-WU	2	0	100	Reappointed The re-election date was on June 26, 2023
Members	YANG, TE-WANG	2	0	100	Reappointed The re-election date was on June 26, 2023
Members	YANG, KUO-SHU	2	0	100	Reappointed The re-election date was on June 26, 2023
Other matters that shall be reported:					
I. If the Board of Directors does not adopt or amend recommendations proposed by the Remuneration Committee, the date, session, proposal contents and resolutions of the Board of Directors, and the company's actions in response to the opinions of the Audit Committee shall be stated (also, where the remuneration approved by the Board of Directors is superior to that recommended by the Remuneration Committee, the differences and reasons shall be stated): None.					
II. Where resolutions of the Remuneration Committee include a dissenting or qualified opinion that is on record or stated in a written statement, the date, session, proposal contents, opinions from every member, and actions in response to the opinions of the members shall be stated: None.					

Note:

- (1) Where members of the Remuneration Committee resign before the end of the year, the date of resignation shall be indicated in the Remarks column. Actual presence rate (%) shall be calculated by the number of Remuneration Committee meetings convened and the times of actual presence during the term of service.**
- (2) Before the end of the year, if there is a Remuneration Committee member re-selection, the newly elected and previously elected Remuneration Committee members shall be recorded, and an old/new member, or the date of reappointment and re-selection, shall be indicated in the remarks column. His or her attendance rate (%) will be calculated on the basis of the number of Remuneration Committee meetings held during his or her tenure and the number of such meetings attended.**

**IV. Important Resolutions of the Remuneration Committee in 2024
and up to the Date of Publication of the Annual Report:**

In the year 2024 and up to the date of publication of the annual report, the company has convened three meetings of the Remuneration Committee, with important resolutions as follows:

- (1) The 3rd meeting of the 5th Remuneration Committee: (March 5, 2024)**
 - To submit a report: The 2023 self-assessment report of the company's Board of Directors and board members has been submitted and approved.**
 - Approved by resolution: The proposal for the remuneration and payment of directors of the company in 2023.**
 - Approved by resolution: The proposal for the remuneration distribution of managers of the company in 2023.**

Dealing with the opinion from the Remuneration Committee: After the discussion, the members of the Remuneration Committee agreed to adopt the proposal, which was submitted to

the Board Meeting for resolution.

(2) The 4th meeting of the 5th Remuneration Committee: (November 5, 2024)

- **Approved by resolution: The distribution plan of year-end bonus to executive directors and managers.**
- **Approved by resolution: The proposal of the monthly travel expenses of the Company's directors in 2025.**
- **Approved by resolution: The proposal of assessment of 2025 remuneration payment for the company's executive directors and managerial officers**
 - **Dealing with the opinion from the Remuneration Committee:**
 - **After the discussion, the members of the Remuneration Committee agreed to adopt the proposal, which was submitted to the Board Meeting for resolution.**

(3) The 5th meeting of the 5th Remuneration Committee: (February 19, 2025)

- **To submit a report: The 2024 self-assessment report of the company's Board of Directors and board members has been submitted and approved.**
- **Approved by resolution: Stipulate the scope of frontline employees of the Company**
- **Approved by resolution: The proposal for the remuneration of directors of the company in 2024**
- ① **Approved by resolution: The proposal for the remuneration distribution of managers of the company in 2024**

Dealing with the opinion from the Remuneration Committee: After the discussion, the members of the Remuneration Committee agreed to adopt the proposal, which was submitted to the Board Meeting for resolution.

5. Promotion of sustainable development and differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies, with reasons:

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Does the company establish a governance framework to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management under the authorization of the board of directors, and is also supervised by the board?	V		<p>(1) On March 25, 2022, the Board of Directors of the Company adopted the "Code of Sustainable Development Practice", and the Company shall, in accordance with the materiality principle, formulate relevant risk management policies or strategies on environmental, social and corporate governance issues related to the Company's operations.</p> <p>(2) To achieve the Company's sustainable development goals, implement management and execution, as well as align with international trends, the Board of Directors adopted and approved the "Organizational Charter of the Sustainable Development Committee" on May 13, 2024 in accordance with the Company's "Code of Sustainable Development Practice" and "Code of Corporate Governance Practice".</p> <p>(3) A Sustainability Implementation Task Force has been established under the Company's Sustainable Development Committee. The Chief Sustainability Officer is the Chairman of the Board, and the General Manager serves as the Executive Secretary. The task force is divided into five functional groups, each led by a senior executive from a different domain. The Committee regularly collaborates with the Task Force to review the implementation status of sustainability initiatives, and sets sustainability goals and priorities based on the Company's operations and stakeholder concerns. The Committee also closely monitors the development of relevant standards and environmental changes. The Task Force is responsible for developing action plans and projects, communicating with responsible departments, and holding ad hoc virtual meetings as needed to establish work guidelines and response strategies. It also allocates relevant budgets, plans, and executes annual programs, and tracks implementation effectiveness, reporting the results to the Sustainable Development Committee.</p> <p>(4) The implementation of sustainable development and future working plans was reported to the Board of Directors on November 12, 2024. The content includes energy management, carbon reduction targets, and the recycling and reuse of recycled materials, to review and improve the implementation.</p>	No difference
II. Does the company conduct risk evaluation on environmental, social, and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Although no relevant risk management policies or strategies have been formulated at present, the Company complies with relevant business procedures such as "enterprise policies" and various internal regulations (production management, material management, marketing management, administrative management, operation management) in accordance with laws and regulations, and then implements relevant regulations according to this principle, through the "corporate social	No difference

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons						
	Yes	No	Summary							
(The principle of importance refers to environmental, social and corporate governance issues that have a significant impact on corporate investors and other stakeholders)			responsibility"(CSR) implementation committee (including subsidiaries) set up by the company, the risk management policy is regularly evaluated every year, covering environment management, occupation safety, product safety, information security, company governance, organizational structure, attribution of rights and responsibilities, and operating procedures, etc. These are implemented to control the contingent risks arising from operational activities within an acceptable range.							
III. Environmental matters										
(I) Does the company establish proper environmental management systems based on the characteristics of its industries?	V		To implement employees’ safety and health awareness and provide a quality work environment, the Company continues promoting the 5S movement, conducts the greenhouse gas inventory in advance, tracks the emission reduction and responds to energy conservation and carbon reduction ahead of time. These measures were fully disclosed in the Company’s website. The Company is keen to promote different measures on energy conservation; the PP corrugated board products are made from environmental-friendly materials, and are recyclable and reusable. Through technology development and reuse of recycled PP particles, hazardous waste will not be produced in the process, and the products will not cause environmental damage. The Taichung Plant of the Company has passed the Plastics Recycled Material (PRM) traceability verification on November 27, 2024. Certified products include: 100% post-consumer recycled PP plastic pellets (YRC) and 30% post-consumer recycled PP corrugated sheets (YRA). Percentage of recycled and reused particles in the last two years: <table><tr><td></td><td>Recoverable and reused resource rate</td></tr><tr><td>2023</td><td>5.74%</td></tr><tr><td>2024</td><td>6.74%</td></tr></table> Description: The increse of recycle rate in 2024 compared to 2023 was due to the 1% increased profit of PP corrugated board. The Company evaluates the potential current and future risks and opportunities posed by climate change and has taken corresponding response measures. For details, please refer to Section 2.3.6 “Climate-Related Information” of this Annual Report. I. The company promotes energy conservation and carbon reduction, and implements the reduction strategy, measure, goal and plan: (1) Air-conditioning electricity: New energy-efficient/inverter separate air conditioners have been installed in all factories and offices. (2) Water-saving plan: Adopt water conservation from daily life. (3) Digital system establishment: Make good use of		Recoverable and reused resource rate	2023	5.74%	2024	6.74%	No difference
	Recoverable and reused resource rate									
2023	5.74%									
2024	6.74%									
(II) Does the company endeavor to utilize all resources more efficiently and uses renewable materials which have a low impact on the environment?	V		No difference							
(III) Does the company evaluate the present and future potential risks and opportunities of climate change to the company, and taken related measures to respond?	V		No difference							
(IV) Does the company calculate greenhouse gas emissions, water consumption, and total waste weight over the past two years, and formulate policies for energy conservation and carbon emissions reduction, greenhouse gas emissions reduction, water consumption reduction or other waste management?	V		No difference							

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																		
	Yes	No	Summary																			
			<p>video meetings and cut down on paper usage.</p> <p>(4) Transportation: Appeal to the employees to car-pool and make good use of public transportation</p> <p>(5) Green energy roof: In conjunction with environmental protection planning for renewable energy, solar panels are installed on the roofs of Taichung factory to reduce electricity consumption and carbon emissions. With the AUO Solar Photovoltaic System installation and a roof construction completed by December 31, 2022, the total of the system's installed capacity is 904KW, with installation costs of \$45 million. Operation commenced in February 2023 with a decrease in room temperature of factory building by about 2 degree Celsius.</p> <p>Green Electricity Consumption by the Group Unit: 10,000 kWh</p> <table><tr><td>2024</td><td>2023</td><td>Increase (Decrease) ratio</td></tr><tr><td>133.4</td><td>94.33</td><td>0.4142</td></tr></table> <p>(6) Greening environment: Potted plants are decorated in the office to make the environment green. Green plants are planted in the complex to reduce carbon dioxide and release oxygen to optimize the environment and improve air quality through photosynthesis.</p> <p>(7) Education and promotion: Continue to promote energy conservation and carbon reduction, start from the employees themselves, change daily habits, reduce unnecessary carbon emissions and implement effective energy conservation.</p> <p>(8) Through promotion by administration management, the goal is to cut emission by at least 1% every year.</p> <p>(9) The Group's carbon emissions over the past two years came from manufacturing processes, factory facilities and transportation vehicles, e.g. generators, boilers, air-conditioning equipment, official vehicles and forklifts, etc: The direct emission is categorized in Scope 1: (Ton)</p> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>236</td><td>242</td><td>(0.0247)</td></tr></table> <p>(10) The Company's greenhouse-gas carbon emissions, electricity and water consumption over the past two years: The greenhouse-gas emissions from indirect energy are categorized in Scope 2:</p> <p>① Greenhouse gas carbon emissions: (Kg)</p> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>1,914,882</td><td>2,186,556</td><td>(0.1242)</td></tr></table>	2024	2023	Increase (Decrease) ratio	133.4	94.33	0.4142	2024	2023	Increase (decrease) ratio	236	242	(0.0247)	2024	2023	Increase (decrease) ratio	1,914,882	2,186,556	(0.1242)	
2024	2023	Increase (Decrease) ratio																				
133.4	94.33	0.4142																				
2024	2023	Increase (decrease) ratio																				
236	242	(0.0247)																				
2024	2023	Increase (decrease) ratio																				
1,914,882	2,186,556	(0.1242)																				

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																				
	Yes	No	Summary																					
			<div>② Water consumption: (degree)</div> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>11,283</td><td>7,517</td><td>0.05010</td></tr></table> <div>(1) Water Resource Management Policies:</div> <div>① In alignment with the policies formulated by the Group's Sustainability Development Committee, the Sustainability Promotion Task Force regularly holds meetings to discuss water-related issues from the perspectives of water sourcing and conservation. It reviews water-saving performance and promotes water conservation awareness through internal platforms and educational programs, embedding the concept of water-saving into daily practices.</div> <div>② Responsible units monitor water usage and wastewater discharge quality targets across all production sites.</div> <div>③ Monthly reports are compiled to analyze and compare water usage across all facilities.</div> <div>(2) Explanation of Abnormal Water Usage: In 2024, the Taichung Plant experienced changes in water consumption due to the demolition of old dormitories, land leveling work, and the transition of dormitory domestic water supply to municipal tap water.</div> <div>(3) Improvement Measures: The construction and demolition works at the Taichung Plant were completed by 2024.</div> <div>(11) To achieve carbon emission reductions continuously over the past two years, the Company has conducted projects for business and employee commuting, which are categorized as another indirect source of Scope 3 emissions, and has proceeded with carbon inventory and carbon reduction tracking to achieve future carbon neutrality goals.</div> <div>(Unit: Ton)</div> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>111</td><td>210</td><td>(0.4714)</td></tr></table> <div>II. To achieve reuse of sustainable resources, the Company has established a recycling management system to reduce waste generation, promote material recycling and reusing, reduce environmental load, and establish methods for storing, cleaning and selling recycled materials.</div> <div>(1) Volume of waste handled by the Company in the past two years:</div> <div>(Unit: Ton)</div> <table><tr><td></td><td>2024</td><td>2023</td><td>Method of</td></tr><tr><td></td><td></td><td></td><td></td></tr></table>	2024	2023	Increase (decrease) ratio	11,283	7,517	0.05010	2024	2023	Increase (decrease) ratio	111	210	(0.4714)		2024	2023	Method of					
2024	2023	Increase (decrease) ratio																						
11,283	7,517	0.05010																						
2024	2023	Increase (decrease) ratio																						
111	210	(0.4714)																						
	2024	2023	Method of																					

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																																
	Yes	No	Summary																																	
			<table><tr><td></td><td></td><td></td><td>handling</td></tr><tr><td>Haz-ardous</td><td>0</td><td>0</td><td></td></tr><tr><td>Non-haz-ardous</td><td>25.63</td><td>19.39</td><td>Incin-eration</td></tr><tr><td>Total</td><td>25.63</td><td>19.39</td><td></td></tr></table> <p>Volume of waste handled by overseas subsidi-aries in the past two years:</p> <table><tr><td></td><td>2024</td><td>2023</td><td>Method of han-dling</td></tr><tr><td>Hazard-ous</td><td>0.02</td><td>0.018</td><td>Land-filling</td></tr><tr><td>Non-hazard-ous</td><td>18.51</td><td>17.15</td><td>Incinera-tion</td></tr><tr><td>Total</td><td>18.53</td><td>17.17</td><td></td></tr></table> <p>(2) Waste Management: ① The Company’s waste mainly consists of domestic waste (50%) and general industrial waste (including mixed waste paper (5%), mixed waste fibers (15%), and mixed waste plastics (30%)). All waste generated is classified as non-hazard-ous. Disposal is entrusted to licensed third-party contractors, which are certified waste disposal companies equipped with GPS positioning sys-tems to assist tracking. ② Waste generated by overseas subsidiaries is also predominantly non-hazardous. A minimal amount of hazardous waste, such as fluorescent light tubes, posed a negligible environmental im-pact.</p>				handling	Haz-ardous	0	0		Non-haz-ardous	25.63	19.39	Incin-eration	Total	25.63	19.39			2024	2023	Method of han-dling	Hazard-ous	0.02	0.018	Land-filling	Non-hazard-ous	18.51	17.15	Incinera-tion	Total	18.53	17.17		
			handling																																	
Haz-ardous	0	0																																		
Non-haz-ardous	25.63	19.39	Incin-eration																																	
Total	25.63	19.39																																		
	2024	2023	Method of han-dling																																	
Hazard-ous	0.02	0.018	Land-filling																																	
Non-hazard-ous	18.51	17.15	Incinera-tion																																	
Total	18.53	17.17																																		
IV. Social matters (I) Has the company developed rel- evant management policies and procedures based on relevant laws and international human rights instruments?	V	V	<p>The Company abides by the relevant labor laws and regulations, and has formulated the Correction, Com-plaint, and Punishment of Sexual Harassment at Workplace to prevent discrimination, bullying and harassment, as well as other behaviors that violates human rights. Gender equality awareness is promoted through training and education programs to protect employees' rights.</p> <p>The Company established specific management plan of the Work Rules for Labor Safety to provide and maintain a safe, hygienic, and healthy working envi-ronment for employees. (For further details, please re-fer to the relevant explanations of labor-management relations)</p> <p>(3) Evaluations of potential risk of human right have been conduct annually, “Supplier Code of Conduct” and “Commitment of Supplier for Corporate Social Responsibility” have been updates, formulating protocols on issues such as human rights, healthy environment, ethics,</p>	<p>No difference</p> <p>No difference</p>																																

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(II) Does the company establish and implement reasonable employee benefits measures (including remuneration, leave, and other benefits, etc.), and reflect the corporate business performance or achievements appropriately in the employee remuneration?			etc., and continuing supervising, improving plans and implementation performance.	
	V		<ul style="list-style-type: none"> Employee remuneration Provisions have been clearly prescribed on all levels of responsibility and salary, year-end bonus assessment, staff promotion, training, reward and punishment system, etc. Employee remuneration is determined according to individual ability, contribution to the company and performance, and is positively related to business performance. If the company makes a profit in the current year, it shall allocate not less than 5% for employee compensation in accordance with the company's articles of association. Employee remuneration includes basic fixed salary, year-end and welfare bonuses, etc.; and the standard of payment, the basic fixed salary is based on the employee's responsibilities at all levels, and the bonus is paid in connection with the company's operating performance. Employee leave system The Company implements a sound leave system in accordance with the provisions of the labor law. The provision of special leave (seniority-based leave) is stipulated in the internal regulation "Special Leave Guidelines for Employees" and has been officially announced to all staff. This ensures employees' right to rest and promotes a healthy work-life balance. Employee benefits For implementation details, please refer to pp. 130-143 of the Annual Report. 	No difference
	V		<ul style="list-style-type: none"> Workplace diversity and equality The Company abides by "Gender Equity Education Act" and "Labor Standards Act," both males and females have the equal rewarding conditions and chance of promotion. In 2024, 50.4% of the employees and 46.3% of the managerial level are female. Reflecting the corporate business performance in the employee remuneration The Company refers to economic trend and market rate salary, take the company operating and individual performance into consideration to adjust salary, ensuring the overall competitive remuneration. The Group's revenue in 2024 declined by 0.47% compared to 2023, and the average annual raise for managerial and non-managerial position is 1.23%. 	No difference
	V		<ol style="list-style-type: none"> Safety starts from sorting, ends with sorting and reorganizing, in this spirit to continue to promote the 5S movement of all staff, let good habits at ordinary times naturally formed. Newly recruited employees receive pre-employment training, and safety and health knowledge is promoted every year. A work environment test is held every six 	No difference

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>(III) Has the company provided employees with a safe and healthy work environment as well as regular classes on health and safety?</p> <p>(II) Does the company establish effective career development training programs for its employees?</p> <p>(III) Is the company in compliance with relevant laws and regulations as well as international standards when it comes to customer health and safety, customer privacy, marketing and labeling of products and services, and make relevant policies and appeal procedures on the protection of consumer rights and interests?</p> <p>(IV) Does the Company has established a supplier management policy that requires suppliers to comply with the relevant standards on issues such as environmental protection, occupational</p>	V		<p>months; special operators have health check-ups annually while general employees receive health checkups every two years.</p> <p>(4) Fire drills are held twice a year, and regular self-defense fire training classes are held on a regular basis.</p> <p>(5) The supervisors take care of employees' mental and physical health in daily life to ensure the safety during work.</p> <p>(6) Continuously promote occupational safety, strengthen the protection management for workers and the prevention of occupational hazards to create a zero harm workplace.</p> <p>The company establishes a complete talent cultivation system from the perspective of practical and sustainable management:</p> <p>(1) Foreign language awards to enhance professional functions and overall competitiveness.</p> <p>(2) Various internal educational training seminars are organized from time to time to provide employees with rich learning resources and diverse workplace environments. Training courses consist of general and professional courses offered internally and externally as well as welfare courses and legal courses.</p> <p>(3) Through job rotation and overseas experience, employees are assigned important tasks and challenges to expand their horizons and vision for the cultivation of professional and leadership talents.</p> <p>(1) The company complies with the relevant provisions of government decrees. Process from receiving orders to procurement and production process are all in accordance with the standard operating procedures, handling and managing the value chain of products to ensure the safety of products.</p> <p>A dedicated information security team has been established to safeguard customers' and consumers' personal data through personal data protection, internal audits, crisis prevention, training programs, and awareness campaigns.</p> <p>(3) With transparent service marketing information, the company has set up its website in Chinese, English, and Japanese, providing consumers with a special section for comments and complaints.</p> <p>(4) The Investor Section of the company's website: www.tahhsin.com.tw</p> <p>(1) When conducting evaluations of suppliers, the purchasing department shall review in accordance with the evaluation methods in the company regulations. In 2024, there were 331 (100%) suppliers with operational units in Taiwan that were evaluated on respective important issues such as business ethics, environmental protection, occupational safety, quality, price and delivery time.</p> <p>(2) The content of the Company's external contract includes a clause that the parties who signed the contract shall abide by the principle of good faith and</p>	

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
safety and health, or labor and human rights? And the implementation status?			<p>that if infidelity is involved, the parties may terminate the contract or rescind terms of the contract at any time.</p> <p>(3) Considering the impact on the social and natural environment, the company promotes CSR to the suppliers annually and requires them to develop eco-friendly materials. With the materials certified by BLUESIGN, the suppliers will be listed as priority collaborators.</p> <p>(4) To implement the established "Supplier Code of Conduct" and "Commitment of Supplier for Corporate Social Responsibility," the company carries out the sustainable concept and aims in daily management.</p> <p>(5) 194 (54.65%) suppliers have signed the Supplier Corporate Social Responsibility Commitment.</p>	
V. Does the company adopt internationally widely recognized standards or guidelines when producing corporate social responsibility report and other reports that disclose non-financial information of the company? Whether assurance or guarantee opinions have been obtained for the aforementioned reports by a third party certification unit?	V		The Company has planned to compile the ESG report since 2024 to disclose its efforts in promoting sustainable development. The report adheres to the SASB (Sustainability Accounting Standards Board) and GRI Standards (Global Reporting Initiative). The Company engaged Crowe (TW) CPAs to perform a limited assurance engagement on the Sustainability Report in accordance with the Statement of Assurance Engagements No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information." For details, please refer to the Sustainability Report available on the Tahsin website.	No difference
<p>VI. If the Company makes its own corporate social responsibilities principles according to the Rules of Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies, please state the differences:</p> <p>Description: The Company has drawn up a "Code of Practice for Sustainable Development", which can still be followed in practice.</p>				

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																																													
	Yes	No	Summary																																														
VII. Other key information useful for explaining the status of promoting the implementation of sustainable development:																																																	
Description: In order to fulfill our corporate social responsibility and enhance our corporate image, the Company continues to strengthen promotion of corporate social responsibility, including environmental protection, power conservation, and society care to give back to the society with real actions.																																																	
(1) The company introduced the first non-toxic, fully recyclable, and reusable polypropylene plastic corrugated board with the characteristics of pressure resistance, heat resistance, water resistance and corrosion resistance in the domestic market to replace paper, wood, non-eco-friendly plastics, or other similar materials to reduce environmental pollution damage that end products may cause.																																																	
(2) On November 27, 2024, the Taichung Plant passed the traceability (PRM) verification for recycled plastic production.																																																	
Certified products: 100% Post-consumer recycled PP pellets (YRC) and 30% Post-consumer recycled PP corrugated sheets (YRA)																																																	
(3) The company continues donating supplies to social welfare organizations to help take care of the vulnerable groups in rural areas.																																																	
<table><tr><th>Name of Organization</th><th>Quantity</th><th>Amount(NT\$)</th></tr><tr><td>Taiwan Transforming Lives International Development Association</td><td></td><td>50,000</td></tr><tr><td>Social Enterprise Harmony Home Foundation Taiwan</td><td>150</td><td>9,676</td></tr><tr><td>Social Enterprise Chang Show Jyu Social Welfare Foundation</td><td></td><td>50,000</td></tr><tr><td>Social Enterprise Taiwan Sunshine Women Association</td><td></td><td>50,000</td></tr><tr><td>Social Enterprise Teach For Taiwan Education Foundation</td><td></td><td>50,000</td></tr><tr><td>Social Enterprise Puren Youth Care Foundation</td><td></td><td>50,000</td></tr><tr><td>Social Enterprise Huei Ming Christian Foundation for the Benefits of the Blind</td><td></td><td>50,000</td></tr><tr><td>Social Enterprise Huei-Kong Social Welfare Foundation</td><td></td><td>200,000</td></tr><tr><td>Social Enterprise Taichung Samaritan’s Home for the Care of Women</td><td>246</td><td>32,496</td></tr><tr><td>Taichung Chung Gang Senior High School</td><td>112</td><td>39,379</td></tr><tr><td>Taiwan Fund for Children and Families - South Taichung Center</td><td>144</td><td>92,271</td></tr><tr><td>Social Enterprise Maria Social Welfare Foundation</td><td>153</td><td>94,975</td></tr><tr><td>Social Enterprise Eden Social Welfare Foundation</td><td>5,087</td><td>3,446,407</td></tr><tr><td>Total</td><td></td><td>4,215,204</td></tr></table>					Name of Organization	Quantity	Amount(NT\$)	Taiwan Transforming Lives International Development Association		50,000	Social Enterprise Harmony Home Foundation Taiwan	150	9,676	Social Enterprise Chang Show Jyu Social Welfare Foundation		50,000	Social Enterprise Taiwan Sunshine Women Association		50,000	Social Enterprise Teach For Taiwan Education Foundation		50,000	Social Enterprise Puren Youth Care Foundation		50,000	Social Enterprise Huei Ming Christian Foundation for the Benefits of the Blind		50,000	Social Enterprise Huei-Kong Social Welfare Foundation		200,000	Social Enterprise Taichung Samaritan’s Home for the Care of Women	246	32,496	Taichung Chung Gang Senior High School	112	39,379	Taiwan Fund for Children and Families - South Taichung Center	144	92,271	Social Enterprise Maria Social Welfare Foundation	153	94,975	Social Enterprise Eden Social Welfare Foundation	5,087	3,446,407	Total		4,215,204
Name of Organization	Quantity	Amount(NT\$)																																															
Taiwan Transforming Lives International Development Association		50,000																																															
Social Enterprise Harmony Home Foundation Taiwan	150	9,676																																															
Social Enterprise Chang Show Jyu Social Welfare Foundation		50,000																																															
Social Enterprise Taiwan Sunshine Women Association		50,000																																															
Social Enterprise Teach For Taiwan Education Foundation		50,000																																															
Social Enterprise Puren Youth Care Foundation		50,000																																															
Social Enterprise Huei Ming Christian Foundation for the Benefits of the Blind		50,000																																															
Social Enterprise Huei-Kong Social Welfare Foundation		200,000																																															
Social Enterprise Taichung Samaritan’s Home for the Care of Women	246	32,496																																															
Taichung Chung Gang Senior High School	112	39,379																																															
Taiwan Fund for Children and Families - South Taichung Center	144	92,271																																															
Social Enterprise Maria Social Welfare Foundation	153	94,975																																															
Social Enterprise Eden Social Welfare Foundation	5,087	3,446,407																																															
Total		4,215,204																																															

6. Implementation of climate-related information

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management.	V		<p>(1) The Board of Directors resolved on November 12, 2024 to establish the “Sustainable Development Committee”, comprising 5 board members (including 3 independent directors) appointed by the Board with expertise and capabilities in corporate sustainability, along with a CSO(Chief Sustainability Officer) responsible for driving and executing sustainability-related initiatives.</p> <p>(2) The Committee convenes at least once annually. In line with the four core elements of the TCFD (governance, strategy, risk management, and metrics and targets), the Company assesses climate-related risks and opportunities, and discusses how to formulate relevant strategies and objectives to address climate-related issues. Management guidelines and specific implementation plans are developed, covering climate governance, low-carbon topics, and capital expenditures. The execution status and outcomes are reviewed, monitored, and revised as necessary, with regular reports submitted to the Board of Directors.</p> <p>(3) An execution team under the Sustainability Development Committee has also been set up and composed by the CSO, the team is responsible for evaluating environmental sustainability, improving resource utilization, climate change and other response mechanisms, and keeping an eye on the development in relevant guidelines and environmental changes. Through this execution team, interdepartmental meetings (including virtual ones) are irregularly convened to formulate work policies, corresponding strategies, allocate related budgets, and execute annual plans based on the topics. Simultaneously, it monitors the effectiveness of execution to ensure the full integration of sustainability strategies into the Company's daily operations.</p> <p>(4) The other functional committees are also responsible for the governance of certain climate-related issues, such as the Audit Committee convenes quarterly meetings to discuss relevant issues, regularly listens to work reports on the design and implementation of the internal control system for climate-related risks, and submits them to the Board of Directors for review.</p> <p>(5) The Remuneration Committee convenes biannually to discuss and evaluate the performance of senior executives based on their practice of core corporate values, operational management capabilities, contributions to profitability, and involvement in sustainable development. Performance assessments also take into account the achievement rates of various performance indicators. The connection between the system and the relevant results of climate change</p>	No difference

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			management prompts managers at all levels to pursue both for the Company's profitability and the attainment of sustainability goals.	
II. Describe how the identified climate risks and opportunities affect the business, strategies, and finances of the company (in short, medium, and long-term respectively).	V		<p>The group proactively develops responsive strategies, aiming to mitigate operational and financial impacts caused by climate change. It defines short-term of 3 years, medium-term of 3 to 5 years, and long-term of 5 years and beyond periods to assess the potential operational and financial effects of relevant climate risks and opportunities on the company. Various actions will be identified based on the discernment of how climate-related risks and opportunities affect the company.</p> <p>Climate-related risks</p> <p>Short-term of 1 to 3 years:</p> <ul style="list-style-type: none"> ● Control of total greenhouse gas emissions and imposition of carbon taxes, energy taxes, air pollution fees, etc. ● Extreme climate change leads to power outages, equipment damage, etc., which indirectly affects operating costs. ● Increased electricity and water consumption required for machinery equipment, air-conditioning and office lighting. <p>Medium-term of 3 to 5 years:</p> <ul style="list-style-type: none"> ● Shifts in consumer demand and preferences. ● Transition to a low-carbon business model. ● Addition of new renewable energy laws and regulations. <p>Long-term of 5 years and beyond:</p> <ul style="list-style-type: none"> ● Trend towards net zero emissions. ● Rising in average temperatures. ● Green barrier threshold for international trade of non-carbon footprint certified products. <p>Climate-related opportunities</p> <p>Short-term of 3 years:</p> <ul style="list-style-type: none"> ● Conduct greenhouse gas inventories to assess the current total emissions of greenhouse gases. ● Analyze and examine the proportion of greenhouse gas emissions at each stage of product manufacturing process, and develop countermeasures to reduce product carbon emissions through the calculation of product carbon footprint,. ● Improve resource utilization efficiency. <p>Medium-term of 3 to 5 years:</p> <ul style="list-style-type: none"> ● Introduce the product development process and pay attention to the use and development of low-carbon raw materials, equipment, and processes. ● Encourage upstream suppliers to conduct greenhouse gas inventory and disclosure, and jointly slow down and reduce the impact of climate change via the Company's own product carbon footprint calculation. <p>Long-term of 5 years and beyond:</p>	

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<ul style="list-style-type: none"> ● Promote awareness among consumers and clients about the impact of climate change, enhance the CSR image as well as the added values of products through product carbon footprint certification. <p>Coping strategies:</p> <ul style="list-style-type: none"> ● Improve product manufacturing processes to reduce raw material consumption. ● Procure raw materials from different regions to diversify risks. ● Monitor supply availability regularly to enhance supply chain stability. ● Utilize renewable energy and procure energy-efficient equipment. ● Expand the installation of solar photovoltaic systems. ● Increase insurance coverage against disaster losses to mitigate financial impacts. ● Enhance employee awareness of environmental protection and climate change through training and awareness campaigns. ● Conduct surveys to identify stakeholders' key areas of concern. ● Continuously implement actions on greenhouse gas reduction. ● Continue investing in sustainability bonds to improve ESG ratings, strengthen corporate image, and increase customer recognition. 	
III. Describe the financial impact of extreme weather events and transformational actions.	V		<p>Financial Impact of Extreme Weather Events: Through internal discussion and assessments, the Group identifies potential risks to production or transportation caused by extreme climate events such as cold snaps, heatwaves, floods, droughts, hurricanes, and heavy rainfall.</p> <ul style="list-style-type: none"> ● Cold snaps and heavy rainfall: Personnel's inability to attend work or casualties will cause the shutdown of operation base and equipment damage and result in temporary inability to ship goods. ● Drought and water shortage: Disruption of normal production line operations occurs. In a water shortage, water conservation measures such as reduced water usage and cross-region water transportation to maintain supply are imperative and result in increased operational costs. ● Extreme climate changes: Adversely affect production sites, raw material sourcing, and finished goods transportation, resulting in increased production costs and significant profit reduction. ● Expenditure on compliance with climate-related regulations in various countries and penalties for non-compliance. <p>Financial Impact of Transformational Actions</p> <ul style="list-style-type: none"> ● The transition to a low-carbon economy may entail coping with the costs of complying with climate-related regulations in various countries and 	No difference

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			penalties for non-compliance, which could increase operating costs or reduce sales. ● The financial impact of carbon pricing on the Group will generate cost increase for the Company's own operations and supply chain.	
IV. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	V		<p>The Board of Directors is top of the decision-making unit for risk management within the Group and directly overseeing the group's risk governance framework.</p> <p>To strengthen risk assessment and reinforce management functions, the Company established the Sustainable Development Committee and assigned a CSO to oversee and implement sustainability-related initiatives comprehensively. The Sustainability Implementation Task Force is responsible for promoting various energy-saving, carbon reduction, and sustainability projects, ensuring effective implementation to minimize the environmental impact of operations. Each department conducts risk identification and analysis within its respective responsibilities, including operational, financial, ESG, human resources, and information security risks, so that departments can formulate corresponding response strategies, aiming to integrate and manage potential risks that may affect operations and profitability. The Committee reports to the Board of Directors at least once a year on the implementation status and risk control performance of each functional group within the Sustainability Implementation Task Force, and reviews and monitors the strategies, targets, and outcomes related to the management of risks and opportunities.</p>	No difference
V. When conducting a scenario analysis to assess resilience in the face of climate change risks, describe the scenarios, parameters, assumptions, analysis factors and main financial impacts involved in the analysis.	V		While scenario analysis can help the Company better understand the potential impacts of climate change, the Group has not yet adopted it as an assessment tool. Internal evaluation and planning regarding sustainability issues are currently underway.	No difference
VI. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	V		<p>In order to achieve net zero emissions, the Group has formulated a low-carbon plan, which will target on reducing emissions from direct operations (Scope 1), indirect emissions from energy use (Scope 2), and business and employee commuting in the category of indirect emissions (Scope 3).</p> <p>The implementation includes:</p> <ul style="list-style-type: none"> ● Continue to actively and independently reduce carbon emissions, improve energy productivity and efficiency, and minimize carbon emissions in the manufacturing and product use stages. ● Adopting renewable energy: Significantly increase the proportion of renewable energy use and promote it to the value chain to support low-carbon energy transformation with practical actions. <p>The Group uses the year 2023 as the comparison</p>	No difference

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>base period. The indicators and targets of the action items used in the transformation plan to identify greenhouse gas-emitting entities and transformation risks are as follows:</p> <p>1. Physical risks: Impacts/Strategies/Goals</p> <ul style="list-style-type: none"> ● Flood Prevention: Strengthen waterproof facilities and drainage pipes / complete waterproof facilities and drainage pipes / reduce operational interruption risks and financial impacts. ● Earthquake Damage: Purchase property insurance / complete insurance for all registered assets / reduce property losses. <p>2. Transformation risks: Procedures/Strategies/Goals</p> <ul style="list-style-type: none"> ● Energy Conservation: Following internal management procedures / energy intensity / reduce electricity consumption rate by 1% annually compared to the previous year. ● Carbon Reduction: Following internal management procedures / product carbon footprint quantification process / effectively control carbon emission sources for reducing the risk of additional levies in the carbon fee or carbon tax market in the future. ● Green Energy: Solar power generation / Energy generation volume / achieve a 9% annual electricity savings, the Group aims for a 10% reduction. ● Green Production: Increase revenue from sustainable products / recycled PP pellets / annual revenue > 3 million. 	
VII. If internal carbon pricing is used as a planning tool, the basis for price determination should be stated.	V		As of the publication date of the 2024 annual report, the Company did not use internal carbon pricing as a planning tool.	No difference
VIII. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scopes, planning timeframe, progress achieved each year, etc., should be stated. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of the offset carbon emissions or the number of RECs exchanged should be disclosed.	V		<p>The Company regularly reports to the Board of Directors on greenhouse gas inventory and disclosure information, as well as the establishment of carbon reduction targets, strategies, concrete action plans, and the implementation status of sustainability initiatives.</p> <p>According to the regulations of the Financial Supervisory Commission, companies with assets of less than 2 billion are required to compile and submit sustainability reports by 2025. The Company plans to prepare a sustainability report in advance by 2024.</p> <p>According to the current plan, the company does not use the purchase of renewable energy certificates as a means of carbon reduction. Priority is given to renewable energy for self-use, and the available space at each operating site is taken into account to build renewable energy power generation equipment gradually.</p> <p>In 2024, the company's self-generated solar energy consumption at the Wuqi Plant was 769,500 kWh, with green power accounting for 16% of the total power consumption in Taiwan factories (Taipei, Taichung, Wuqi). The subsidiary Tah Fu's was 564,500 kWh, accounting for 25.665% of the total power consumption in factories overseas (Tah Fu, Tah Viet, Tahsin Fumei, Tah Myan)</p>	No difference

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons															
	Yes	No	Summary																
			. The Group’s total consumption was 1,334,000 kWh. Accounting for 19.03% of the Group's total electricity consumption.																
IX.Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans (filled in 1-1 and 1-2 separately).	V		The group officially launched greenhouse gas inventory and verification operations since 2023 to accurately understand the emission of greenhouse gases and carbon emissions generated by its operational activities. Taking 2023 as the base year for the inventory, it is planned to complete the inventory in 2024 and undergo third-party verification in 2025. Reduction goals, strategies, and specific action plans are stated as below.	No difference															
1-1-1 Greenhouse gas inventory information: Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/million NTD) and data coverage of greenhouse gases in the past two years. (Detailed explanation on the right) 1-1-2 Greenhouse gas assurance information: Describe the assurance situation for the last two years as of the publication date of the annual report, including the assurance scope, assurance organization, assurance criteria, and assurance opinions. (Detailed explanation on the right) 1-2 The greenhouse gas (GHG) reduction targets, strategies, and specific action plans, including the designated base year and corresponding data, the reduction goals, strategies, concrete implementation measures, and the progress made toward achieving those targets. (Detailed explanation on the right)	V		<p>The company, being a company with a paid-up capital of less than TWD 5 billion, follows the phased disclosure schedule for greenhouse gas inventory and verification information in line with the Financial Supervisory Commission's promotion of the "Sustainable Development Roadmap for Listed and OTC Companies."</p> <p>The company and its consolidated reporting subsidiaries should apply the greenhouse gas inventory and verification schedule in the third stage:</p> <p>The Company: (Schedule in accordance with the regulation)</p> <ul style="list-style-type: none">● Inventory: Completion by 2026.● Verification: Completion by 2028. <p>Consolidated subsidiaries: (Schedule in accordance with the regulation)</p> <ul style="list-style-type: none">● Inventory: Completion by 2027.● Verification: Completion by 2029. <p>The group officially commenced greenhouse gas inventory and assurance operations in 2023, Taking 2023 as the base year for the inventory, the Company aims to complete the inventory in 2024 and undergo third-party verification in 2025, while the subsidiaries plan to complete the inventory and verification in accordance with the timetable specified by laws and regulations.</p> <p>Direct emission (Category 1):</p> <div>(Ton)</div> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>236</td><td>242</td><td>(0.0247)</td></tr></table> <p>Indirect energy(Category 2) greenhouse-gas:</p> <p>① Greenhouse gas carbon emissions: (Kg)</p> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>1,914,882</td><td>2,186,556</td><td>(0.1242)</td></tr></table> <p>② Water consumption: (degree)</p> <table><tr><td>2024</td><td>2023</td><td>Increase</td></tr></table>	2024	2023	Increase (decrease) ratio	236	242	(0.0247)	2024	2023	Increase (decrease) ratio	1,914,882	2,186,556	(0.1242)	2024	2023	Increase	No difference
2024	2023	Increase (decrease) ratio																	
236	242	(0.0247)																	
2024	2023	Increase (decrease) ratio																	
1,914,882	2,186,556	(0.1242)																	
2024	2023	Increase																	

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																																		
	Yes	No	Summary																																			
			<table><tr><td></td><td></td><td>(decrease) ratio</td></tr><tr><td>11,283</td><td>7,517</td><td>0.5010</td></tr></table> <p>Indirect emission (Category 3) including business and employee commuting: (Ton)</p> <table><tr><td>2024</td><td>2023</td><td>Increase (decrease) ratio</td></tr><tr><td>111</td><td>210</td><td>(0.4714)</td></tr></table> <p>Regarding green manufacturing, the Company’s PP corrugated board products are made from environmental-friendly materials, and are recyclable and reusable. Through technology development and reuse of recycled PP particles, hazardous waste will not be produced in the process and the products will not cause environmental damage.</p> <p>Percentage of recycled reused particles in the latest two years:</p> <table><tr><td></td><td>Recoverable and reused resource rate</td></tr><tr><td>2023</td><td>5.74%</td></tr><tr><td>2024</td><td>6.74%</td></tr></table> <p>Description: The increase in the recycling rate in 2024 compared to 2023 was due to the 1% increase in the profit of PP corrugated board.</p> <p>Volume of waste handled by the Company in the past two years: (Unit: Ton)</p> <table><tr><td></td><td>2024</td><td>2023</td><td>Method of handling</td></tr><tr><td>Hazardous</td><td>0</td><td>0</td><td></td></tr><tr><td>Non-hazardous</td><td>25.63</td><td>19.39</td><td>Incineration</td></tr><tr><td>Total</td><td>25.63</td><td>19.39</td><td></td></tr></table> <p>Volume of waste handled by overseas subsidiaries in the past two years:</p>			(decrease) ratio	11,283	7,517	0.5010	2024	2023	Increase (decrease) ratio	111	210	(0.4714)		Recoverable and reused resource rate	2023	5.74%	2024	6.74%		2024	2023	Method of handling	Hazardous	0	0		Non-hazardous	25.63	19.39	Incineration	Total	25.63	19.39		
		(decrease) ratio																																				
11,283	7,517	0.5010																																				
2024	2023	Increase (decrease) ratio																																				
111	210	(0.4714)																																				
	Recoverable and reused resource rate																																					
2023	5.74%																																					
2024	6.74%																																					
	2024	2023	Method of handling																																			
Hazardous	0	0																																				
Non-hazardous	25.63	19.39	Incineration																																			
Total	25.63	19.39																																				

Promotion items	Status of Implementation			Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																
	Yes	No	Summary																	
			<table><tr><td></td><td>2024</td><td>2023</td><td>Method of handling</td></tr><tr><td>Hazardous</td><td>0.02</td><td>0.018</td><td>Land-filling</td></tr><tr><td>Non-hazardous</td><td>18.51</td><td>17.15</td><td>Incineration</td></tr><tr><td>Total</td><td>18.53</td><td>17.17</td><td></td></tr></table> <p>Scope of the above information: Factories and Plants in Taiwan: Taipei, Taichung, Wuqi Factories and Plants in Overseas Subsidiaries: Tah Fu, Tah Viet, Tahsin Fumei, Tah Myan</p> <p>GHG assurance information: In 2024, the Company prepared a Sustainability Report disclosing its sustainability development initiatives. The report complies with the “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies,” and adopts the latest GRI Standards (Global Reporting Initiative) and SASB Standards (Sustainability Accounting Standards Board) as its reporting frameworks.</p> <p>The Company appointed Crowe (TW) CPAs to issue a limited assurance report in accordance with the International Standard on Assurance Engagements 3000: “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”.</p> <p>GHG reduction targets, strategies, and concrete action plans: Please refer to pp. 63–66 of the Annual Report.</p>		2024	2023	Method of handling	Hazardous	0.02	0.018	Land-filling	Non-hazardous	18.51	17.15	Incineration	Total	18.53	17.17		
	2024	2023	Method of handling																	
Hazardous	0.02	0.018	Land-filling																	
Non-hazardous	18.51	17.15	Incineration																	
Total	18.53	17.17																		

7. Implementation of Ethical Corporate Management and Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance:

Evaluation Items	Operational Situation			Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance
	Yes	No	Summary	
III. Formulation of policies and plans for ethical corporate management				
(I) Has the Company formulated its ethical management policy approved by the Board of Directors, clarified it in its regulations and external documents and the commitment of Board of Directors and senior Managers to active implementation?	V		<p>(1) The Company has formulated the Ethical Corporate Management Best Practices which was adopted by the Board of Directors to take into effect and promulgated to implement on December 28, 2010.</p> <p>(2) Has formulated the Ethical Corporate Management Procedures and Behavior Guidelines which was adopted by the Board of Directors to take into effect and promulgated to implement on December 28, 2011.</p> <p>(3) The company issued a notice that its external contracts shall include the explicitly stated principle of good faith that the parties must abide by on October 5, 2011.</p> <p>(4) On March 16, 2010, in accordance with laws and regulations and operational requirements, the Company made amendments to the Ethical Corporate Management Best Practices and the Ethical Corporate Management Procedures and Behavior Guidelines, which to be disclosed on the Market Observation Post System and the Company's website after reporting to the shareholders' meeting, stipulating that directors, supervisors and management shall abide by the rules and regulations in good faith and shall not be involved in any unethical conduct.</p>	No difference
(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		<p>(1) The company has established the code of conduct of ethical corporate management and code of ethics in relevant rules and regulations, as well as the relevant reward and punishment provisions, specifying that directors, managers, employees or attorney or substantial controller of the company are strictly prohibited to offer, promise, demand or accept any improper benefits directly or indirectly in the process of engaging in business activities, or be involved in any unethical conduct such as breach of integrity, illegal or breach of fiduciary duty, so as to prevent the occurrence of various kinds of malpractices.</p> <p>(2) On March 16, 2020, the Company made amendments to the Ethical Corporate Management Procedures and Behavior Guidelines and the relevant internal regulations of the Company. Standards for the punishment and complaint systems for violations are available</p>	No difference

Evaluation Items	Operational Situation			Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance
	Yes	No	Summary	
(III) Has the company in the prevention programs for unethical conduct clearly prescribed the operation procedures, conduct guidelines and disciplinary and appeal system for violations of the ethical corporate management rules and implemented them, and conducted review and amendment on the aforementioned programs on a regular basis?	V		<p>and implemented one by one to prevent dishonest conduct during business activities or process of business implementation.</p> <p>(1) The company has established punishment, appeal, reward and penalty systems for relevant violations to implement prevention of dishonest conduct, and will continuously revise them.</p> <p>(2) Internally, the financial personnel complies with the accounting system and the auditors follows the internal control system; the auditors govern and execute the audits, and the certified public accountants (CPA) conduct external checks.</p>	No difference
II. Implementing integrity operation				
(I) Has the company evaluated its counterparts' ethical records? Does the contract signed by the company and its counterparts clearly provide terms on ethical conduct?	V		The Company has updated "Commitment of Supplier for Corporate Social Responsibility," and required the suppliers to establish a cooperate culture of integrity, complying with "Supplier Code of Conduct." Before conducting business activities, the Company has evaluated its counterparts' necessary ethical records. The external contract between the company and the suppliers shall include clauses that stipulate conformity with ethical business operations as well as clauses regarding the termination or dissolution of the contract if the counterparts are involved in any dishonest behavior.	No difference
(II) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		<p>(1) The Board of Directors has been established a "Sustainability Development Committee," on May 13, 2024 under which a task force is set up to promote the ethical management, anti-corruption, anti-bribery, and compliance matters within the Group.</p> <p>(2) The Company's audit office is responsible for examining the implementation status of ethical management policies and prevention plans to prevent dishonest behavior and ensure the implementation of ethical management policies.</p> <p>(3) Report on its implementation at the quarterly meeting of the Board of Directors</p>	No difference
(III) Has the company established and implemented policies preventing a conflict of interest and providing proper channels for suggestions and complaints?	V		<p>(1) The company has established a box and website for complaints as a channel for suggestions and complaints, and required the company's relevant divisions to implement it.</p> <p>(2) Before proposals and discussion at the Board of Directors meetings, the moderator reads the motion and the parties who are involved in a conflict of interest shall leave.</p>	No difference

Evaluation Items	Operational Situation			Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance
	Yes	No	Summary	
(IV) Has the company established an effective accounting system, internal control system to put ethical corporate management into practice. The internal auditors shall draw up the relevant audit plan to audit the compliance of the prevention programs for unethical conduct according to the risk valuation results of the unethical conduct, or audited by CPAs?	V		<p>(3) The Board of Directors has been convened for 5 times in 2024 in accordance with the "Rules of Procedures for Board Meeting".</p> <p>(1) The company has established an effective accounting system and internal control system following the laws and regulations to put integrity operation into practice, systems and implementation efficiency are under review at any time.</p> <p>(2) The internal audit by the audit office and the formulation of an audit plan is based on the aforementioned compliance system, and ensure the effectiveness of internal control systems through self-evaluation operations, which will serve as the basis for issuing an internal control system statement, and submit to the board of directors for approval.</p> <p>(3) The external audit is entrusted to the accountants in the interim and annually.</p>	No difference
(V) Does the company organize internal or external trainings on the ethical corporate management regularly?	V		<p>(1) The Company promote the operating regulation and working procedures of integrity and the conduct guideline through internal platform a periodically to have the employees fully understood the related regulations to follow during business implementation, to implement business of integrity, and to prevent dishonest conduct.</p> <p>(2) In 2024, there were 73 classes of self-organized or external training courses, with 3,099 personnel being trained for 385 training hours. For more information about the implementation of education and training, see P138~139 of the annual report.</p>	No difference
IV. Implementation of the company's whistle-blowing mechanism				
(I) Has the company set specific report and reward system to facilitate the reporting channel and assign appropriate specialist accepting to spot the reported object?	V		<p>(1) The whistle-blower can report complaint in person, through mailbox, e-mail box, Tahsin website investor section and other statement channels, and the dedicated personnel of the responsible unit can properly handle and improve the response mode of each stakeholder, so as to achieve effective communication.</p> <p>(2) The Company has established systems for complaints, whistle-blowing, and rewards and penalties, which are all disclosed on the Company's website.</p> <p>(3) Report regularly to the Board of Directors. Up to the date of publication of the annual report, no complaints have been filed.</p>	No difference
(II) Has the company stipulated standard operating procedures (SOP) and relevant systems of confidentiality for investigating the case being exposed by	V		<p>(1) The Company has established systems for complaints, whistle-blowing, rewards and penalties, the process of measure is application, investigation, and remain confidential.</p> <p>(2) Report the establishment of applicable external personnel.</p>	No difference

Evaluation Items	Operational Situation			Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance
	Yes	No	Summary	
the whistle-blower? (III) Has the company taken measures to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	V		The company handles reported cases confidentially and strictly prohibits any retaliation against the complainant or whistleblower. It adheres to the principle of human rights protection, the parties involved are not affected with their rights and interests due to reporting.	No difference
IV. Strengthening of information disclosure Does the company disclose the information of implementation and results of integrity management on its website and the MOPS?	V		(1) Internal: The relevant regulations and education training concerning ethical corporate management are launched and implemented through the company's internal network system. (2) External: The Company has disclosed the relevant content of the ethical corporate management best practices and effectiveness of the implementation on the Company's website and MOPS.	No difference
V. Where the company has stipulated its own ethical corporate management best practices according to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any differences between the prescribed best practices and the actual activities taken by the company: Description: (1) The Ethical Corporate Management Best Practices established by the Company are in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies issued by the Taiwan Stock Exchange, requiring the relevant divisions of the Company to implement and incorporate the best practices into day-to-day operations and management, and there are no differences between the prescribed best practices and the actual activities taken. (2) The company's subsidiaries have implemented the internal control system and relevant supervision measures based on the company's spirit of ethical corporate management.				
VI. Other important information for better understanding of the ethical management (such as review and amendment of the regulations on ethical management) Description: (1) On March 16, 2020, the Company made amendments to the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct. (2) Internally: The company has stipulated that the directors, supervisors, and management shall abide by the regulations in good faith and shall not involve in any unethical conduct, as well as the relevant reward and punishment provisions, specifying that directors, supervisors, managers, employees or attorney or substantial controller of the company are strictly prohibited to offer, promise, demand or accept any improper benefits directly or indirectly in the process of engaging in business activities, utilize company resources for commercial activities outside the company, or be involved in any unethical conduct such as breach of integrity, illegal or breach of fiduciary duty, so as to prevent the occurrence of various kinds of malpractices. (3) Externally: Before establishing a business relationship, the Company has stipulated that contracts shall include clauses that stipulate conformity with ethical business operations as well as clauses regarding the termination or dissolution of the contract if the counterparts are involved in any dishonest behavior. Meanwhile, the division in charge of contract signing is requested to inform the counterparts to comply with the clauses. (4) It has been disclosed on the Market Observation Post System and the company's website after reporting to the shareholders' meeting on June 5, 2020.				

8. If the Corporate Governance Best Practice Principles and relevant regulations are established by the Company, the consulting methods shall be disclosed:

1. The company has established the following corporate governance rules:

1	Articles of Incorporation
2	Procedures of Acquisition or Disposal of Assets
3	Procedures of Loaning Funds to Others
4	Procedures of Endorsements/Guarantees
5	Rules of Procedures of Shareholders' Meeting
6	Procedures of Election of Directors
7	Rules of Procedures for Board Meeting
8	Measures for the Evaluation of the Board of Directors' Performance
9	Codes of Ethical Conduct for Directors, Supervisors, and Managers
10	Standard Operating Procedures for the Handling of Directors' Requests
11	Ethical Corporate Management Best Practice Principles
12	Ethical Corporate Management Procedures and Guidelines for Conduct
13	Remuneration Committee Charter
14	Audit Committee Charter
15	Procedures for Halt and Resumption Applications
16	Measures for Preventing Insider Trading
17	Code of Ethical Conduct for Employees
18	Whistle-blowing Measures and Reporting Procedures
19	Occupational Safety and Hygiene Management Measures
20	Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises
21	Tahsin Social Responsibility Policies (CSR)
22	Information Security Control Regulations
23	Internal Control System
24	Internal Audit Implementation Rules
25	Corporate Governance Best Practice Principles
26	Sustainable Development Best Practice Principles
27	Process Procedures for Internal Significant Information
28	Organizational Regulations of the Sustainable Development

2. All rules have been disclosed in the Investor Section of the company's website.

(The Company's website: www.tahhsin.com.tw)

9. Other important information to facilitate better understanding of the Company's corporate governance shall be all disclosed:

(1) The Financial officers, Accounting officers, Auditing officers, and the internal auditing staff also participate in the skill development and training courses in their respective professional areas every year. The training status is as below:

Job Title	Name	Date of receiving trainings	Training Course Provider	Name of training courses	Hours
Financial & Governance Officer	CHEN, MING-ZHE	2024.10.04	Taiwan Corporate Governance Association	Climate risk identification workshop and net-zero carbon emissions awareness seminar – Taichung Session	6
		2024.10.18	Securities and Futures Institute	2024 Seminar on insider trading prevention	3
		2024.10.24	Tuinghai University	2024 Continuing education program for Accounting supervisors of issuers, securities Firms, and stock Exchanges	12
		2024.10.25			
		2024.11.01	Taiwan Corporate Governance Association	Climate risk identification workshop and net-zero carbon emissions awareness seminar – Taichung Session	3
Substitute Staff for the Financial Officer	HO, WEN-DA	2024.08.23	Accounting Research and Development Foundation	Continuing education course for securities exchange accountants of issuers	12
		2024.08.24			
Audit Supervisor	LIU, LI-ZHEN	2024.08.01	Internal Audit Association of the Republic of China	Continuing education course for accounting supervisors of issuers, securities firms, and stock exchanges: New challenges for internal auditors – analysis of	6

				sustainability disclosure, governance policies, and key audit points	
		2024.10.16		Practical applications of internal audit, internal control, and Personal Data Protection Law	6
		2024.11.29		Practical applications of self-evaluations	6
Auditor	CHEN, YI-ZU	2024.03.12	Internal Audit Association of the Republic of China	Risk-based internal audit approaches and practices for subsidiary audits	6
		2024.04.25		Practical Audit Techniques	6
Substitute Staff for the Auditor	TSAI SHU-MING	2024.02.19	Internal Audit Association of the Republic of China	Pre-employment training workshop for novice corporate internal auditors	18

- (2) The Company has set out the Procedure for the Announcement of Major News for Spokespersons, in order to establish a mechanism for the Company's spokesperson to handle and disclose the Company's major internal news, and to ensure the Company adheres to information consistency and correctness when news is released to the public.
- (3) The Company has established the Codes of Ethical Conduct for Directors, Supervisors, and Managers
Code of Ethical Conduct for Directors and Managers" of Tahsin Industrial Corp. (Amended by the Board of Directors on March 16, 2020)

Chapter 1 General Provisions

Article 1 For directors and managers of the company (including General Managers, Deputy General Managers, Assistant Deputy General Managers, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a

company) to conduct business activities based on their authority and to behave in an ethical manner, the guidelines are set to prevent unethical behavior and behaviors that would harm the interests of the company and its shareholders.

Chapter 2 Content of the Codes of Ethical Conduct

Article 2 Article 2: Directors and managers shall treat the company's affairs in disciplined manners which are in honesty, in compliance with laws, and in fairness and justice.

Article 3 Directors and managers shall avoid conflicts of interest when personal interests are involved or may be involved in the company's overall interests, including but not limited to the fact that the officer cannot handle the company's affairs in an objective and efficient manner; or based on their position in the company, to get improper benefits for themselves, their spouses, parents, children or relative within the second-degree of kinship. To prevent conflicts of interest, the Company's loans of funds, provisions of guarantees, and major asset transactions involving the aforesaid persons or their affiliated enterprise at which a Director, Supervisor, or Managerial Officer works shall be reviewed by the Board of Directors in advance, and if any purchase (or sale) of goods, the best interests of the Company shall be taken into account.

Article 4 When the company is in the face of the opportunity of making profit, Directors and managers shall try their best to maintain the company's legitimate profitability and interest in such situations. The Directors, Supervisors, and Managerial Officers shall not obtain personal gains by using the Company's properties, information or take advantage of their positions in the Company, and unless otherwise permitted in accordance to the Company Act or the Company's Articles of Incorporation, they shall not engage in acts that compete with the Company.

Article 5 The directors and managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information.

Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or customers.

Article 6 Directors and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 7 All directors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

Article 8 Directors and managers shall comply with regulations stipulated in various laws, and the company's rules and systems.

Article 9 Employees of the company shall report to the independent director, direct manager, General Manager's office, and internal audit supervisor, or other appropriate personnel upon discovery of any activity in violation of a law or regulation or the code of ethical conduct with sufficient information. Once the information is confirmed, the company shall reward the whistle-blower according to the personnel management rules. The company shall properly handle the aforementioned reported information in a confidential and responsible manner, and use its best efforts to ensure the safety of informants and protect them from any form of reprisals.

Article 10 Any violation of this Codes by a Director, supervisor, or manager shall be reported to the Board of Directors, in addition to the punishment under the personnel management rules after being ascertained. The person involved in the violation shall subject to all civil, criminal, or administrative liability, and the person's position, name, the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken shall

be disclosed on MOPS without delay.

Chapter 3 Procedures for Exemption

Article 11 Under special circumstances, the code of ethical conduct adopted by a company must require that any exemption for directors or managerial officers from compliance with the code be adopted by a resolution by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and that information on the position and name of persons to be exempted, the date on which the Board of Directors adopted the resolution for exemption, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to safeguard the interests of the company.

Chapter 4 Method of Information Disclosure

Article 12 The guidelines shall be disclosed on the company's official website, in the annual report, prospectus, and on the Market Observation Post System (MOPS) website. The same procedure applies to any amendment.

Chapter 5 Supplementary Provisions

Article 13 The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors, delivered to each independent director, and submitted to a shareholders meeting.

10. The following items related to the implementation of internal control systems shall be disclosed:

(1) Internal Control Statement

Please refer to the website link of the Market Observation Post System (MOPS):

<https://mops.twse.com.tw/mops/#!/web/home>

Listed Companies>Corporate Governance>Company Regulations/Internal Control>Internal Control Statement Announcements

(2) Where a CPA is entrusted to carry out a special audit of the internal control system, furnish the CPA audit report: None.

11. The company and its internal personnel were punished in accordance with the law in the most recent year and up to the date of publication of the annual report. Punishment, main deficiencies and improvement situations for its internal personnel for violating internal control system regulations: none.

12. In the most recent year and as of the publication date of the annual report, important resolutions of the shareholders' meeting and the board of directors:

1. Material resolutions of the Regular Shareholders' Meeting on June 21, 2024:

Directors attended:

Directors: WU, ZI-CONG, HU, PO-YI, HU, PEI-TUAN, HU, BOR-CHON, LIU, WAN-CHENG, LAI, KEN-MIN for a total of 6 persons.

Independent Directors: LIN, KO-WU, YANG, TE-WANG, YANG, KUO-SHU, for a total of 3 persons.

Non-voting attendees: CHEN, YI-CHIEN General Manager

Crowe Horwath (TW) CPAs: CHANG, FU-LANG, CPA, CHIU, KUEI-LING, CPA

● The proposal of the company's Business Report and Financial Statements for 2023 has been adopted for ratification.

● The proposal of the earnings distribution plan for 2023 has been adopted for ratification.

2. Execution of the resolutions made in the general shareholders' meeting on June 21, 2024, is as follows:

- The amendment to the Rules of Procedure of Board Meeting has been adopted for discussion.
- ◎ It was announced on the Company's website on June 21, 2024, and will be processed in accordance with the revised procedures.

- The proposal of the company's Business Report and Financial Statements for 2023 has been adopted for ratification.
- ◎ The relevant reports and statements have been filed with the competent authority for future reference, disclosure, and declaration pursuant to the relevant laws and regulations.

- The proposal of the earnings distribution plan for 2023, with a cash dividend of NT\$ 5 per share, has been adopted for ratification.
- ◎ A cash dividend of NT\$ 2.5 per share has been paid on September 27, 2023 for the first half of 2023.
- ◎ A cash dividend of NT\$ 2.5 per share has been paid on May 10, 2024 for the second half of 2023.

3. Important resolutions of the Board of Directors in 2024 and as of the date of publication of the annual report:

In the year 2024 and up to the date of publication of the annual report, the company has convened six board meetings in total, with the material resolutions as follows:

- (1) The 5th Board meeting of the 20th Board of Directors: (March 12, 2024)**
 - Information security report and a summary report on the communication between various categories of stakeholders have been submitted and approved.

- **The progress of greenhouse gas accounting has been submitted and approved.**
- **The 2023 self-assessment report of the company's board members, the Board of Directors, the audit committee, and the remuneration committee has been submitted and approved.**
- **Adopted by resolution: The proposal of the company's Business Report and Financial Statements for 2023 (including consolidated financial statements) has been prepared.**
- **Adopted by resolution: A cash dividend of NT\$ 2.5 per share has been paid in the second half of 2023.**
- **Adopted by resolution: The proposal to set the ex-dividend base date on April 17, 2024, and payment date on May 10, 2024, for cash dividend of the company's earnings distribution for the second half of 2023 has been adopted by resolution.**
- **Adopted by resolution: The proposal for the statement on self-evaluation of internal control system in 2023 has been adopted by resolution.**
- **Adopted by resolution: The planning and reporting of the preparation and assurance schedule for the Sustainability Report has been adopted by resolution.**
- **Adopted by resolution: The proposal for the maturity extension of the credit risk line of derivatives has been adopted by resolution.**
- **Adopted by resolution: The extension of the expiring credit limit for hedging derivative financial instruments has been adopted by resolution.**
- **Adopted by resolution: The proposal of the amendment to partial provisions of the Company's "Rules of Procedure**

for Board of Directors' Meetings" has been adopted by resolution.

- **Adopted by resolution: The proposal of the amendment to partial provisions of the Company's "Audit Committee Charter" has been adopted by resolution.**
- **Adopted by resolution: The proposal for the remuneration of directors of the company in 2023 has been adopted by resolution.**
- **Adopted by resolution: The proposal for the remuneration distribution of managers of the company in 2023 has been adopted by resolution.**
- **Adopted by resolution: : The proposal for the demolition of the old employee dormitories at the Zhonggang Plant in Wuci District, Taichung has been adopted by resolution.**
- **Adopted by resolution: The proposal for the development project to construct an office building and employee dormitories on the land of Yongxin Section, Nantun District, Taichung has been adopted by resolution.**
- **Adopted by resolution: The proposal of the date, venue, and related Matters for the 2024 annual shareholders' meeting including the right to accept shareholder proposals.**

(2) The 6th Board meeting of the 20th Board of Directors: (May 13, 2024)

- **Information security report and a summary report on the communication between various categories of stakeholders have been submitted and approved.**
- **The report on corporate governance-related laws and regulations has been submitted and approved.**
- **The professional qualifications and independence of the**

Company's incumbent independent directors have been reviewed by the Corporate Governance Supervisor and found to be in compliance with relevant laws and regulations, as well as the Qualification Criteria for Independent Directors (during their term of office) have also been submitted and approved

- **Adopted by resolution: The proposal of the company's Consolidated Financial Statements for Q1 2024 have been prepared, pursuant to Article 36 of the Securities and Exchange Act.**
- **Adopted by resolution: Extension of the expiring bank credit facility has been adopted by resolution.**
- **Adopted by resolution: The proposal for the maturity extension of the credit risk line of derivatives has been adopted by resolution.**
- **Adopted by resolution: Guarantee for reinvested Company, Tashin Shoji Co., Ltd. in Japan, to secure a financing credit facility of JPY 300 million from Yuanta Bank, Beitun Branch has been adopted by resolution.**
- **Adopted by resolution: The amendment to the Company's "Operating Procedures for Financial and Business Transactions among Affiliates" has been adopted by resolution.**
- **Adopted by resolution: The amendment to the Company's "Insider Trading Prevention Guidelines" has been adopted by resolution.**
- **Adopted by resolution: The amendment to the Company's "Corporate Governance Best Practice Principles" has been adopted by resolution.**
- **Adopted by resolution: The addition of the Company's "Sustainable Development Committee Charter" has been adopted by resolution.**

(3) The 7th Board meeting of the 20th Board of Directors: (June 21, 2024)

- **Adopted by resolution: A cash dividend of NT\$ 2.5 per share for the second half of 2023 has been paid on May 10, 2024.**

(4) The 8th Board meeting of the 20th Board of Directors: (August 12, 2024) (

- **Information security report and a summary report on the communication between various categories of stakeholders have been submitted and approved.**
- **The progress of greenhouse gas accounting has been submitted and approved.**
- **The expansion of the solar photovoltaic system at the subsidiary Tah Fu Plant has been submitted and approved.**
- **The renewal of the liability insurance of directors and key officers, including the insured amount, coverage scope, insurance rates, etc., has been submitted and approved.**
- **Adopted by resolution: The proposal that the company's consolidated financial statements for the second quarter of 2024 have been prepared and combined with the business report for the first half of 2024.**
- **Adopted by resolution: A cash dividend of NT\$ 2.5 per share has been paid on in the first half of 2024.**
- **Adopted by resolution: The proposal to set the ex-dividend base date on September 4, 2024, and payment date on September 27, 2024, for cash dividend of the company's earnings distribution for the first half of 2024.**
- **Adopted by resolution: Implementation status of the Sustainability Report (including the assurance report by the CPA).**

- **Adopted by resolution: The proposed additional investment by the subsidiary Teh Viet, in Tehsin Fumei Co., Ltd.**
- **Adopted by resolution: The capital increase plan for the subsidiary Teh Viet has been submitted and approved.**

(5) The 9th Board meeting of the 20th Board of Directors: (November 12, 2024)

- **Information security report and a summary report on the communication between various categories of stakeholders have been submitted and approved.**
- **The expansion of the solar photovoltaic system at the subsidiary Tah Myan Plant has been submitted and approved.**
- **The implementation status of promoting sustainable development has been submitted and approved.**
- **Adopted by resolution: The proposal of the company's Consolidated Financial Statements for Q3 2024 have been prepared, pursuant to Article 36 of the Securities and Exchange Act.**
- **The proposal of the Company's 2024 Business Plan.**
- **Adopted by resolution: The proposal of the Company's 2024 Internal Audit Plan.**
- **Adopted by resolution: The proposal of extension for the expiring bank credit line.**
- **Adopted by resolution: The proposal of extension for the already expired bank credit line**
- **Adopted by resolution: The proposal of the maturity extension of the credit risk line of derivatives has been adopted by resolution.**

- **Adopted by resolution: The proposal of changes and ratification of persons who are authorized to carry out derivatives transactions has been adopted by resolution.**
- **Adopted by resolution: The amendment of certain provisions of “Internal Control System” and “Implementation Rules for Internal Audit” of the Company.**
- **Adopted by resolution: The evaluation report on the independence and suitability of the CPA.**
- **Adopted by resolution: Proposal for the establishment of the Sustainability Development Committee and the appointment of its members**
- **Adopted by resolution: Appointment of the Company’s Chief Sustainability Officer.**
- **Adopted by resolution: The termination of operations of the subsidiary Tahsin Industrial Corp., USA.**
- **Adopted by resolution: The proposal for distributing year-end bonuses to executive directors and managers.**
- **Adopted by resolution: The monthly transportation allowances for directors for the year 2025.**
- **Adopted by resolution: The proposal for the evaluation of remuneration for executive directors and managers for the year 2025.**

(6) The 10th Board meeting of the 20th Board of Directors: (March 12, 2025)

- **Information security report and a summary report on the communication between various categories of stakeholders have been submitted and approved.**
- **The progress of sustainable development and greenhouse gas accounting has been submitted and approved.**

- **The report on corporate governance-related laws and regulations has been submitted and approved.**
- **The 2024 self-assessment report of the company's board member, the Board of Directors, the audit committee, and remuneration committee has been submitted and approved.**
- **Adopted by resolution: The proposal of the company's Business Report and Financial Statements for 2024 (including consolidated financial statements) has been prepared.**
- **Adopted by resolution: A cash dividend of NT\$ 2.5 per share has been paid in the second half of 2024.**
- **Adopted by resolution: The proposal to set the ex-dividend base date on April 16, 2025, and payment date on May 9, 2025, for cash dividend of the company's earnings distribution for the second half of 2024 has been adopted by resolution.**
- **Adopted by resolution: The proposal for the statement on self-evaluation of the internal control system in 2024 has been adopted by resolution.**
- **Adopted by resolution: The evaluation report on the independence and suitability of the CPA.**
- **Adopted by resolution: The proposal for the change of CPA (due to internal rotation within the accounting firm).**
- **Adopted by resolution: Extension of the expiring bank credit facility has been adopted by resolution.**
- **Adopted by resolution: The proposal for the maturity extension of the credit risk line of derivatives has been adopted by resolution.**

- **Adopted by resolution: The proposal of changes and ratification of persons who are authorized to carry out derivatives transactions has been adopted by resolution.**
- **Adopted by resolution: Amendment to certain provisions of the Company's Articles of Incorporation**
- **Adopted by resolution: Amendment to certain provisions of the Company's "Procedures for Endorsements and Guarantees"**
- **Adopted by resolution: Defining the scope of the Company's frontline employees**
- **Adopted by resolution: The proposal for the remuneration of directors of the Company in 2024 has been adopted by resolution.**
- **Adopted by resolution: The proposal for the remuneration distribution of managers of the Company in 2024 has been adopted by resolution.**
- **Adopted by resolution: The proposal of the date, venue, and related Matters for the 2025 annual shareholders' meeting, including the right to accept shareholder proposals.**

13. Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of this annual report: None.

14. Summary of employment severance or dismissal of any personnel relevant to the Financial Statement up till the date this statement was published in this fiscal year (including Chairman of Board of Directors, General Manager, Accounting Officers, Financial Officers, Internal Audit Officers, and R&D Officers, etc.): None.

Position	Name	Date of appointment	Date of termination	Reasons for resignation or dismissal
CEO of Overseas Business	HUANG, JUN-JIA	2021.06.11	2025.01.03	Retirement

15. Whether there are cases when company personnel, whose work is related to transparency of financial information, have obtained relevant professional certification specified by competent authorities: None.

Description: However, internal audit and accounting personnel actively participate in further education and training related to their professional knowledge every year.

16. Whether there are operational procedures set out for the handling of major information up to the date this report is reported in the most recent fiscal year: Enacted.

Description: According to the laws and practical operational needs, the Board of Directors passed the resolution to update the “Procedures for Handling Material Inside Information” on November 11, 2022.

IV. Information on Audit Fees of the CPAs

Name of Accounting Firm	Name of the CPAs	Audit Period	Remarks
Crowe (TW) CPAs	WANG, WU-CHANG	2024.01.01~2024.12.31	
	CHIU, KUEI-LING	2024.01.01~2024.12.31	

Unit: NT\$1,000

Audit Period	Audit Fees	Non-Audit Fees	Total	Remarks
2024.01.01~2024.12.31	1,954	268	2,222	Service Contents for Non-Audit Fees: Assurance services for the Sustainability Report and provisional payment for attestation service fees

Note: Where the company has replaced the CPA or accounting firm in this year, the period of the audit shall be listed respectively and the reason for the replacement shall be stated in the Remarks column. And the information of audit fee and non-audit fee paid to the former and successor CPA or accounting firm shall also be disclosed respectively. The content of its services should be noted for non-audit fees.

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the reduction in the amount of audit fees, reduction percentage, and reasons therefore shall be disclosed: Not applicable.
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reasons therefore shall be disclosed: Not applicable.

3. The CPA is suitable and independent:

Based on Article 23 of Certified Public Accountant Act, Article 11 of No. 2 and No. 10 of the Code of Ethics for Professional Accountants, the CPAs appointed by the Company shall maintain independence when conducting auditing tasks and writing reports. In addition, CPAs shall issue Statement of Independence in every fiscal year to ensure that they meet the requirements of independence in practice and by formality. After the Audit Committee evaluated and deliberated based on the 'Accountant's Declaration of Independence' provided by the CPAs and the 'Audit Quality Index (AQI)' report, the evaluation results were submitted to the Board of Directors for approval on November 12, 2024 in accordance with the law.

V. Information on Replacement of CPAs: Not applicable.

VI. Description of whether the Company's Chairman, General Manager, or Managers in Charge of Finance and Accounting Operations Held Positions in the Accounting Firm or Affiliates of Its CPAs in the Most Recent Year: None

VII. Status of Changes in Shareholding and Equity Pledge of Directors, Managers and Shareholders Holding More Than 10% of the Company's Shares in the Most Recent Year and as of the Date of Publication of the Annual Report:

(I) Changes in share pledge of Directors, Managers and Substantial Shareholders

Title	Name	2024		Current Fiscal Year as of April 22	
		Number of held shares increased (decreased)	Number of pledged equities increased (decreased)	Number of held shares increased (decreased)	Number of pledged equities increased (decreased)
Chairman	Tah Quan Investment Co., Ltd. (Representative): WU, ZI-CONG	0	0	0	0
Vice Chairman	HU, PO-YI	0	0	0	0
Director	Ping Fang Investment Co., Ltd. (Representative): LIU, WAN-CHENG	0	0	0	0
Director and CEO	HU, BOR-CHON	0	0	0	0
Director	Da Xinchang Investment Co., Ltd. (Representative): HU, PEI-TUAN	0	0	0	0
Director	Tah Cheng Investment Co., Ltd. (Representative): LAI, KEN-MIN	0	0	0	0
Independent Director	LIN, KO-WU	0	0	0	0
Independent Director	YANG, TE-WANG	0	0	0	0
Independent Director	YANG, KUO-SHU	0	0	0	0
General Manager	CHEN, YI-CHIEN	0	0	0	0
Deputy General Manager	LAI, KEN-MIN	0	0	0	0
Financial Accounting Officer and Governance Office	CHEN, MING-ZHE	0	0	0	0
		0	0	0	0
Chief Information Security Officer	LIU, JI-HUI	0	0	0	0
Shareholders holding more than 10% of the shares	Tah Chang Investment Co., Ltd.	0	0	0	0
CEO of Overseas Business	HUANG JUN-JIA	0	0	0	0
	Date of dismissal: 2025/01/03				

(II) Information on equity pledge of directors, managers and major shareholders: None.

(III) Information on equity transfer of directors, managers and major shareholders: None.

VIII. Information about the top 10 shareholders who are interested parties

April 22 2025

Name (note 1)	Shares held by the shareholder		Shares held by spouse, or minor children		Total shareholding through nominees		Title or name and relationships of the top 10 shareholders where they are related parties, spouses, or relatives within the second degree of kinship (note 3)		Remarks
	Shares	Shareholding percentage (note 2)	Shares	Shareholding percentage (note 2)	Shares	Shareholding percentage (note 2)	Name	Relationships	
Tah Chang Investment Co., Ltd.	10,075,064	10.17	0	0	0	0	None	None	
Chang Cai Industry Co., Ltd. Representative: HU, BOR-CHON	9,708,500 1,500	9.80 0	0 4,504	0 0	0 0	0 0	None None	None None	
Tah Quan Investment Co., LTD. Representative: WU ZI-CONG	9,500,000 333,332	9.59 0.34	0 388,294	0 0.39	0 0	0 0	HU, PO-YI	Brother-in-law	
Tah Cheng Investment Co., Ltd. Representative: LAI KEN-MIN	4,000,000 12,162	4.04 0.01	0 34,534	0 0.03	0 0	0 0	None	None	
Tah Fa Investment Co., Ltd. Representative: HU, PO-YI	3,572,068 1,700,961	3.60 1.72	0 748,454	0 0.76	0 0	0 0	WU ZI-CONG HU, CHUN-JU	Brother-in-law Sister and brother	
Daxinchang Investment Co., Ltd. Representative: HU, PEI-TUAN	2,333,551 4,422	2.57 0.00	0	0	0	0	Xin Chang-Hsing Investment Co., Ltd. LIU, WAN-CHENG	The Chairman is the same person. Brother-in-law	
Xin Chang-Hsing Investment Co., Ltd. Representative: HU, PEI-TUAN	2,333,551 4,422	2.35 0.00	0	0	0	0	Daxinchang Investment Co., Ltd. LIU, WAN-CHENG	The Chairman is the same person. Brother-in-law	
HU, CHUN-JU	2,083,147	2.10	3,413	0	0	0	HU, PO-YI	Sister and brother	
Ping Cheng Investment Co., Ltd. Representative: LIU, WAN-CHENG	1,901,500 507,260	1.92 0.51	0 402,322	0 0.41	0 1,901,500	0 1.92	HU, PEI-TUAN	Brother-in-law	
Fu Yu Co., Ltd. Representative: YANG DE-WANG	1,817,000 9	1.83 0.00	0 0	0 0	0 0	0 0	None	None	

Note 1: The top 10 shareholders shall all be listed, and the names of corporate shareholders and their respective representatives shall be separately listed, if applicable

Note 2: The calculation of the shareholding ratio is based on the percentage of shares held under the shareholder, his/her spouse, minor children, and others' names.

Note 3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

IX. The Number of Shares Held by the Company, by the Directors and Managers of the Company, and by any Entities either Directly or Indirectly Controlled by the Company in the Same Investee Enterprise, and the Calculation of the Consolidated Shareholding Ratio of the Above Categories

December 31, 2024

Unit: Share; %;

Investments in Other Enterprises (Note)	Investments by the Company		Investment by Directors, Supervisors, Managers, Direct or Indirect Control Groups		Total Investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Tahsin Shoji Co., Ltd.	800,000	100.00	—	—	800,000	100.00
Tahsin Industrial Corp., USA	1,000	100.00	—	—	1,000	100.00
Link Fund, Ltd., Hongkong	—	100.00	—	—	—	100.00
Tah Fu Plastic Industry Co., Ltd., China	—	91.26	—	—	—	91.26
Tah Viet Co., Ltd., Vietnam	—	100.00	—	—	—	100.00
Tahsin Industrial Co., Ltd., Myanmar	—	100.00	—	—	—	100.00
Tahsin Innovative Machinery Vina Co., Ltd	—	100.00	—	—	—	100.00
Changjiang Co., Ltd., Vietnam	—	44.17	—	—	—	44.17
Tah Hsin Phu My Joint Stock Co., Vietnam	—	84.83	—	—	—	84.83
Tah Fa Investment Co., Ltd.	18,000,000	100.00	—	—	—	100.00
Tah Cheng Investment Co., Ltd.	2,100,000	41.18	1,500,000	29.41	3,600,000	70.59
Tah Quan Investment Co., LTD.	8,700,000	44.39	8,725,000	44.51	17,425,000	88.90
Tah Chi Enterprise Co., Ltd.	2,300,000	100.00	—	—	—	100.00

Note: Invested by the Company using the equity method

Chapter 3 Funding Status

I. Capital and Shares

(I) Sources of Capital

Year/Month	Issued price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
1997.7	10	241,522,710	2,415,227,100	220,000,000	2,200,000,000	Surplus transferred to capital increase of NT\$774,158,100 Capital reserve transferred to capital increase of NT\$369,069,000 (Taiwan finance certificate dated July 2, 1997) (I) No. 52378)	None	<ol style="list-style-type: none"> In 2005, the treasury stocks were cut by NT\$120,227,100 (the Taiwan Stock Exchange Letter No. 09400304271 issued on October 18, 2005 agreed to cancel the capital stock-common). In 2007, the treasury stocks were cut by NT\$95 million (the Taiwan Stock Exchange Letter No. 09700093171 issued on April 16, 2008 agreed to cancel capital stock-common).
2014.10	0	241,522,710	2,415,227,100	198,000,000	1,980,000,000	The cash capital is reduced and the percentage of returning reduced cash amount to shareholders is 10% with NT\$1 returned per share. Cash capital reduction of NT \$220,000,000.	None	<p>Cash capital reduction was implemented in 2014</p> <ol style="list-style-type: none"> It was processed in accordance with the Financial Supervisory Commission Order No. Financial-Supervisory-Securities-Corporate-1030028996 issued on August 7, 2014. This registration change was authorized by the Ministry of Economic Affairs Letter No. Economic-Commerce-10301172940 issued on August 20, 2014.

2020.10	0	241,522,710	2,415,227,100	138,600,000	1,386,000,000	The cash capital is reduced and the percentage of returning reduced cash amount to shareholders is 30% with NT\$3 returned per share. Cash capital reduction of NT\$594,000,000.	None	Cash capital reduction was implemented in 2020 1. It was handled by the FSC's Letter Jin-Guan-Zheng-Fa-Zi No. 1090350493 dated August 4, 2020. 2. This registration change was approved by Letter Jing-Shou-Shang-Zi No. 10901164140 by the Ministry of Economic Affairs on August 26, 2020.
2020.12	0	241,522,710	2,415,227,100	99,099,000	990,990,000	The cash capital is reduced and the percentage of returning reduced cash amount to shareholders is 28.5% with NT\$2.85 returned per share. Cash capital reduction of NT\$395,010,000.	None	Cash capital reduction for 2021 1. was approved and registered by Taiwan Stock Exchange in Taiwan Certificate No. 1101804868 Letter dated September 6, 2021. 2. was approved and registered by Department of Commerce, Ministry of Economic Affairs in Jing Shou Shang Zi No. 11001188350 Letter dated October 15, 2021.

Type of shares	Authorized capital stock			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common stock	99,099,000	142,423,710	241,522,710	None

Note: The issued shares belong to listed company stocks.

Relevant information on the shelf registration: Not applicable

(II.II) Shareholder structure

Shareholder structure	Government agencies	Financial institutions	Other legal persons	Foreign institutions and persons	Individuals	Total
Number of people	0	1	69	42	6,953	7,065
Number of shares held	0	963,820	69,282,292	1,202,568	27,650,320	99,099,000
Shareholding percentage %	0.00%	0.97%	69.92%	1.21%	27.90%	100.00%

(II.I) Distribution of Shareholdings

April 22, 2025

Shareholding classification	Number of shareholders	Number of shares held	Shareholding percentage %
1- 999	4,376	1,161,347	1.17%
1,000- 5,000	2,079	4,115,571	4.15%
5,001- 10,000	301	2,150,009	2.17%
10,001- 15,000	88	1,048,170	1.06%
15,001- 20,000	39	685,081	0.69%
20,001- 30,000	48	1,161,770	1.17%
30,001- 40,000	23	813,221	0.82%
40,001- 50,000	16	710,278	0.72%
50,001- 100,000	30	2,052,206	2.07%
100,001- 200,000	15	2,018,687	2.04%
200,001- 400,000	13	3,598,167	3.63%
400,001- 600,000	7	3,513,699	3.55%
600,001- 800,000	2	1,361,745	1.37%
800,001-1,000,000	2	1,800,927	1.82%
1,000,001 or more are classified according to actual conditions.	26	72,908,122	73.57%
Total	7,065	99,099,000	100.00%

Preferred stock: Not applicable

(II.III) List of Major Shareholders:

Shareholders Holding over 5% of the Total Shares or Whose Percentage of Equity Held Ranks Top 10

April 22, 2025

Name of major shareholders	Number of shares held	Shareholding percentage (%)
Tah Chang Investment Co., Ltd.	10,075,064	10.17%
Chang Cai Industry Co., Ltd.	9,708,500	9.80%
Tah Quan Investment Co., LTD.	9,500,000	9.59%
Tah Cheng Investment Co., Ltd.	4,000,000	4.04%
Tah Fa Investment Co., Ltd.	3,572,068	3.60%
Tah Hsin Chang Investment Co., Ltd.	2,546,694	2.57%
Hsin Chang Hsing Investment Co., Ltd.	2,333,551	2.35%
HU, CHUN-JU	2,083,147	2.10%
Ping Fang Investment Co., Ltd.	1,901,500	1.92%
Fu Yu Co., Ltd.	1,817,000	1.83%

(II) Explanations of Company's Dividend Policy, Implementation Status and Anticipated Major Changes:

1. Dividend policy stipulated in the Company's articles of incorporation

- 1) According to the amendments to the Company Act in May 2015, the distribution of dividends and bonuses is limited to shareholders, employees are not the recipients of earnings allocation. In accordance with the aforementioned act, the Board of Directors on March 28, 2016 and the regular shareholders' meeting on June 17, 2016 passed resolutions regarding the aforementioned act and amended the company's articles of incorporation accordingly.**
- 2) On June 5, 2020, the shareholders' meeting passed the resolution that the company's earning distribution or loss compensation shall be made after the end of each half fiscal year. If there is a profit in the final accounts of each half fiscal year, the company shall first pay the profit-making enterprise income tax and make up for the previous year's losses according to the law, and then allocate 10% of the legal reserve, except when the legal reserve has reached the paid-in capital. The remaining balance of the special reserve, if any, after being appropriated or reversed by law or by the competent authority, shall be added to the accumulated undistributed earnings of the previous half fiscal year, and the remaining balance shall be treated as earnings available for distribution, provided that dividends and bonuses shall be distributed to shareholders after retaining a portion of the earnings, as appropriate, in Laccordance with business conditions.**
- 3) In accordance with Item 5 of Article 240 of the Company Act, the Company is authorized by the Articles of Incorporation to authorize the Board of Directors to pass a special resolutionto distribute all or part of the dividends and bonuses in the form of cash and report to the shareholders' meeting.**
- 4) With an array of products, it is still difficult for the company to identify its products' growth stages. As the company's profitability is quite stable and the financial structure is sound, dividends and**

bonuses are distributed in the form of cash dividends every year, with 20% to 100% of the annual distributable earnings for the year. However, in the event of a major investment plan, shareholders' dividends and bonuses may be fully allocated to capital.

2. Implementation of surplus distribution in the past two years:

Implementation of surplus distribution in the past two years:						
Surplus distribu- tion		Dividends (NTD)	Date of adoption by Board of Directors	Ex-dividend base date	Dividend pay- ment date	Payment ratio
2023	First half of the year	2.5	2023.08.11	2023.09.06	2023.09.27	136.61%
	Second half of the year	2.5	2024.03.12	2024.04.17	2024.05.10	
2024	First half of the year	2.5	2024.08.12	2024.09.04	2024.09.27	232.56%
	Second half of the year	2.5	2025.03.12	2025.04.16	2025.05.09	

3. Explanations of expected major changes to the dividend policy:

Not applicable.

(III) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting: Not applicable.

(IV) Remuneration to Employees and Directors

1. The percentages or ranges with respect to the remuneration of the employee and directors, as set forth in the company's Articles of Incorporation:

- 1) In accordance with the Articles of Incorporation of the company, if the company makes a profit in the fiscal year, such profit shall first be used to offset accumulated losses. If there remains a surplus thereafter, the Company shall allocate no less than 0.5% of the remaining profit as employee remuneration and no more than 0.5% as remuneration for directors and supervisors. In addition, no less than 0.5% of the remaining profit shall be allocated for salary adjustments or remuneration distribution to frontline employees, with the method of allocation to be determined by the Board of Directors.**
- 2) The resolutions on the remuneration of employees and the remuneration of directors in the preceding paragraph shall be made by the board of directors with two-thirds or more of the directors present and a resolution approved by more than half of the directors**

present, and shall be reported to the shareholders meeting.

- 3) **Employee remuneration is determined according to the individual's ability, contribution to the company, and performance. It does not differ based on gender, age, race, nationality, or other such factors, and is positively correlated with the Company's sustainable performance. Remuneration includes basic fixed salary, year-end bonuses, and welfare bonuses. Regarding the standard of payment, the basic fixed salary is determined by the responsibility of employees at all levels, while bonuses are linked to the Company's sustainable management performance. This enables employees to realize their individual value and contribute their strengths in a fair and just workplace environment.**
- 4) **The remuneration of directors is subject to the regular review of the performance and remuneration policies, systems, standards and structures of directors and managers by the Remuneration Committee, and the regular evaluation of the remuneration, year-end bonus and directors' remuneration of executive directors and managers. After discussion and approval, it shall be submitted to the board of directors of the company for approval.**
- 5) **The amendment to the Articles of Incorporation has been adopted by the resolution of shareholders' meeting on June 5, 2020.**
- 6) **For the policy, standard, and combination of paying remuneration, the procedures for setting remuneration, sustainable management performance, and the relationship between business performance and future risks, see pages 24~28 of the annual report.**
2. **Where there are discrepancies between the estimated and actual distributed amount of compensation in the form of shares to the company's employees, directors in a period, accountants shall address the problem:**
 - (1) **The estimation of employees' compensation and Directors' and supervisors' remuneration was discussed and passed by the Remuneration Committee on February 19, 2025, and submitted to the Board of Directors for review. According to the articles of incorporation (in 2024), no more than 0.5% of the earnings shall be distributed to Directors and no less than 0.5% of the earnings to employees, which shall be listed in accordance with the pre-tax amount after checking by the accountants, and of which the portion for managers shall be calculated and distributed according to the previous years.**
 - (2) **If there are changes made to the amount after the annual financial**

report is published, the changes shall be handled as changes in accounting estimates and recognized in the next year's financial report.

- 1) **Estimate for 2024:** (Approved by the Board of Directors on March 12, 2025)

According to the profitability of the year, 0.5% of the pre-tax profit of NT\$1.28 million was estimated for employee compensation and NT\$1.14 million for directors, which is consistent with amount recognized in the annual financial report.

- 2) **Distribution for 2023:** (Approved by the shareholders' meeting on June 21, 2024)

It was resolved by the Board of Directors that a total of NT\$1.9 million would be distributed for employee compensation and NT\$1.8 million for directors for 2023, which was consistent with the recognized amount in the financial statements of the fiscal year.

After submission to the shareholders' meeting, it was resolved that a total of NT\$1.9 million would be distributed to employees and NT\$1.8 million to directors for the year of 2023.

3. **Information on the proposed employees' compensation approved by the Board of Directors:**

Approved by the Board of Directors on March 12, 2025

- (1) It is proposed to distribute cash remuneration of NT\$1,280,000 for employees, stock dividends of NT\$ 0, directors' remuneration of NT\$1,140,000.
 - (2) The proposed 0 shares as stock dividends would be distributed to employees, which accounted for 0 of earnings added to capital.
4. **Earnings allocated to employees' compensation and Directors and supervisors' remuneration in the previous year:**

The distribution adopted by the company's Board of Directors on March 12, 2024 and the actual status

- (1) It is proposed to distribute cash remuneration of NT\$1,900,000 for employees, stock dividends of NT\$ 0, directors' remuneration of NT\$1,800,000.
- (2) The number of shares issued to employees as stock dividends was

0 shares, which accounted for 0 of earnings added to capital.

(3) The calculated earnings per share after the actual distribution of employees' remuneration and directors' and supervisors' remuneration is NT\$7.33.

(4) The actual distribution amount above is the same as the original proposal passed by the Board of Directors.

(V) Status of Stock Buyback: None.

(VI) Issuance of Corporate Bonds: None.

(VII) Issuance of Preferred shares: None.

(VIII) Issuance of Overseas Depositary Receipts: None.

(IX) Employee Stock Options: None.

(X) Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

(XI) The State of Implementation of the Company's Capital Allocation Plans

(I) Content of the plan

1. Previously issued or private offering securities have not been completed: None.

2. The plans that have been completed over the last three years and have not yet demonstrated any benefits: None.

(II) Status of Implementation

With respect to fund usage under each plan referred to in the preceding subparagraph, each fund used till the quarter before the publication date of the annual report shall be analyzed one by one.

The comparison between the implementation and the originally expected benefits: None.

Chapter 4 Operations Overview

I. Description of the Business

(I) Business Scope

1. General Description of the Business

- (1) C3006010 Outerwear Knitting Mills.
- (2) C805010 Plastic Sheets, Pipes and Tubes Manufacturing.
- (3) C805020 Plastic Sheets & Bags Manufacturing.
- (4) C805030 Plastic Made Grocery Manufacturing.
- (5) C805060 Plastic Leathers Manufacturing.
- (6) C805070 Reinforced Plastic Products Manufacturing Industry.
- (7) C805990 Other Plastic Products Manufacturing.
- (8) CB01010 Machinery and Equipment Manufacturing.
- (9) CB01020 Office Machines Manufacturing.
- (10) CZ99990 Other Industrial Products Manufacturing Not Elsewhere Classified.
- (11) F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products.
- (12) F204110 Retail Sale of Cloths, Clothes, Shoes, Hats, Umbrellas, Apparel, Clothing Accessories, and Other Textile Products.
- (13) F401010 International Trade.
- (14) H701010 Residence and Buildings Lease Construction and Development.
- (15) CF01011 Medical Equipment Manufacturing.
- (16) F108031 Wholesale of Medical Equipment
- (17) F208031 Retail Sale of Medical Equipment
- (18) ZZ99999. In addition to the approved scope of business, the Company may engage in all businesses except those which are otherwise prohibited or restricted by law.

2. Operating proportion of major products in 2024

Items	% of turnover	Major product
Plastic products manufacturing and processing	62.61	Raincoat, plastic processing, wardrobe, PP corrugated board, waterproof fabrics
PU waterproof fabric processing	23.34	Garment
Manufacturing and processing of steel products	5.47	Household fittings
Manufacturing and processing of mechanical products	8.58	Binding machines, laminators

3. Current products and services:

Raincoat, garment, plastic processing, wardrobe, furniture, binding machine, laminator, PP corrugated board.

(II) Industrial Trend Overview

(1) Current situation and development of the industry

In 2024, the global economy gradually recovered. China stimulated its domestic demand through interest rate cuts and financial policies. In contrast, Europe faced economic growth challenges due to rising energy prices caused by the Russia-Ukraine war and weak external demand. Meanwhile, the United States showed a strong economic recovery driven by the rapid development of the technology sector. The Group is engaged in the downstream petrochemical industry, specifically in the business of plastic products, and is thus affected by fluctuations in oil, energy, raw materials, and labor costs. The development trends and corresponding industrial conditions for the Group's product categories are stated as follows:

1. Export sales of raincoat garments:

The major markets of the Company include Europe, Japan and the United States. It is produced in the form of receiving orders and preparing materials in Taiwan, and manufacturing in overseas factories. As the global economy begins to recover, customers have first reduced their inventory levels and adopted a conservative ordering strategy. The Group still visits customers actively, goes abroad to attend major textile exhibitions, searches for new raw material suppliers, and enhances manufacturing technology. We will provide our customers with services of better quality and higher production efficiency.

2. Domestic sales of raincoat garments:

In addition to its own brand and contract manufacturing, the Group actively participates in bidding cases related to raincoats and garments. By incorporating fashion trends and functional design into our products, the diverse needs of various consumer groups can be met, and at the same time this can revitalize inventory, enhance brand value, and boost sales performance.

The Group also aims to optimize its corporate website to increase traffic and brand visibility, actively establish a presence on leading domestic e-commerce platforms to expand online sales channels, and collaborate with distributors to develop new sales channels.

3. PP Corrugated Board :

Due to high international oil prices and significant increases in domestic electricity costs, the production cost of PP corrugated sheets has surged. In response, the Group has implemented strict management of raw materials and the inventory level of finished goods. Production operations have been focused on concentrated production and using dedicated machinery for specific productions to improve yield rate and enhance production efficiency, while reducing raw material waste and electricity costs. At the same time, the Group utilizes self-generated solar green energy for its own use and incorporates environmentally friendly recycled materials certified by third-party organizations. In response to the trend of environmentally sustainable management, the Group has developed reusable delivery boxes and encourages distributors to use them, aiming to maintain the Group's image and to contribute to society and the environment.

4. New machinery products:

Under the effective control of the epidemic, the orders of stationery products have gradually become normal from under-supply in the past. The Group has dedicated to developing new products and improving manufacturing techniques concurrently. We spontaneously provide a better service and quality for the customers, and will continue to develop special stationery products, expand overseas production bases, and closely cooperate with the clients to increase market share.

(2) Factors affecting the industry

1. The impact of raw material prices

The Group has been focusing on manufacturing, and the main

costs are raw materials and labors with the raw materials accounting for the vast majority of total costs. The price fluctuation of raw materials has a significant impact on the profit margin of the Group. As the price of upstream plastic raw materials fully affects the production input cost of the downstream plastic products industry, fluctuations in the price of plastic directly impacts profitability. Therefore, in view of a recovering global economy, international conflicts, the rise of the technology sector, and the requirements of environmental regulations have driven energy and material prices to continue rising. As a result, closely monitoring market supply and demand dynamics to mitigate the impact of sharp fluctuations has become one of the most critical issues. Moreover, the stability of raw material prices plays a significant role in supporting economic development and maintaining social stability.

2. Impact of labor costs

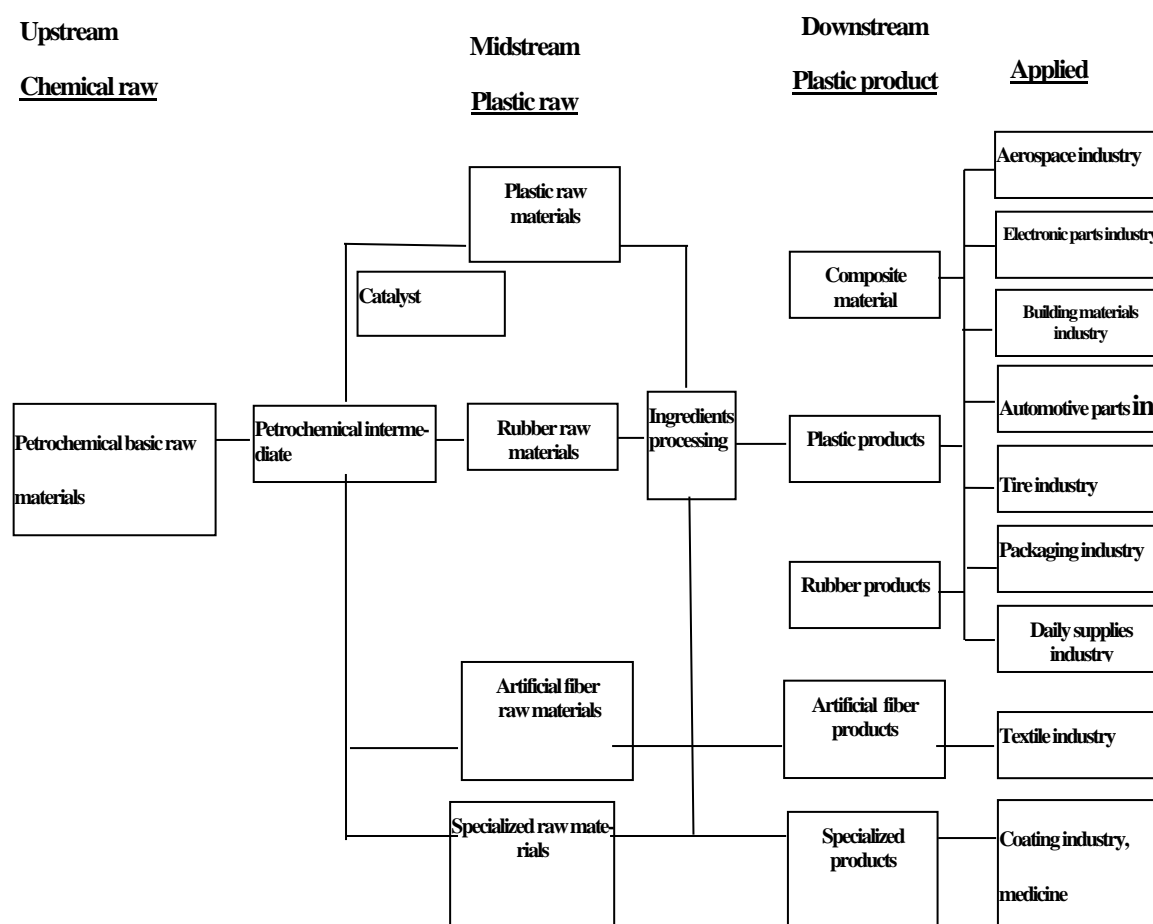
We have a complete social insurance system, providing labor insurance, health insurance, pension, and so forth to laborers. The responsibility and the costs are what enterprises must bear. In addition, the relentless rise in prices and the continuous adjustment of basic wages have become significant operating costs for businesses. In the future, continuing emphasis will be placed on the development of workers' skills and the planning of potential stimulation, as well as providing a safe and hygienic working environment, aiming to create a win-win situation for labor and enterprises.

3. The impact of exchange rate fluctuations

Taiwan is a trade-oriented economy, and is vulnerable to exchange rate fluctuations due to international situations. To stabilize inflation, the United States has continued its tight monetary policy in 2024, resulting in the New Taiwan Dollar (NTD) remaining at a relatively high level. The Group closely monitors international developments to minimize the impacts on profitability due to exchange rate fluctuation, thereby ensuring financial stability.

(3) Industrial Structure

The Group's main products manufactured and sold are an array of plastic products, including raincoats, plastic processing, wardrobe, PP corrugated board, waterproof cloth, garments, furniture supplies, binding machines and laminators, etc. Therefore, it belongs to the plastic products industry. The correlations between the upstream and downstream industry are listed in the table below:



(4) Competitive advantages

1. Leading technical expertise

In response to environmental sustainability and the evolving demands of diverse product lines, the Group adopts a flexible production model and utilizes functional fabrics that are not only waterproof but also environmentally friendly and breathable. Continuous investment is made in the manufacturing of apparel suited for

mountaineering, sailing, golf, motorcycling, and cycling, with the goal of creating products that better meet user needs. Aligned with green policies, PP corrugated sheets feature multifunctional properties such as water resistance, impact resistance, oil resistance, and low-temperature brittleness resistance. These materials are suitable for use in advertising boards, foldable processed items, protective panels, dust-proof or specialized boxes, and recyclable packaging for precision electronic parts and LCD displays. Through product differentiation, the Group aims to expand its market share.

2. Competitive production capacity

The Group has four base processing plants at home and abroad, providing diverse and flexible businesses and services, which include OEM professional processing and ODM contracted design. Overseas bases are distributed in Fujian, Vietnam, and Myanmar. They provide good quality control and can make the most appropriate capacity allocation according to market conditions at any time. Among them, overseas processing plants have the advantage of relatively low cost.

3. The Group's brand

The well-known brands are more recognized and favored by consumers. The Group has its own raincoat brand Tahsin, and will continue to promote its own brand and establish a brand image in the future, thereby increasing the added value of products and providing diverse categories of products for sale.

4. The layout of international marketing offices

The Group has established sales outlets in major overseas markets conducting information exchanges with each other, made good use of new materials and designed new styles of products to serve customers based on the overseas market trends and customers' needs.

5. R&D and development of products in various fields

The global raincoat market has been expanding due to growing outdoor activities, and the trend of raincoat is a key factor to the market growth. However, the raincoat market is competitive, many second- or third-rate companies have occupied over half of the market. We have to constantly innovate, design fashionable, waterproof, light,

comfortable and multifunctional product to break into the dynamic market fast.

Adjusting marketing strategy, categorizing the product to make market segmentation, increasing distribution channels, proactively develop high-quality and high-value products, we aim to thrive in different field such as garments, sports goods and office supplies to meet the customers' and market' needs.

Since its establishment, the Group has always adhered to the business philosophy of pragmatically and integrity. In an ever-changing environment, the Group has continuously pushed itself and learned, devoted to research and development of breathable raincoat, water- and cold-proof products, by researching and developing new materials, new technologies, and new products, we expect to bring customers more comfortable and convenient waterproof wear, so as to provide better products and service.

(III) Technology and Research and Development Overview

1. A total of NT\$ 0.08 million had been put into the research and development in 2024 up to the publication date of the annual report.
2. Successfully developed technologies or products: None.
3. Research and Development Work to be Carried out in the Future, and Further Expenditures Expected for Research and Development Work and Progress:

The most recent annual plan	Current progress	R&D expenses to be invested	Projected mass production time	Factors impacting the future success of R&D
Electrical Height-Adjustable Desk	New model development	NT\$1 million	2026.Q2	1. Whether meeting the market demand 2. A suitable motor supplier 3. The R&D of a PC-version controller

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

Short term:

1. Attending important fairs at home and abroad to display our excellent technology in the production process with trustworthy quality, thus promoting the brand image, and providing customers with satisfying products with professional and excellent services.
2. Optimize production capacities of overseas factories, introduce automation equipment to enhance technology, replacing obsolete machines, strengthen personnel skills training, and implement quality

inspection processes.

3. We develop new suppliers of raw materials both domestically and internationally, and through multiple price comparisons and a negotiation mechanism, we grasp opportunities for orders from customers by offering products of excellent quality and competitive prices.
4. Pay close attention to customer trends and inventory situation, plan ahead and ensure well-structured production and sales allocation.
5. Grasp the global market pulse, pay attention to changes in exchange rates, raw material prices and capacities, adjust quotations accordingly and ensure timely deliveries.
6. Check the inventory in factories and activate the inventory for value-added increasing of products.
7. Closely monitor changes in global economic situations and industry trends to ensure stable factory operations and smooth deliveries. Pay close attention to customers' financial conditions to secure the collection of accounts receivable.

Long term:

1. Deepen long-term cooperation with high-quality customers, and actively develop orders and customers outside the United States, Europe and Japan, balance the low-peak season capacity differences to stabilize production continuity.
2. Deepen the domestic and foreign physical sales channels, design and develop new products, establish network sales channels, and obtain the opportunity to import orders.
3. Continuously update the machine equipment and working environment, build a friendly workplace, improve production efficiency and processing technology, train outstanding domestic personnel to display a flexible use of human resources, and gain international certifications.
4. Adopt long-term partnership models and equity investment in contract manufacturers to secure stable overseas production capacity. Strategically expand the network of new manufacturing partners to expand the Group's production base in Southeast Asia.
5. Implementing energy conservation and carbon reduction measures, promoting sustainable development, optimizing production technology and a friendly environment, and creating profits to meet customer needs with high-quality competitiveness.

II. Overview of Market and Production and Marketing

(I) Market Analysis

1. Sales regions and market share for major products:

<div>Items Major Commodities</div>	Export areas	Domestic market share
Raincoat products	United States, Europe and Japan	20%
Garment products	United States, Europe and Japan	—
PP corrugated board products	Japan	40%

2. The market's future supply and demand as well as growth, the expected sales volume and its basis, competitive advantages, and favorable and unfavorable factors affecting the company's development prospects and countermeasures:

(1) Domestic market

Despite facing unfavorable domestic economic conditions and the impact of inflation in 2024, we continued to seek new business opportunities actively. Fortunately, annual performance remained stable, achieving a 3% growth. However, with the upcoming increases in minimum wage and electricity costs, overall prices are rising accordingly. This has indirectly raised operating costs for both factories and build-to-order businesses, while it remains difficult to transfer the price to customers. A new response strategy is therefore required.

Looking ahead to the domestic market, its demand remains sluggish. With weakened overall sales and a sharp decline in small group orders, it is crucial for sales personnel to take a more active approach in developing new clients. Additionally, former clients with whom we have not traded in recent years must be revisited to identify reasons for attrition and implement improvements. We must also seek more competitive partners and actively expand into the online sales market through collaboration with various e-commerce platforms. This will help align with the consumption habits of younger customers and create greater profits.

I. PP Corrugated Board Division:

In the second half of the year, Tahsin obtained traceability certification for recycled plastic materials, contributing to carbon reduction and environmental sustainability. In collaboration with major electronics manufacturers, the Company has developed reusable circular boxes made from recycled materials and established a standardized process for future application across the tech industry, which is now being actively promoted. Additionally, old machines with low utilization rates have been phased out to effectively integrate resources and optimize space utilization. This has allowed for more proactive material and panel inventory preparation, thereby shortening lead times and enhancing service quality.

II. Domestic Business Division:

1) Raincoat collections:

This year, several newly designed and lightweight raincoat models have been developed, while underperforming older styles have been gradually phased out. In addition, an extra-large size has been introduced for EVA children's raincoats to enhance the completeness of the product line. Details of existing models are optimized to better meet the practical needs of consumers.

2) Garment fiber collections:

Several flame-resistant workwear series have been developed, supported by the printing of catalogs and the creation of digital brochures to promote the products. At the same time, we continue to focus on maintaining strong relationships with existing clients and expanding our customer base, with the pursuit of project-based group orders being key to increasing sales revenue.

3) Casual wear series:

Recently, several functional-material POLO shirts have been launched, featuring trendy color palettes and using sublimation

or heat transfer printing techniques. These products have been well received by younger consumers, further broadening our sales base.

(II) Foreign markets

1. United States:

Although there are signs of economic recovery, sales performance is expected to be weaker than in 2023 due to inventory adjustments and the political impact of newly inaugurated President Trump's policies. As a result, some customers have shifted production to other regions for political considerations.

2. Japan:

Despite a reduction in inventory levels, the depreciation of the yen, a decreased interest in new product development, and a diminishing desire for consumption led to lower-than-expected sales in the Japanese market.

3. Europe and other regions:

Germany and the UK are facing challenges from slowing economic growth and weakened consumer markets, leading to lower-than-expected sales, but a noticeable recovery and improvement occurred by the end of 2024. In Poland (Central Europe), there is a growing demand for new product development. Meanwhile, in Australia and New Zealand, demand for high-quality outdoor products continues to rise, with order volumes gradually increasing. However, the resulting sales revenue is expected to be reflected in 2025.

Outlook in 2025:

- 1. With the diversification of the supply chain, fashion brands are expected to increase their efforts to disperse their supply strategies in Asia and establish foundations for a neighboring production model, so that they can respond to rising costs and changing trade policies.**
- 2. In 2025, we will actively develop the Central European market, especially Poland, as well as the Australia and New Zealand markets. In Japan, we will focus on the development of high-unit-price products (eg. GORE-TEX and buoyancy vests) to boost sales revenue.**
- 3. Overseas production sites have begun recruiting additional personnel to expand production lines. Equipment and machinery are renewed to improve efficiency and capacity in preparation for the 2025 peak season order volume.**
- 4. Order volume has shown signs of recovery in the first half of 2025. The business is expected to grow as planned, with continuous recruitment in Myanmar, Vietnam, and China to expand production capacity.**

(II) Major Applications and Manufacturing Processes of Main Products

1. Major applications

Product Items	Major applications
Raincoat products	The objects include motorcyclists, police, children, fishing, mountaineering, sports, sailing, golf, etc. The styles include traditional styles, trench clothes, new trend waterproof and cold protection, and epidemic prevention protection, which are suitable for work, leisure, and entertainment. All ages and classes meet the needs of modern diversified society.
Garment products	Domestic sales: Sports casual clothes, wardrobes, bags, winter and summer student clothes and work clothes for primary and secondary schools are mainly group employee uniforms. Export sales: Snow suits, sports suits, windbreaker jackets, and casual wear are major products, which is suitable for people at all levels and various applications.
Rain shoe products	The objects include traditional markets, factories, students, office workers, mountaineers, etc. The styles include traditional plain colors, popular plaid patterns, long tubes, short tubes and shoe covers, etc., which are suitable for the needs of all classes.
PP corrugated board products	Display boards, stationery, packaging containers, moisture-proof bottom panel, epidemic prevention partition, folded processed goods, protective panels, and reusable logistics containers.
Laminators and laminator work desks	With the physical properties of temperature, pressure, and speed, laminators can be used to preserve and protect documents and photos. This specialized work desk is designed to pair with a range of laminator models, making it ideal for use in home offices, workplaces, and schools.

2. Production process

1) Rainwear:

Raw materials → cutting → sewing → melt pressing → inspection packaging → finished products

2) Garment:

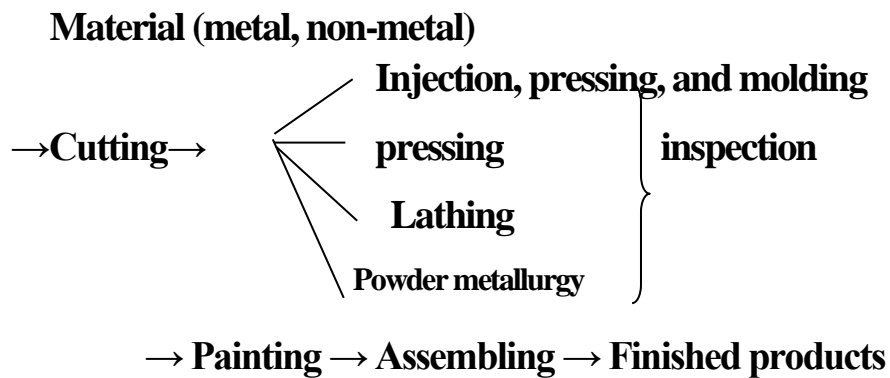
Raw materials → cutting → sewing → inspection packaging → finished products

3) Others:

(1) PP plastic corrugated boards:



(2) Laminators:



(III) Supply Situation of Major Raw Materials

Unit: NT\$ thousand

Major Materials	Unit	Quantity	Amount	Major Suppliers
NYLON/PVC	Y	375,186	13,834	Formosan Rubber Group Inc.
NYLON/PU	Y	359,394	42,838	Formosa Taffeta Co., Ltd., DOMILES ENTERPRISES CO., LTD. Formosan Rubber Group Inc., Singtex Industrial Co., Ltd.
PVC compounds	KG	265,776	15,607	Ta Win International Co., Ltd.
PP Compounds	KG	3,578,140	120,773	Formosa Plastic Corp. Formosa Chemicals & Fibre Corp.
Taffeta (Nylon)	Y	661,554	31,818	Formosa Taffeta Co., Ltd
Blended Cloth	Y	270,762	17,709	Formosa Chemicals & Fibre Corp. Saint T. H. Textile Corp. Chen Yu Corp. Ch'ing Chi Textile Corp.
Zipper	PCS	3,499,867	32,627	YKK TAIWAN CO., LTD. Dragon Times Accessory Co., Ltd., ZN TECHNOLOGY CO., LTD., Keen Ching Industrial Corp.
Carton	Pieces	283,502	4,944	Lien Lung Carton Corp., Ming Feng Carton Corp., KING HON TECHNOLOGIES CO., LTD.

**(IV) Names of Customers Who have Accounted for More Than 10% of the Total Amount of Goods Purchased (Sold)
in Any of the Most Recent Two Years and the Amount and Proportion of the Goods Purchased (Sold)**

1. Suppliers

Unit: NT\$ thousand

Year Customer name	2023			2024			March 31, 2025		
	Amount	Percentage of Annual Net Procurement	Relationships with the Company	Amount	Percentage of Annual Net Procurement	Relationships with the Company	Amount	Percentage of Annual Net Procurement of the Current Year up to the Previous Quarter	Relationships with the Company
Supplier A	72,725	8.75	None	86,015	9.24	None	28,560	8.61	None
Others	758,008	91.25		844,779	90.76		303,339	91.39	
Net amount of purchased goods	830,733	100.00		930,794	100.00		331,899	100.00	

Note 1: For suppliers that have provided at least 10% of the gross procurement in the most recent two years, the names, procurement amount, and percentage should be stated; provided that the suppliers as stipulated in the contract, or individual non-affiliated parties shall be shown in codes.

2. Customers

Unit: NT\$ thousand

Year Customer name	2023			2024			March 31, 2025		
	Amount	Percentage of Annual Net Sales	Relationships with the Company	Amount	Percentage of Annual Net Sales	Relationships with the Company	Amount	Percentage of Annual Net Sales of the Current Year up to the Previous Quarter	Relationships with the Company
Client A	460,636	21.35	None	437,308	20.37	None	65,587	12.12	None
Others	1,696,557	78.65		1,709,752	79.63		475,597	87.88	
Net amount of sold goods	2,157,193	100.00		2,147,060	100.00		541,184	100.00	

Note 1: For customers that have provided at least 10% of the total sales volume in the most recent two years, the names, sales amount, and percentage should be stated; provided that the customers as stipulated in the contract, or individual non-affiliated parties shall be shown in codes.

III. Distribution of the Number of all Employees and Female Employees, Their Average Years of Service, Age, and Level of Education in the Most Recent Two Years up to the Date of Publication of the Annual Report:

Year		2023	2024	March 31, 2025
Numbers of Employees	Technicians	51	53	52
	Clerks	244	240	239
	Workmen	55	52	52
	Total	350	345	343
Average age		42.6	43.2	43.4
Average Year of Services		16.13	16.53	16.51
Educa- tional Dis- tribution Ratio	Ph.D.	0	0	0
	Master's	2.29	2.9	3.5
	College or Equivalent	51.71	51.59	50.14
	High School	41.43	40.58	41.4
	Lower Level of Education	4.57	4.93	4.96

Ratio of the category	2023	%	2024	%	Ratio of the cate- gory	2023	%	2024	%
Female	174	49.7	174	50.4	people with disa- bility	2	0.57	2	0.58
					Aboriginal	2	0.57	2	0.58
					Foreigner	10	2.86	10	2.90
					Officer	63	18.00	63	18.26
Male	176	50.3	171	49.6	people with disa- bility	1	0.29	2	0.58
					Aboriginal	1	0.28	0	0.00
					Foreigner	37	10.57	38	11.01
					Officer	75	21.43	73	21.16
Total	350	100	345	100					

IV. Information on Environmental Protection Expenditure

The Company uses environmental-friendly materials for PP corrugated boards for green production, which is recyclable and reusable. Through technology development and reuse of recycled PP particles, hazardous waste will not be produced in the process and the products will not cause environmental damage.

In 2017, the company has stopped production of products that produce toxic gases in the production process and cannot be optimized to improve the pollution situation and reduce pollutant emissions, slowing down the global warming through real action.

In conjunction with environmental protection planning for renewable energy, solar panels are installed on the factory roofs of overseas plants, Tah Fu, Tah Myan and the Zhonggang plant to reduce electricity consumption and carbon emissions.

"Environmental protection, low-carbon home" has always been the objective to commit to by the Company while pursuing enterprise development. By complying with laws and regulations, and carrying out the planning, implementation, education, and publicity of environmental protection, we are able to implement internal management. In addition to supervising the staff to strengthen the implementation of various standard procedures and control measures, we also actively promote energy conservation, greenification, waste reduction, and carbon reduction through daily life to create a friendly environment.

(I) Total Losses and Fines due to Environmental Pollution in the Most Recent Year up to the Publication Date of the Report: NT\$0.

(II) Environmental Protection Related Expenditure of the Company:

Item/Year	2024	2023
Pollution prevention fees	1. Fees for testing air pollution and others	1. Fees for testing air pollution and others
Amount	NT\$ 159,750	NT\$ 150,881

(III) Conformity with RoHS of the European Union:

The RoHS does not apply to the Company's products thus it has no impact on the company's financial and business operation.

V. Labor Relations

(I) List the Programs of Employee Welfare, Professional Development, Training, and Retirement and the Implementation, as well as the Meetings between Labor and Management and Employee Rights Protection Measures:

(1) Employee Welfare Programs:

- (1) Programs provided by Employee Welfare Committee:**
 - 1) Scholarships for employees and employees' children**
 - 2) Festival bonuses, birthday coupons, gifts for Labor Day**
 - 3) Allowances for travel, club activities, and emergencies.**
 - 4) Sports recreation activities, movie appreciation, mountain climbing and hiking, etc.**
- (2) Provide single dormitory.**
- (3) Cafeterias that cater three meals a day.**
- (4) Summer and winter uniforms for every year.**
- (5) Medical & health consultation and the health check-ups for every two years.**
- (6) Health check-up subsidies for senior manager levels.**
- (7) Coverage under National Labor and National Health Insurance programs.**
- (8) Cash for weddings/ funerals and relief payment for employees.**
- (9) Nursery rooms and family-friendly parking spaces.**
- (10) Parking spaces and designated parking spaces for the disabled.**
- (11) Indoor billiard courts, fitness rooms, volleyball courts and basketball courts for employees.**

(2) Professional Development and Training:

- (1) Orientation training for new employees.**
- (2) Professional internal on-the-job training for management associates.**
- (3) Professional external on-the-job training.**
- (4) Quarterly training courses held by each department.**
- (5) Incentives for foreign language learning.**

(3) Retirement System:

(1) Retirement Application

Employees who are in one of the following situations are eligible for retirement:

- 1) have been serving for over fifteen years and are over fifty-five years of age
- 2) have been serving for over twenty-five years
- 3) have been serving for over ten years and are over sixty years of age

(2) Preferential Retirement

Employees under either of the following conditions may apply for voluntary retirement with required approvals:

- 1) in which employees have worked for over fifteen years and reached the age of fifty-three.
- 2) in which employees have worked for over twenty-three years.
- 3) in which employees have worked for over twenty-two years and are unable to perform their duties.

(3) Compulsory Retirement

Employees shall take compulsory retirement under either of the following conditions:

- 1) Employees who are sixty-five years or older, but is required by the business entity to continue to work by contract with the consent of the employer.
- 2) Employees who are mentally or physically disabled and are not competent in the work he/she holds.

(4) Age-Friendly Reemployment Mechanism for Retirees:

- 1) If the retiree possesses skills or experience essential to the business unit and deemed necessary for inheritance, the individual may be rehired after getting approval from the employer.
- 2) For executives at the level of Assistant Vice President or above, the employer may extend the employment period until the age of seventy.

(5) Retirement Pension:

- 1) Employees who choose to adopt the old retirement pension standards will be paid the pension of two bases for each full year of seniority, and whose seniority exceeds fifteen years

will be paid the pension of one base for each full year of seniority, up to a maximum of 45 months. Those whose seniority is less than half a year will be counted as half a year, and whose seniority is more than half a year but less than one year will be counted as one year.

- 2) For employees who take compulsory retirement due to mental disorders or physical disabilities, an additional 20% on top of the amount calculated according to the preceding paragraph shall be given.
- 3) The standard of retirement base refers to the average monthly wage at the time of retirement.
- 4) Average monthly wage is calculated using average monthly wage for the six months prior to retirement.
- 5) Calculation of seniority: The seniority shall be calculated from the date of employment. The seniority prior to and after the implementation of the Labor Standards Act shall be combined in calculation.
- 6) The pension payable to employees by the Company shall be paid within thirty days from the date of the employee's retirement.
- 7) The Labor Pension Act has been enforced as of July 1, 2005. If employees choose the old system, they will be handled according to the retirement system mentioned above. Retirement reserves will be withdrawn regularly every month based on the ratio of personal salary insurance and stored in the "Labor Pension Reserve Account." For employees opting for the new system, 6% of the insured amount will be deposited into the employee's personal pension account; for those who voluntarily contribute to their pension, an additional 6% of the salary insurance amount will be deducted from the employee's monthly salary to the individual pension account at the Bureau of Labor Insurance for protecting labor interest.

(4) Implementation of Employee Welfare Measures

- 1) Meetings with new employees are held from time to time to open up channels of communication so as to learn and respond to employees' opinions.
- 2) Quarterly meetings on labor and management negotiation are

held to build a communication mechanism between the two parties, in order to improve the employees' teamwork.

- 3) Abide by “Gender Equity Education Act” and “Labor Standards Act,” both males and females have the equal rewarding conditions and chance of promotion. We hire people with disability and aboriginals, providing excellent work environment and ensuring equal opportunity in employment, creating a friendly workplace of equality and diversity inclusion.
- 4) In response to the government's campaign for breastfeeding, nursery rooms have been set up while the supply of childcare services has been continued through outsourcing to take care of children under compulsory school age of employees.
- 5) Parking spaces for cars and motorcycles have been reserved exclusively for pregnant women.
- 6) Basketball courts and fitness rooms have been set up to encourage employees to exercise.
- 7) Employee travel and club activities are held to encourage diverse relaxation methods and enhance mental health.
- 8) The Staff canteen has been installed, and meals are prepared by professional chefs to ensure the hygiene and safety of the food.
- 9) Medical staff has been delegated by the professional consulting agency to provide medical consulting to employees.
- 10) Health check-up contracted with medical institution and the subsidies.
- 11) A five-floor staff dormitory and another four one, located at Chung Gang plant and Taichung main plant respectively, are equipped with Wi-Fi, air conditioners, refrigerators, washing machine and other facilities to issue comfortable space for employees.
- 12) Optimization of workplace environment. The Taichung main plant has established an image hall and continuously upgrades hardware and software facilities to build quality working environment, improve working mood and enhance working efficiency for employees.

(5) Implementation of Employee Welfare and Retirement System:

The Company has complied with the provisions of the Labor Standards Act and the Labor Pension Act. The establishment of the employee retirement procedure falls under the defined contribution plan. According to the regulations, the company's monthly contribution rate for labor retirement pension shall not be less than 6% of the employee's monthly salary. In accordance with the employee retirement procedure established pursuant to the said regulations, the company allocates funds to the pension account each month based on the employee's insured salary contribution rate.

As of December 2024, the allocation ratios for labor pension under the old system, new system, and employee voluntary contributions are as follows:

Item	No.of employees	Self-contribution rate (%)	Self-contribution amount (NT\$ thousand)	Pension account
Old system	98	7%	291,210 (Accumulated)	Tahsin Account, Labor Pension Reserve Fund, -Bank of Taiwan
New system	200	6%	5,825	Employee Account, Bureau of Labor Insurance
Self-contribution	38	6%	1,096	“

(6) Protection Measures for Work Environment and Employees' Personal Safety and Health:

- (1) Healthy workforce is the foundation for corporate's sustainable development. The basis of work safety management procedures of the Company is to safeguard personal safety of all employees through constructing a safe, comfortable, and healthy work environment. In addition, in accordance with The Occupational Safety and Health Act and related regulations, “Safety and Health Work Rules” have been set up to build and maintain a healthy and safe work environment. The Company has also been highlighting reaching "Zero Incident", the goal of safety management of the Company, by effectively enforcing self-protection,

mutual protection, and supervision, as well as upholding the principle of Safety First, Prioritizing Prevention, and striving for an environment free from occupational hazards.

Department heads shall strictly adhere to discipline and require colleagues to comply with laws and regulations, enhance safety awareness, strengthen communication and consultation, and emphasize risk management. Besides advocations and audits, supervisors shall lead by example in implementing company policies, adopting effective preventive and control measures in advance to achieve the principle "Prevention is better than cure". Labor and management shall work together to prevent occupational accidents and jointly improve overall safety standards, thereby building a healthy and blissful workplace.

(2) The Safety and Health Work Rules for employees shall cover:

- 1) Responsibilities of organizations in charge of safety and health management and each department**
- 2) Maintenance and Inspection of various safety and health protection equipment**
- 3) Work safety and health Standards for each operation**
- 4) Employee health guidance and management measures**
- 5) First aid and rescue**
- 6) Fire education training and management measures**
- 7) Emergency response**
- 8) Disaster drills and exercises**
- 9) Incident handling**

(3) Safety education promotion and drills:

The Company values the safety and health management of the employees. build workplace safety protection, and continuously optimize the work environment to reduce the occurrence of occupational hazards. The Company conduct safety and health education, training, and publicity regularly to ensure that all employees receive appropriate and necessary emergency response training and have the ability to perform their jobs, so as to prevent the occurrence of occupational disasters.

In 2024 and as of the publication of the annual report, no occupational accidents occurred due to the active efforts of all employees to carry out preventive work. Practical drills and training in the first and second half of 2024 included notifications, evacuation guidance, fire-fighting training, the use of first-aid techniques and tools such as cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED). A total of 80 trainees participated in these training sessions. The overseas factory in Myanmar conducted fire drills in the first and second half of 2024, and 2,265 personnel were trained.

(4) Maintenance of machinery and equipment

In order to grasp the real-time status of employees' working environment and evaluate various potential risk factors, in addition to carrying out inspections and audits from time to time, emergency escape staircases are installed, fire detection and alarm equipment and warning signs are also set up in appropriate places for fire protection and evacuation, and fire control and escape equipment are regularly tested to strengthen employee safety and implementation of safe work standards.

In November 2024 the annual fire-fighting overhaul was carried out, and the overall comprehensive security inspection and maintenance were carried out for the appearance and performance of fire-fighting and disaster-prevention equipment.

In 2022, the office building was equipped with outdoor safety escape ladders to strengthen the safety protection of employees.

(5) Regular health checkup for employees

To enhance employee health, Medical examinations have been provided regularly every two years, including checkups on general conditions and noise induced hearing loss, and examinations for foreign workers, and caterers. By reviewing health checkup data, individuals can perform self-assessments to better understand their current health status and potential disease

risks, enabling early planning for the prevention and management of various conditions such as the three highs (high blood sugar, high blood lipids, and high blood pressure), obesity, and other chronic illnesses.

In July 2024, Taichung Headquarter entrusted Tungs' Taichung Metro Harbor Hospital to assist on the health check for 211 employees in total, while Zhonggang Plant entrusted the Tungs' Taichung Metro Harbor Hospital to carry out the health check for 47 employees and noise check for 36 employees. The Taipei Office entrusted Country Hospital Taipei to assist on employee health checks in July 2024, with 42 employees underwent health checks.

(7) Employee's Participation in Professional Continuing Education and Training Every Year:

- (1) Following the perspective of pragmatism and sustainable operation, the Company has established an extensive talent education system. As part of our talent development framework, we have established a comprehensive competency training program for employees at all levels, including onboarding training, advanced professional training, and leadership development programs. A diverse range of learning channels is provided to support continuous learning through multiple approaches, enriching resources to enhance learning effectiveness. In addition, through job rotations and overseas assignments, employees are given key responsibilities and challenges to foster both professional expertise and leadership capabilities.**
- (2) Training courses include on-site and off-site general courses, professional courses, regulations courses, welfare courses, health lectures, information security promotion, fire drills, etc. While various departments plan and arrange courses of**

professional education and training, Information Management Division manages training courses for internal management personnel as a whole within the Company. Before the end of each year, each department may make plans for relevant courses for the next year depending on the needs of the work, and implement according to the plan after being approved. In addition, Management Department is responsible for organizing common courses of the whole company as well as documenting and the filing and preservation of the implementation related records.

- (3) To ensure compliance with insider trading regulations, a training program is provided to insiders and senior managers. In 2024, a total of 60 individuals completed this training program with a 100% completion rate achieved. 15 days before the announcement of quarterly financial reports and 30 days before the announcement of annual financial reports, each director shall be notified via email about the prohibition of trading the company's stock during that particular period. Additionally, the latest information on insider trading is published annually on the company's internal platform to reinforce employees' understanding and compliance regarding insider trading regulations.
- (4) In 2024, the Company conducted a total of 22 off-site training sessions, with 25 trainees and a total of 278 training hours. The total training expenses for the entire company amounted to NT\$ 130,000. The Company conducted a total of 51 internal training sessions for insiders and employees of the Company in 2024, with 3,074 trainees and a total of 107 training hours.

Course category	Course content	Number of participants	Hours	Fees
External training courses	Greenhouse gas inventory leading standards Refresher training on first-aid and fire safety	25	278	130,000

	Forklift operator training Tax and financial knowledge workshop Common faults in financial statement review Sustainable information disclosure and management policies Practical operations of Internal Control and Personal Data Protection Act Insider trading prevention awareness session			
Internal training course	Workplace problem-solving skills Linux/SQL Financial professional subject training Raw material knowledge and quality focus Design color matching strategies Health seminar and DIY gardening Workplace unlawful infringement prevention Labor safety and health seminar C-TPAT pest control Material control/inspection procedures Folding process equipment operation standards	427	84.5	--
Regulatory courses	Prevent insider trading propaganda Corporate governance business operations Equity trading legal compliance Important information law promotion Business Ethics Regulations promotion	60	12	-
Information security course (distance learning)	Social engineering and network camera cybersecurity, generative AI Social engineering and personal information security	242	2.5	—
Fire drill	Disaster prevention and protection, fire safety and evacuation	2,345	8	

(8) Meetings between Labor and Management and Operational Situation:

- (1) The Company attaches great importance to the concept of mutual prosperity and harmony between labor and management, and convenes quarterly Labor Management Meetings in conformity with government laws and**

regulations to promote friendly interaction between employees and management regarding relevant issues to give employees the opportunity to fully express their opinions. We value equality and diversity inclusion, promising to create a workplace without misconduct such as discrimination, harassment and retaliation. Maintain good partnership, build consensus to ensure a harmonious relationship between the labor and management, and sustainable development of the company.

- (2) The Company has set an internal labor suggestion box and an external communication platform (Internet zone for stakeholders) for questions, complaints, whistle-blowing or suggestions, which can be understood and replied by special persons to strengthen the employee-employer relationship and handle the case in a confidential manner to protect the rights and interests of employees.
- (3) Specific measures to improve employee benefits or rights over the previous year:
 - 1) Salary adjustment for employees and profit sharing for enterprises.
 - 2) Build a quality office environment.
 - 3) Continuous renewal of hardware and software equipment.
- (4) Up to the date of the publication of the annual report, no loss has been caused by labor disputes such as gender, racism and human rights violation; The Company will continue to maintain a good partnership between labor and management in the future.

(9) Measures Aimed at Preserving the Rights and Interests of Employees: The implementation is effective.

- (1) Since November 2020, the Company assigned a physician and a nurse to provide employees with medical consulting and health guidance. The nurse will provide on-site service at the headquarters six times a month (two hours a time) and at the Zhonggang plant twice a month (two hours a time), and the doctor will provide on-site services six times a year (two hours a time). They will provide employees with regularly recorded

health data and preventive measures, professional guidance on nutrition, exercise, and other advices to help employees develop healthy habits through everyday lifestyle practices, thereby preventing or delaying the onset of chronic diseases.

- (2) To promote employee healthy lifestyle and adjustment to workplace stress, internal health lectures, handicraft and horticulture sessions, and in-for-mation sharing are held irregularly for more effective management to re-lieve physical and mental stress.
- (3) Taking care of employees and maintaining a safe working environment have been the priority of the Company. In addition that the health checkup contracts with medical institutions, medical devices in the case of emergency are purchased to ensure employees lives and safety.
- (4) To better understand employee needs and optimize internal management mechanisms, the Company conducted the 2024 Employee Satisfaction Survey between April and May 2025. Based on the results, areas with lower satisfaction scores were identified, and follow-up communication and improvement plans were formulated accordingly.

The survey covered six key dimensions: sustainable development busi-ness philosophy, team operations, work environment and safety, salaries and benefits, employee welfare, and occupational training and develop-ment. The implementation status and corresponding improvement plans are as follows:

Target Group	All Company Employees
Evaluation Items	A. Sustainable development business philosophy B. Team operations C. Work environment and safety D. Salaries and benefits E. Employee welfare F. Occupational training and de- velopment
Number of Respondents	285
Coverage Rate	95%

Responsible Department	Sustainability Committee Task Force	
Survey Frequency	Once a year	
Survey Period	2024/1/1~2024/12/31	
Survey Results	Overall employee satisfaction	70 %
	Sustainable development business philosophy	73 %
	Team operations	73 %
	Work environment and safety	71 %
	Salaries and benefits	66 %
	Employee welfare	67 %
	Occupational training and development	67 %
Recommendations for Improvement	<p>Based on the survey results, the following are recommendations for improvement in 2025:</p> <p>1. Suggestions related to the six key evaluation areas will be reviewed and reported by the Sustainability Committee Task Force, and then submitted to the Board of Directors.</p>	

	2. For other improvement suggestions, they will be reviewed by the relevant departments, with prompt understanding, handling, and follow-up tracking.
--	---

(II) Losses as a Result of Labor Disputes and the Estimated Amount and Countermeasures of Possible Losses Caused by Labor Disputes at Present and in the Future: None

(6) Information Security Management

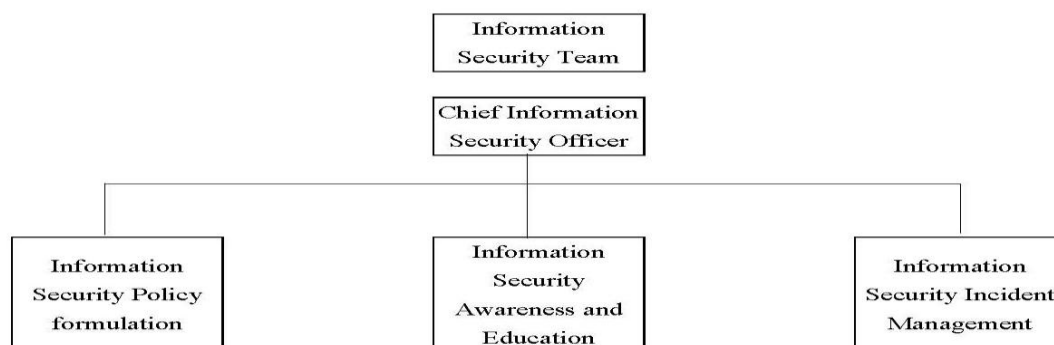
Regulations on implementing information security protection, actual implementation, and response measures:

- **Information Security Risk Management Group**

Through the establishment of an information security management system and a dedicated unit (Information Division), the scope of application covers the Company, its subsidiaries, clients, and suppliers. This unit focuses on the implementation of improvement of information security protection, detection, promotion, and education. In compliance with relevant government regulations and in accordance with company policies, we are committed to safeguarding data security and privacy rights. Efforts are made to strengthen information security protection, to conduct security testing, to promote awareness, and to provide education on information and communication security. By regularly reporting the information management status in the monthly internal operation meetings and quarterly board meetings, the Group assigned dedicated personnel to carry out management and organization to ensure the normal operation of information systems. To reduce security incidents and assure information preservation, the Group also regularly upgrades software and hardware to safeguard the confidentiality, integrity, and availability of the Group's data and personal information.

- To ensure the protection and management of personal data, the Group stipulated the "Personal Data Protection Act" (simplified as PDPA) on August 12, 2024.

The main powers and responsibilities of this group are as follows:



Information Security Policy Setting Group: Responsible for the formulation of various security policies, and continues to make adjustments to relevant policies according to information technology and the law and regulations.

Information Security Promotion Education Group: Responsible for educating and training employees on the company's information security policy, and conducting tests to assess their understanding of relevant information security concepts.

Information Security Event Handling Group: Responsible for handling the company's information security incidents and emergency repair during zero-time difference attacks.

- **Information Security Policy**

- (1) **Network connection policy measures:**

- The company's external connection, open host, wireless network services, VPN connection policy, and vulnerability detection.

- (2) **Data backup policy measures:**

- The backup mode adopts three modes: local backup, remote backup, and offline backup.

- (3) **Data backup verification measures:**

- Local backup, same factory backup in different places, remote backup in different places, and offline backup.

- (4) **E-Mail information security policy measures:**

Set relevant email processing policies, company filtering email policies, information security promotion, and email information security usage guidelines

(5) Confidentiality device disposal measures:

In order to ensure that the data is not leaked when the company stores important data due to failure or replacement of the equipment, this method is specially formulated to provide a basis for handling various information products when selling various information products.

- **Information Security Specific Management Plan, Implementation and Goals**

- **Palo Alto Network Firewall**

All kinds of abnormal network uses are prevented to safeguard the security and smoothness of the Group's external network and reasonably manage employees' online access, thereby improving the use in line with the Control of Information Security Inspection.

- **Chunghwa Telecom hinet Enterprise Information Services**

Chunghwa Telecom Network Security Service is introduced to prevent more than 99% of outbound cyberattacks to ensure the safety of the company's information environment and compliance with the Control of Information Security Inspection.

- **Tahsin ERP Backup System**

The Group has established an information management backup system to ensure the security and sustainable development of corporation operation system. Recovery procedures are rehearsed regularly every year to ensure personnel's technical implementation and experience inheritance of personnel as well as the compliance with the Control of System Recovery Plan and Test Program.

- **ArmorX Email Protection System**

Spam management mechanism has been established to block outbound spams and defense against malicious email, prevent and

reduce various information security risks and ensure the compliance with the Control of Information Security Inspection.

- **The Group's Email Backup System**

The Group has established an online backup system for the Group's e-mail system, so as to ensure the security of the e-mail system and consistent compliance with e-mail- related regulations, and store historical e-mails for ten years for the sake of inquiry and reference of transaction information. The backup system is in line with the Control of System Recovery Plan and Test Program.

- **Anti-virus System**

Internal computer anti-virus treatment mechanism and intrusion detection have been established to prevent hacker attacks and ensure the effective access to computer resources and compliance with the Control of Information Security Inspection.

- **The Group's File Backup Mechanism**

The Group carried out on-site backup, remote backup in the same plant, remote backup in different plants, and offline backup. The Group utilized online drives and external hard drives to regularly backup and verify data everyday, to ensure the access control of data and the security of account/password management.

- **Resources, Implementation, and Objectives for Information Security Management**

(1) Dedicated Personnel

A dedicated information security unit (Information Division) has been established. The information security task force consists of four members responsible for the planning of information security strategies, the implementation of security technologies, and the auditing of information security internal control systems, aiming to maintain and continuously enhance cybersecurity.

(2) Information Security Meetings

Internal information security review meetings are held weekly. Execution results are reported during monthly management meetings, and a comprehensive information security governance report is submitted to the Board of Directors on a quarterly basis.

(3) Customer Satisfaction

No major information security incidents have occurred, and there have been no complaints related to customer data loss.

(4) Security Announcements

Important information security regulations and reminders are communicated on an ad-hoc basis through the company's internal email platform and the Tahsin Web Portal.

(5) Information security education, promotion and implementation:

2024

Education and promotion (video conference)	Hours	Number of people
Social engineering and network camera cybersecurity	1.5H	167
Social engineering and generative AI	1.0H	75

Until the end of March, 2025

Education and promotion (video conference)	Hours	Number of people
Social engineering and personal information security	1.0H	176

Social engineering drill test results		Employees tested		
Execution date	Content	Total number	Number	Percentage
2024/03/18	Clicking links	248	24	9.6%
	Entering data		9	3.6%
2024/10/16	Clicking links	221	7	3.1%
	Entering data		4	1.8%
2025/03/10	Clicking links	221	12	5.4%

	Entering data		2	0.9%
2025/03/17	Clicking links	221	4	1.8%
	Entering data		2	0.9%

● **2025 Information Security Implementation Objectives:**

- 1. Continuously monitor information security status and follow up on the handling of information security cases.**
- 2. Regularly assess information security systems and adjust strategies to ensure effectiveness and protection.**
- 3. Enhance employee information security awareness by arranging two training sessions annually, and ensure compliance with relevant regulations during daily operations and business executions to maintain system stability and security.**
- 4. Strengthen the protection of potential operational risks by establishing access control and encryption measures to safeguard information systems and related assets, and prevent the leakage of the Group's sensitive data.**

(7) Important Contracts: None

Chapter 5 Review and Analysis of the Company's Financial Position and Financial Performance and Risk

I. Financial Position

Unit: NT\$ thousand

Items \ Year	2024	2023	Difference	
			Amount	%
Current assets	6,403,739	7,519,816	-1,116,077	-14.84%
Long-term investment	1,055,130	,174,786	-119,656	-10.19%
Fixed assets	2,582,338	2,451,672	130,666	5.33%
Intangible assets	0	0	0	0%
Other assets	197,448	196,545	903	0.46%
Total assets	10,238,655	11,342,819	-1,104,164	-9.73%
Current liabilities	570,777	460,232	110,545	24.02%
Long-term liabilities	0	0	0	0%
Preparations	199,479	188,267	11,212	5.96%
Other liabilities	58,050	71,190	-13,140	-18.46%
Total liabilities	828,306	719,689	108,617	15.09%
Share capital	990,990	990,990	0	0%
Capital surplus	239,999	221,869	18,130	8.17%
Retained earnings	7,564,645	7,575,050	-10,405	0.14%
Equity adjustment	697,945	1,918,451	-1,220,506	-63.62%
Treasury stock	(83,230)	(83,230)	0	0%
Total shareholders' equity	9,410,349	10,623,130	-1,212,781	-11.42%

Analysis and description:

Current liabilities: Mainly due to an increase in income tax liabilities of NT\$ 12 million in the current period compared with the previous period, an increase of NT\$ 72 million in accounts payable compared with the previous period., and an increase of NT\$ 36 million in contract liabilities.

Equity adjustment: Primarily due to a NT\$1.244 billion decrease in unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive profit or losses.

Note: If the change reaches more than 20% in the previous and later stages, and the change amount reaches NT \$10 million, the analysis will be conducted.

II. Analysis of Financial Performance

(I) Comparative Analysis of Financial Performance

Unit: NT\$ thousand

Items \ Year	2024	2023	Increase (Decrease) Amount	Rate of Change %
Total Revenue	2,150,958	2,165,435	-14,477	-0.67
Less: Sales Returns	(1,675)	(5,859)	4,184	-71.41
Sales Allowances	(2,223)	(2,383)	160	-6.71
Net operating revenue	2,147,060	2,157,193	-10,133	-0.47
Operating Costs	(1,858,012)	(1,804,934)	-53,087	2.94
Operating gross profit	289,048	352,259	-63,211	-17.94
Operating Expenses	(364,040)	(337,917)	-26,123	7.73
Operating profit	(74,992)	14,342	-89,334	-622.88
Non-operating Income and Profit	351,343	360,922	-9,579	-2.65
Non-operating Expenses and Losses	(14,331)	(7,542)	-6,789	90.02
Pre-tax Income from Continuing Operations	262,020	367,722	-105,702	-28.75
Income Tax Expenses	(53,123)	(17,215)	-35,908	208.59
After-tax Income from Continuing Operations	208,897	350,507	-141,610	-40.40
Analysis of the rate of change:				
1. Sales return: This was mainly due to the quality defect of the final products from the previous period.				
2. Operating Profit: Mainly due to a NT\$10 million decrease in operating revenue, a NT\$63 million decrease in gross profit, and a NT\$26 million increase in operating expenses compared to the previous period.				
3. Non-operating Expenses and Losses: Primarily due to a NT\$6 million increase in certain expenditures compared to the previous period.				
4. Income Tax Expense: Mainly attributable to an NT\$18 million decrease in overestimated prior-year tax and a NT\$23 million increase in deferred income tax compared to the previous period.				
Pre-tax and After-tax Net Profit: As analyzed above, mainly due to the decline in revenue, reduction in gross profit as well as non-operating income, and an increase in income tax expense during the current period.				

Note: Analysis is conducted for the rate of change of at least 20%.

III. Consolidated Statements of Cash Flow

Cash Flows Analysis Unit: NT\$ thousand

Beginning Cash Balance	Net Cash Flow From Operating Activities Throughout The Year	Estimated Cash Flow Throughout The Year	Cash Surplus (Deficit)	Remedial Measures for Cash Deficit	
				Investment Plans	Financial Plans
2,249,460	271,545	318,550	2,202,455	—	—

1. Analysis of changes in cash flow of the year:

- (1) **Operating activities:** Net cash inflow for the current period was NT\$ 271 million; mainly due to dividend income, inventory reduction, and refunded income tax, which resulted in net inflow from operating activities.
- (2) **Investing activities:** Net cash inflow for the current period was NT\$169 million; mainly due to the increase in the disposal of financial assets measured at fair value through other comprehensive gains and losses and the decrease in other financial assets.
- (3) **Financing activities:** Net cash outflow for this period was 499 million yuan; mainly due to the payment of cash dividends.

Impact of exchange rate changes: Net cash inflow for the period was NT\$ 11 million.

2. Remedial measures for cash deficit and liquidity analysis:

- (1) There was no cash deficit for this year.
- (2) Liquidity analysis for the recent two years

Items \ Year	2024	2023	Rate of Change
Cash Flow Ratio	47.57%	117.45%	-59.50%
Cash Flow Adequacy Ratio	36.99%	40.70%	-9.12%
Cash Reinvestment Ratio	-	-	-%

Analysis of the rate of change:

1. **Cash flow ratio:** This period decreased by 69.88% compared with the previous period, and the decrease rate was 59.5%, mainly due to the decrease of net cash inflow by NT\$ 260 million compared with the previous period.
2. **Cash flow admissible ratio:** This period decreased by 3.71% compared with the previous period, and the decrease rate was 9.12%, mainly due to an increase of NT\$130 million in real estate and plant over the past five years compared to the previous period.
3. **Cash Flow Adequacy Ratio:** Omitted.

3. Cash Liquidity Analysis for the Following Year:

Unit: NT\$ thousand

Beginning Cash Balance	Net Cash Flow From Operating Activities Throughout The Year	Estimated Cash Flow Throughout The Year	Estimated Cash Balance (Deficit)	Remedial Measures for Projected Cash Deficit	
				Investment Plans	Financial Plans
2,202,455	330,000	495,000	2,037,455	—	—
<p>1. Analysis of changes in cash flow for the following year:</p> <p>(1) Operating activities: It is expected that the net cash inflow in 2025 will be NT\$ 250 million, mainly due to the net inflow of operating activities generated by dividend income.</p> <p>(2) Investment activities: Net cash inflow is expected to be NT\$ 80 million in 2025; mainly due to the disposal of financial assets and other financial assets measured at fair value through other comprehensive gains and losses, which will be a net cash inflow by NT\$ 280 million; and the Company will obtain net cash for real estate, plant and equipment, which accounts for an outflow of NT\$ 200 million, making investing activities a net cash inflow.</p> <p>(3) Financing activities: Net cash outflow is expected to be NT\$ 495 million in 2025; mainly due to the payment of cash dividends, financing activities will be a net cash outflow.</p> <p>2. Remedial measures for projected cash deficit and liquidity analysis: None.</p>					

IV. Impact of any Major Capital Expenditures during the Most Recent Fiscal Year

- (I) The Use and Sources of Major Capital Expenditures: None.
- (II) Projected Potential Benefits: None.

V. The Investment Policy for the Most Recent Fiscal Year and Investment Plans for the Coming Year : None.

VI. Risk Assessment for the Most Recent Fiscal Year and as of the Date of Publication of :

(I) The Effect upon the Company's Profits (Losses) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate in the Most Recent Fiscal Year, and Response Measures to be Taken in the Future:

1. Fluctuation in exchange:

- The Group's long-term borrowings have a low financial cost-to-liability ratio and are mostly subject to floating interest rates, so changes in interest rates do not have a significant impact on the Group's profit or loss.
- Response measures and impact on the Group's profit and loss:

In the future, the Group will continue to adhere to the principle of sound and sustainable operation to maintain a low debt ratio, and continue to observe the movement of interest rates and collect market information on a daily basis for future reference.

Items	Consolidated financial statements for 2024
Interest expenses	NT\$ 2,374 thousand
Interest expense to net revenue ratio	0.11%
Interest expense to net profit before tax ratio	0.91%

2. Fluctuation in exchange:

- The Group's product sales are mainly for export. In the face of Trump's tariff policies, intensifying international geopolitical risks and other uncontrollable black swan events, which have all caused severe fluctuations in the international financial market. Since the US dollar will remain strong, the Group will continue to observe the impact of exchange rate fluctuations in the future.
- Response measures and impact on the Group's profit and loss:
 - (1) Exchange rate changes have a certain impact on the Group's revenue and profit. Although the Group's foreign currency receivables are the same as part of the foreign currency payables. As such, some positions will have a natural hedging effect. In order to avoid the decrease of foreign currency asset value and the fluctuation of future cash flow due to the change of exchange rate, following the conservative principle, the Group uses derivative instruments (including pre-purchase/pre-sale forward exchange contracts), foreign currency time deposits and bonds to hedge exchange rate risks, with timely adjustments to U.S. dollar holdings to diversify risks.

- (2) When quoting to customers, the potential impact of exchange rate fluctuations has been listed into consideration and a more stable and conservative exchange rate is adopted as the basis for our quotations. This approach helps impact diminishing of exchange rate volatility on the profitability of accepted orders.
- (3) The Finance Department maintains close contact with the foreign exchange departments of various financial institutions, collecting information on exchange rate fluctuations daily. By fully understanding the trends in exchange rates, minimization of the negative impact of these fluctuations can be expected via converting currencies or retaining foreign exchange in a timely manner to reduce exchange rate risk.

Items	Consolidated financial statements for 2024
Net exchange (loss) gain	NT\$ 98,344 thousand
Net exchange (loss) as a percentage of net revenue	4.58%
Net conversion (loss) to net profit before tax ratio	37.53%

3. Inflation situation:

- The Executive Yuan Chief Accounting Office announced that the annual growth rate of the Consumer Price Index (CPI) for 2024 increased by 2.18%. Despite the influence of global economic conditions, fluctuations in oil prices, and international raw material price volatility, the Group's effective management of raw material inventory has resulted in only limited impact.
- Response measures:
In the face of fluctuations in the price of raw materials, the Company has mastered the operation mode of market bargaining power and continuously manages raw material supply sources and inventory levels, effectively reducing the impact of fluctuations in the price of raw materials on the Company's operations.

(II) The Company's Policy Regarding High-Risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements, Guarantees, and Derivatives Transactions in the Most Recent Fiscal Year; the Main

Reasons for the Profits/Losses Generated thereby; and Response Measures to be Taken in the Future:

1. High-Risk and Highly Leveraged Investments

The Group has always maintained stable operations and sustainable financial position and therefore does not engage in high risk or highly leveraged investments.

2. Loaning Funds to Others:

The Group did not engage in any funds loaning to others.

3. Endorsements/Guarantees

- 1) The Group mainly provides guarantees and endorsements to its subsidiaries and affiliates, targeting on financing and procurement quotas.
- 2) In response to the actual operational needs of the tran-investee company, the Group has formulated the "Endorsement Guarantee Operation Procedures " in accordance with the relevant laws and regulations of the competent authority. The dedicated unit will assess the risks and effectively control them, and the audit unit has formulated the "Internal Control System Processing Guidelines" based on the "Internal Control System Processing Guidelines", running their respective systems for risk management and assessment operations.
- 3) As of December 31, 2024, the Company's maximum endorsement/guarantee limit was NT\$ 4,690,626 thousand, the maximum endorsement and guarantee balance for the current period was NT\$ 140,722 thousand, the actual amount utilized was NT\$ 106,288 thousand, due to the decrease in exchange rate difference by NT\$21,643 thousand compared with NT\$ 127,931 thousand by the end of 2023.
- 4) As of March 31, 2025, the Company's maximum endorsement/guarantee limit was NT\$ 4,690,627 thousand, the maximum endorsement and guarantee balance for the current period was NT\$ 141,027 thousand, the actual amount utilized was NT\$ 112,636 thousand, due to the increase in ex-change rate difference by NT\$ 6,348 thousand compared with NT\$ 106,288 thousand by the end of 2024.
- 5) The Group's affiliates have always been focused on the core business and fostering a sound financial position. Therefore, no losses have been incurred by the endorsements/guarantees provided. The principle of future response measures is to prevent the amount of actual expenditure from increase depending on the situation.

4. Financial Derivatives Transactions

- 1) The Group engages in derivatives transactions only for the purpose of hedging and not for arbitrage and speculative intentions. It also makes careful evaluation and operation, and has a clear understanding of the market, commodities, risks and profit and loss structure.**
- 2) Derivatives transactions are strictly regulated by the Company's Handling Procedure to Engage in the Derivatives Transactions. The risk control and management of foreign currency assets and liabilities arising from exchange rate fluctuations will be specifically evaluated by a dedicated unit. In addition, audit units of the Group has established related rules for conducting risk management and evaluations according to Guidelines for Internal Control System.**
- 3) As of December 31, 2024, the contract amount of pre-purchase forward exchange that has not been written off as announced by the Group was US\$ 1 million /NT\$ 32,735 thousand.**
- 4) As of March 31, 2025, the contract amount of pre-purchase forward exchange that has not been written off as announced by the Group was US\$ 1 million /NT\$ 33,155 thousand.**
- 5) In the future, the Group will continue to pay attention to the price trend of its commodity trading and the possible profit and loss of investment and undertake US Dollar forward exchange at an appropriate time in response to US Dollar demand depending on the situation.**

(III) Research and Development Work to be Carried out in the Future, and Further Expenditures Expected for Research and Development Work

The most recent annual plan	Current progress	R&D expenses to be invested	Projected mass production time	Factors impacting the future success of R&D
Electrical Height Adjustable Desk	New product development	NT\$ 1 million	2026.Q2	1. Whether meeting the market demand 2. A suitable motor supplier 3. The R&D of a PC-version controller

- (IV) Effect on the Company's Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to be taken in Response: None.**
- (V) Effect on the Company's Financial Operations of Developments in Science and Technology as well as Industrial Change, and Measures to be taken in Response: None.**
- (VI) Effect on the Company's Crisis Management of Changes in the Company's Corporate Image, and Measures to be Taken in Response:**
- 1) In 2024, the Company did not experience any major negative events that could affect its corporate image.**
 - 2) The Group always upholds the business philosophy of integrity, actively inherits, cultivates talents, promotes safe and healthy workplace environment for employees, and highlights quality and stable prices of our products for customers, to maintain a good corporate image since its establishment 68 years ago.**
 - 3) Comprehensive codes of practice have been formulated for both crisis management and emergency response, and regular publicity and simulation exercises are conducted.**
 - 4) To maintain and promote corporate image are not only the mission but also the cornerstone of sustainable development of the Company. In the future, we will continue to carry through the philosophy of ethical corporate management, strive to deliver excellent performance and actively promote the sustainable operation of the Company, create a happy enterprise, share the fruit with employees, generate greater investment returns for shareholders, and fulfill our social responsibilities.**
- (VII) Expected Benefits and Possible Risks Associated with Any Merger and Acquisitions, and Mitigation Measures being or to be Taken: Not applicable.**
- (VIII) Projected Benefits and Possible Risks in Expanding Plants and Response Measures: None.**
- (IX) Risks Posed by Concentrated Procurement and Sales, and Response Measures: None.**

(X) Impact on the Company Resulting from Massive Transfer or Exchange of the Company's Shares by Directors, Supervisors or Major Shareholders with More than 10% of the Company's Shares and Response Measures: None.

(XI) Effect upon and Risk to Company Associated with Any Change in Governance Personnel or Top Management, and Mitigation Measures being or to be Taken: Not applicable.

(XII) Litigious and Non-litigious Matters:

As of December 31, 2024, some claims for damage compensation were filed against the subsidiary T.H. U.S.A since some customers did not pay attention to warnings provided by the manufacturer and failed to install according to the manual for using the (Tree Stand) product.

T.H. U.S.A, the Company's subsidiary, has purchased product liability insurance against the product and has appointed lawyers to represent the Company in the litigation. However, as of the date of publication of the consolidated financial reports, the final outcome of the case yet cannot be ascertained and the exact amount of possible compensation cannot be estimated.

(XIII) Does the Group Adopt Hedge Accounting: Not applicable.

The use of hedge accounting is only applicable when all the hedge conditions are met and highly effective results can be sufficiently proved. As a result, hedge accounting is not applicable to the group because the requirements are not satisfied.

VII. Other Important Matters: None.

Chapter 6 Special Notes

I. Information on Affiliated Enterprises

For details, please refer to the Market Observation Post System (MOPS) website at:

<https://mops.twse.com.tw/mops/#/web/home>

**Home > Individual Company > Electronic Document Downloads
> Section on Three Reports of Affiliated Enterprises**

**Three Reports of Affiliated EnterprisesConsolidated Operational
Report of Affiliates**

**II. Private Placement of Securities of the Most Recent Year
up to the Publication Date of this Report: None.**

**III. Other Necessary Supplementary Information: Events of
Considerable Impact on Shareholders' Equity or on
Prices of Securities as Specified in Subparagraph 2, Par-
agraph 2 of Article 36 of the Securities and Exchange Act:
None**

Tahsin Industrial Corporation

Chairman: WU, ZI-CONG

Published on May 20, 2025