

Stock Code: 1315

Tahsin Industrial Corporation

2025 Annual Report

**Prepared by Tahsin Industrial Corp.
Printed on May 26, 2026**

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

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Job Title: Vice President

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TEL: (04)23595511

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Job Title: Manager

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III. Stock Transfer Handling Agency

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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 LIN ZHI-LONG

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

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Chapter 1 Letter to Shareholders

I. 2025 Business Report

Dear shareholders, ladies and gentlemen,

We present here the Company's 2025 business performance report. It is as follows:

In 2025, the Company's operating revenue was NT\$2.28253 billion, an increase of 6.31% compared with that in 2024. The operating profit was NT\$ -26.07 million, an increase of NT\$48.92 million compared with that in 2024. The net income before tax was NT\$162.25 million, a reduction of NT\$99.76 million compared with that in 2024. The net income after tax was NT\$150.93 million, a reduction of NT\$57.96 million compared with that in 2024.

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

By Product, Sales Unit: NT\$ thousand						
Product Category	2025		2024		Increased (Decreased) from the previous year	
	Amount	%	Amount	%	Amount	%
Rainwear Category	1,265,692	55.45	1,111,182	51.75	154,510	13.91
Garment Category	453,359	19.87	424,040	19.75	29,319	6.91
New Products Category	140,441	6.15	151,465	7.06	(11,024)	(7.28)
PP Corrugated Board	228,948	10.03	239,679	11.16	(10,731)	(4.48)
Others	194,094	8.50	220,694	10.28	(26,600)	(12.05)
Total	2,282,534	100.00	2,147,060	100.00	135,474	6.31

By Region Sales Unit: NT\$ thousand						
Region	2025		2024		Increased (Decreased) from the previous year	
	Amount	%	Amount	%	Amount	%
Taiwan	517,541	22.67	498,587	23.22	18,954	3.80
Americas	314,476	13.78	297,663	13.86	16,813	5.65
Europe	716,839	31.41	663,287	30.89	53,552	8.07
Japan	302,681	13.26	305,082	14.21	(2,401)	(0.79)
Others	430,997	18.88	382,441	17.82	48,556	12.70
Total	2,282,534	100.00	2,147,060	100.00	135,474	6.31

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	2025		2024	
	Amount	%	Amount	%
Net operating revenue	2,282,534	100.00	2,147,060	100.00
Operating gross profit	331,432	14.52	289,048	13.46
Operating profit	(26,070)	(1.14)	(74,992)	(3.49)
Net profit before taxes	162,256	7.11	262,020	12.20
Net Income after Tax	150,930	6.61	208,897	9.73

(2) Profitability

Items		2025	2024	
Profitability	Return on total assets (%)	1.45	1.95	
	Return on shareholders' equity (%)	1.54	2.09	
	As a Percentage in Paid-in Capital (%)	Operating profit	-2.63	-7.57
		Income before Tax	16.37	26.44
	Net profit rate (%)	6.61	9.73	
	Earnings per share (NT\$)	1.55	2.15	

(3) Return on Investment

Items	2025	2024
Price-earnings (P/E) Ratio	42.72	33.20
Price-dividend (P/D) Ratio	14.72	14.28
Cash Dividend Yield	6.80%	7.00%

II. 2026 Business Plan Overview

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

Impact from Competition:

Geopolitical turmoil is sweeping across global financial markets. Following the Russo-Ukrainian war, the recent outbreak of the U.S.–Israel–Iran conflict, with an escalation into a full-scale war, has disrupted the global energy supply system and unsettled international energy markets and financial markets alike. The rapidly intensifying and unpredictable conflict risks are upending the order of global economic growth, as political impacts are reverberating across the global economy.

Legislation Environment:

In line with sustainability, the Group continues to move toward its sustainability goals. In the face of global changes, the world is finding it increasingly difficult to respond collectively to climate change. As countries place greater priority on their own interests than on the collective well-being of humanity, environmental issues are gradually receiving less attention. However, amid the impacts of climate change, it is all the more important to face the reality of climate change, develop a sound understanding of the issue, and turn this awareness into a driving force. Putting sustainability into practice, the Group continues to take concrete actions. We believe that sustainability efforts will never be in vain, and that what we do today will help shape a different tomorrow. In addressing environmental challenges, action matters. By starting with our own daily lives, adjusting our lifestyles, and supporting sustainable practices, we can work together to build a sustainable society.

Impact from the Overall Business Environment:

Internationally:

In 2026, the trend of trade protectionism seen in 2025 is expected to continue. Volatile tariff policies, export controls, and localization requirements will continue to pose challenges to corporate supply chains. Additional tariffs may still be imposed under other legal grounds in the future, while rising energy costs could be disadvantageous to economic activity and prices, further increasing global inflationary pressure and compressing economic growth momentum. In response to changes in the international environment, global supply chains are expected to continue shifting toward more diversified and localized strategies.

Domestically:

As times change and regulatory requirements and environmental awareness continue to rise, the Group must plan ahead and make early deployments to enhance its risk management capabilities and adjust its investment strategies in response to new shifts in the global economic environment. Only by doing so can it establish a firm footing amid long-term market changes. With a pragmatic and diligent approach, the Group will strive for innovation, pursue continuous growth, and move forward despite headwinds, thereby creating brand value and competitive advantages for the Group.

II. Outline of 2025 Business Plan

〈I〉 Summary of 2024 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\$1.85 billion for the Company, and NT\$2.18 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 2026 is as follows:

Unit: NT\$ Million

Product category	Anticipated sales for the Company			Anticipated sales for the Group		
	Domestic sales	Export sales	Expected sales	Domestic sales	Export sales	Expected sales
Raincoat	110	855	965	110	1,100	1,210
Garment	110	353	463	110	380	490
Stationery	-	55	55	-	65	65
Binding machine	-	30	30	-	37	37
Laminator	-	100	100	-	130	130
PP corrugated board	200	37	237	200	48	248
Total	420	1,430	1,850	420	1,760	2,180

3. Important production and sales strategies:

- ① Upholding the business philosophy of “quality first and punctual delivery,” the Group maintains strict management and continuous improvement at every stage, from design, sampling, and development to mass production. Through the introduction of automation technologies and process optimization, the Group ensures stable product quality and delivery schedules, meets customers’ diverse needs, and works with customers to create long-term and steady growth opportunities.
- ② With fashion and innovation as its core mindset, the Group continues to develop new styles of raincoats, garments, rain boots, and other products, while gradually introducing recycled materials. In addition to complying with relevant certifications for the use of recycled materials, these efforts demonstrate the Group’s concrete actions in aligning with international sustainable development goals.
- ③ The Group plans to participate in professional exhibitions in Taiwan and overseas to enhance brand visibility and market influence. Through customer visits and business expansion, the Group will further strengthen cooperative relationships, increase orders, and enhance revenue growth momentum.

- ④ The Group will continue to deploy its overseas production base and flexibly allocate production capacity among its existing manufacturing sites. This will improve overall production efficiency and supply chain resilience, achieve the goals of expanding capacity and shortening delivery lead times, and strengthen market competitiveness.
- ⑤ The Group will actively promote the environmental characteristics of PP boards and develop their diversified applications to enhance product added value. At the same time, it will deepen its overseas market deployment, identify and expand potential customers, secure export orders, and broaden its international market share.

〈 II 〉 Future development strategy:

- ① Development of new customers and acquisition of new orders:

The Group will actively expand overseas markets, develop potential customers, and promote product diversification in order to balance production capacity between peak and off-peak seasons and ensure sustained operating momentum. With stable and high-quality products, the Group aims to meet customer needs and earn long-term trust and cooperation. In the domestic market, the Group will continue to introduce new product designs using environmentally friendly materials, strive to participate in government tenders, and strengthen online sales channels, thereby comprehensively enhancing market share and sales performance.

- ② Sustainable Supply Chain:

In response to global sustainable development goals, the Group will evaluate new environmentally friendly materials to provide customers with diversified options that can be applied to product design. At the same time, the Group will monitor and manage energy usage and greenhouse gas emissions at its factory sites, and introduce high-efficiency energy-saving equipment to optimize production processes, thereby fully implementing sustainable operations and environmental responsibility.

③ Capacity Expansion and Quality Management:

The Group will strengthen software and hardware equipment upgrades at its overseas factory sites and further enhance professional training for employees to meet the certification requirements and technical standards of international brand customers. Through quality management systems and standardized operating procedures, production capacity and efficiency can be effectively enhanced, ensuring that all production processes meet stable, high-quality standards.

④ Price negotiation of raw materials and stock management:

The Group will strengthen its bargaining power for raw materials, seek to expand its supplier base, and enhance localized procurement connections in order to reduce production costs and create higher profits. Meanwhile, through effective inventory management and resource activation, the Group will enhance product added value and further strengthen its market competitiveness.

Looking ahead, the economic challenges brought by changes in the international landscape have become part of daily operations. Amid these impacts, Tahsin upholds integrity as its core value. In the face of external shocks, only by continuously enhancing its competitiveness and transforming risks into predictable plans can the Group remain resilient. Internally, the Group cultivates new perspectives and accumulates new momentum; externally, it strives to enhance added value and broaden its market reach. While focusing on its core business development, the Group remains committed to fulfilling its corporate social responsibility and moving forward steadily toward environmental coexistence and shared prosperity with all stakeholders.

II. 2.1 Information About Directors, General Manager, Deputy General Managers, Assistant Deputy General Managers, and Heads of Departments and Branches

2.1.1 Directors

April 28, 2026

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	74	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	65	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	Tahsin Chang Investment Co., Ltd. (representative) HU, PEI-TUAN	Male	73	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	76	06.16.2023	three years	06.05.2020	1,901,500	1.92%	1,901,500	1.92%	364,322	0.36%	1,901,500	1.92%
Director	Taiwan	HU, BOR-CHON	Male	67	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) LAL, KEN-MIN	Male	68	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	75	06.16.2023	three years	06.23.2017	0	0	0	0	0	0	0	0
Independent Director	Taiwan	YANG, TE-WANG	Male	74	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	Tahsin Chang 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 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 28, 2026**

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%)
Tahsin Chang 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 28, 2026**

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

2.1.2 Information on Directors

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

Name	Criteria	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. 	Among the nine directors listed on the left, there are no spousal or second-degree kinship relationships between them.	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	
Tahsin Chang 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	

<p>Tah Cheng Investment Co., Ltd. (representative) LAI, KEN-MIN</p>	<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. 		
<p>Independent Director LIN, KO-WU</p>	<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 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 ◎Fully compliant with the conditions for independence</p> <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. 	1
<p>Independent Director YANG, TE-WANG</p>	<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"> 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
<p>Independent Director YANG, KUO-SHU</p>	<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 12, 2025, 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 6 to 9 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 76 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	✓	✓	✓	✓	✓	✓	✓
Tahsin Chang 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.	✓		✓	0	✓	✓	✓	✓	✓	✓	✓
Independent Director YANG, KUO-SHU	Taiwan	Male				✓	✓	Deputy Division Chief, Tahsin Industrial Corp.	✓		✓	0	✓	✓	✓	✓	✓	✓	✓

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 70-76.
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, 2026, a total of 15 board meetings have been held, with an overall director attendance rate of 94.81%.
4. The seniority distribution range of independent directors: independent directors Lin, Ko-Wu, and Yang, Te-Wang have served for 9 years since June 23, 2017, independent director Yang, Kuo-Shu has served for 6 years since June 5, 2020, and two of the independent directors have served for 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 28 2026

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	56	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	67	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	68	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	64	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.

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 Tahsin Chang 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 Tahsin Chang 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	Tahsin Chang 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	Tahsin Chang 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.

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

Unit: NT\$ thousand December 31, 2025

Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonuses and special expenses (C) (Note 3)		Employees' Remuneration (D) (Note 4)				Ratio of A,B,C,D Total Remuneration to Net Income (%) (Note 8)		Whether or not the person receives remuner ation from other non- subsidiar y companie s that this company has invested in (Note 9)
		The company	All companies listed in this financial report (Note 5)	The compan y	All companie s listed in this financial report (Note 5)	The company	All companies listed in this financial report (Note 5)	The company		All companies listed in this financial report (Note 5)		The company	All companies listed in this financial report (Note 5)	
								Cas h amo unt	Sto ck amo unt	Cas h amo unt	Stock amo unt			
General Manager	CHEN, YI- QIAN	2,979	4,639	0	0	6,615	6,615	9	0	9	0	9,603 6.50%	11,263 7.62%	None
CEO of Factory Affairs	HU, BOR- CHON													
Senior Deputy General Manager	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)	None	None
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	CHEN, YI-QIAN, HU, BOR-CHON LAI, KEN-MIN	None
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	None	CHEN, YI-QIAN, 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	3 directors	3 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: NTS thousand
December 31, 2025

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total Amount as A Proportion of Net Income After Tax (%)
Managers	General Manager	CHEN, YI- QIAN	0	9	9	0.0061
	CEO of Factory Affairs	HU, BOR- CHON				
	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: NTS Thousand

Item Position	The Company				Consolidated Companies			
	2024		2025		2024		2025	
	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' Remuneration	20,777	10.11%	20,505	13.88%	26,537	12.91%	27,085	18.33%
General Managers' and Deputy General Managers' Remuneration	10,739	5.22%	9,603	6.50%	12,219	5.94%	11,263	7.62%
NIAT	205,569	-	147,732	-	205,569	-	147,732	-

Description:

- 1. Due to the business performance not meeting the target in 2025, the total remuneration of directors in 2024 decreased compared with that in 2024.**
- 2. The Remuneration Committee of the Company held three meetings on February 19, 2025, November 4, 2025, and February 24, 2026, 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, 2026, the Board of Directors adopted a resolution to distribute the 2025 remuneration of NT\$850 thousand for employees and directors' remuneration of NT\$780 thousand, 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:**
- 1. 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.**
 - 2. Annual salary adjustments are made in a timely manner in accordance with applicable government regulations and external market and industry trends.**
 - 3. Performance evaluations for daily work, year-end assessments, and bonuses are based on the Company's operational results and individual performance.**
 - 4. 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	4	2	67	Reappointed Re-election Date: June 16, 2023
Director	Daxinchang Investment Co., Ltd. (Representative): HU, PEI-TUAN	6	0	100	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 2025 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 106-112 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 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.

(2) The 15th Board meeting of the 20th Board of Directors: (March 12, 2026)

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 2025.

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 2025~December 2025	Board members	Self-evaluation by board members	<ul style="list-style-type: none"> . Alignment of the goals and missions of the company (8%) . Awareness of the duties of a director (10%) . Participation in the operation of the company (44%) . 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 (27%) . Improving the quality of decision-making by the Board of Directors (25%)

			<ul style="list-style-type: none"> . Composition and structure of the Board of Directors (18%) . 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 (39%) . Composition of the Remuneration Committee and the election of its members (17%)
		Sustainability Committee	<ul style="list-style-type: none"> . Participation in the operation of the company (28%) . Awareness of the duties of the Sustainability Committee (17%) . Improving the quality of decision-making by the Sustainability Committee (38%) . Composition of the Sustainability Committee and the election of its members (17%)

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

2025

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, 2025, the board members, the Board of Directors and the functional committees conducted an internal evaluation. There were 30 self-evaluation indicators for board members, 48 evaluation indicators for the Board of Directors, 22 evaluation indicators for the Audit Committee, 18 evaluation indicators for the Remuneration Committee, and 18 evaluation indicators for the Sustainability 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 them to the Chairman and the convener of the Audit, Remuneration, and Sustainability Committee at the end of December. The evaluation results shall be reported at the next board meeting the following year.
4. According to the above measures, the evaluation results of 2025 have been

submitted to the Board of Directors and the audit committee on March 12, 2026 and reported by the remuneration committee on February 24, 2026.

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 27, 2026. In addition, the implementation is fully disclosed in the annual report and the company's website for reference.

(3) The results of the 2025 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: 2025
2. Evaluation period: From January 1 to December 31, 2025
3. Self-evaluation period: from December 1 to December 31, 2025
4. Directors who conducted the self-evaluation:
 - ① Chairman: WU, ZI-CONG
 - ② Vice Chairman: HU, PO-YI
 - ③ Director: HU, PEI-TUAN, HU, BOR-CHON, 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 2025 were: 95.06 points, which was “well”.
 - ② Board of Directors
The performance evaluation covers five aspects, with 48 items in total. The evaluation results of 2025 were 93.33 points, which was “well”.
 - ③ Audit Committee
The performance evaluation covers five aspects, with 22 items in total. The evaluation results of 2025 were 98.18 points, which was “excellent”.
 - ④ Remuneration committee
The performance evaluation covers four aspects, with 18 items in total. The evaluation results of 2025 were 97.78 points, which was “excellent”.
 - ⑤ Sustainability committee
The performance evaluation covers four aspects, with 18 items in total. The evaluation results of 2025 were 93.33 points, which was “well”.

6. Chairman's comments:

Each director is fully aware of their duties and responsibilities and is committed to the ideals of sustainable management and pragmatic integrity, thereby effectively performing their functions as members of the Board. This year, the attendance rate of directors reached 93.33%; internal and external interactions are effective, and directors' duties are carried out well.

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

The directors independently and diligently supervise and oversee matters such as regulatory developments, financial position, and corporate governance, and they have objectively exercised their functions and powers with proper judgment. Each functional committee duly fulfills its 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 9-year tenures. Independent director YANG, KUO-SHU assumed office on June 5, 2020, with a 6-year tenure. Two of the independent directors have served for 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 2025.
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
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
2025.05.12	Discussion	Review of the audit and assessment report for March to April 2025.	No comment on communication matters

2025.06.20	Discussion	Review of the audit and assessment report for May 2025.	No comment on communication matters
2025.08.12	Discussion	Review of the audit and assessment report for June to July 2025.	No comment on communication matters
2025.11.04	Discussion	Review of the audit and assessment report for August to September 2025.	No comment on communication matters
2025.11.12	Discussion	Review of the audit and assessment report for October 2025.	No comment on communication matters
2026.01.29	Discussion	Review of the audit and assessment report for November to December 2025.	No comment on communication matters
2026.02.24	Discussion	Review of the audit and assessment report for January 2026.	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
2025.03.04	Written	Governance matters related to the audit plan for the 2024 Financial Statements	No comment on communication matters
2025.03.12	Discussion	1. Review of standalone and consolidated financial statements for the 4th quarter of 2024. 2. Internal control audit report.	No comment on communication matters
2025.05.12	Discussion	1. Review of consolidated financial statements for the 1st quarter of 2025. 2. Internal control audit report.	No comment on communication matters
2025.08.12	Discussion	1. Review of consolidated financial statements for the 2nd quarter of 2025. 2. Internal control audit report.	No comment on communication matters
2025.11.04	Discussion	1. Review of consolidated financial statements for the 3rd quarter of 2025. 2. Internal control audit report. 3. Statement on the Suitability and Independence of the Certified Public Accountant.	No comment on communication matters
2025.12.22	Written	Governance matters related to the audit plan for the 2025 Financial Statements	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.37 of this report

(2)The Remuneration Committee: Please refer to p.66 of this report

(3)The Sustainability Committee: Please visit the TAHSIN website.

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

(1) Material resolution of the Board: Please refer to p.106 of this report

(2) The information has been published on the 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 6 (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	6	0	100	Date of Establishment: June 16, 2023
Members	YANG,TE-WANG	6	0	100	Date of Establishment: June 16, 2023
Members	YANG, KUO-SHU	6	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 2025 and up to the date of publication of the annual report, the company has convened six board meetings in total, with the material resolutions listed on page 42-44 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 2025, 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 2025 were approved by the Audit Committee on March 12, 2026 and were submitted to the Board of Directors for approval.
- ⑤ For communication matters, see page 35-36 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:

- ① 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).

② 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 2025:

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 2025 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 Mr. Lin Zhi-Long 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 "Payroll Cycle/Payroll Operations".** These amendments were made in accordance with practical operational needs, incorporating policies and operating procedures related to the scope of frontline employees, salary adjustments, and remuneration allocation. The revised articles were approved by the Audit Committee on November 12, 2025, 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, 2025, 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.

Operation Status of the Audit Committee in 2025 and up to the Date of the Annual Report Publication:

In 2025 and up to the date of publication of this annual report, the Company convened a total of six Audit Committee meetings. The material resolutions made during these meetings are summarized as follows:

- ① **The 10th meeting of the 20th 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**
 - **Resolved to approve: The proposal for the company's 2024 business report and financial statements (including consolidated financial statements) has been prepared.**
 - **Resolved to approve: The proposal for the earnings distribution of the second half of 2024.**
 - **Resolved to approve: 2024 Internal Control System Self-Assessment Declaration.**
 - **Resolved to approve: Report on the evaluation of the independence and suitability of the attesting CPAs.**
 - **Resolved to approve: Replacement of the attesting CPAs.**
 - **Resolved to approve: The proposal for personnel changes related to derivatives trading authorization.**
 - **Resolved to approve: 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.

② The 10th meeting of the 2nd Audit Committee: (May 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: The professional qualifications and independence of the Company's current independent directors were reviewed by the Corporate Governance Officer and found to be in compliance with relevant laws and regulations; The qualification checklist for Independent Directors (during their term of office).**
- **Resolved to approve: The Company's consolidated financial statements for the first quarter of 2025 have been prepared.**

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 11th meeting of the 2nd Audit Committee: (June 12, 2025)

- **Submitted and approved: Key business, financial report.**
- **Resolved to approve: The Company established its "Risk Management Policies and 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.

④ The 12th meeting of the 2nd Audit Committee: (August 12, 2025)

- **Submitted and approved: Key business, financial issues, and internal audit report**
- **Resolved to approve: Renewal of directors' and officers' liability insurance, including the insured amount, scope of coverage, premium rate, and other related terms.**
- **Resolved to approve: The Company's consolidated financial statements for the second quarter of 2025, together with the business report for the first half of 2025, have been prepared.**
- **Resolved to approve: The Company's earnings distribution proposal for the first half of 2025.**
- **Resolved to approve: Changes in personnel authorized to engage in derivatives transactions.**
- **Resolved to approve: The Company's investment in its Vietnamese subsidiary, Tahsin Machinery Co., Ltd., shall be terminated, and the subsidiary shall cease operations and proceed with deregistration due to changes in the business environment and the adjustment of operating strategies and regional deployment.**

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 13th meeting of the 2nd Audit Committee: (November 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.**
- **Resolved to approve: The Company's consolidated financial statements for the third quarter of 2025 have been prepared.**
- **Resolved to approve: The Company's "2026 Business Plan."**
- **Resolved to approve: The Company's 2026 internal audit plan.**
- **Resolved to approve: Amendments to certain provisions of the Company's "Internal Control System" and "Internal Audit Implementation Rules."**
- **Resolved to approve The report on the periodic evaluation of the independence and suitability of the certifying CPA.**

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.

⑥ **The 14th meeting of the 2nd Audit Committee: (March 12, 2026)**

- **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 status of sustainable development and greenhouse gas inventory.**

- **Submitted and approved: Report on laws and regulations related to corporate governance.**
- **Submitted and approved: The evaluation results of the 2025 self-performance assessments of the Company's board members, the Board of Directors, the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee.**
- **Resolved to approve: The Company's 2025 business report and financial statements (including the consolidated financial statements), have been prepared.**
- **Resolved to approve: The earnings distribution proposal for the second half of 2025.**
- **Resolved to approve: The 2025 Statement on Internal Control System Self-Assessment.**
- **Resolved to approve: The proposal for the Company's subsidiary Tah Viet Co., Ltd. to make an additional investment in Tahsin FuMei.**
- **Resolved to approve: The capital increase proposal for the Company's subsidiary Tah Viet 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.

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		(1) 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. (2) In accordance with applicable laws and regulations and practical operational needs, the Board of Directors approved amendments to certain provisions on May 13, 2024, and they are 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 the 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 regularly reports changes in insiders' shareholdings by the 10th day of each month.	No difference
(III) How does the company establish its risk management mechanism and firewalls involving related enterprises?	V		(1) 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. (2) 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	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>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.</p> <p>(3) In the insider trading prevention course promoted by the company starting since 2023, 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>	
<p>III. Organization and responsibilities of the Board of Directors</p> <p>(I) Have a policy of diversity and specific management goals been established and implemented for the composition of the Board of Directors?</p>	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 17-19 of the Annual Report for implementation.</p>	No difference
<p>(II) In addition to Remuneration Committee and Audit Committee established according to law, has the Company voluntarily formed other functional committees?</p>	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
<p>(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?</p>	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 2025 are all well and excellent. It has been provided to the Remuneration Committee for reference on February 24, 2026, and also submitted to the Board of Directors on March 12, 2026, 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.</p> <p>(3) In addition, the evaluation measures, methods, implementation and evaluation results are simultaneously disclosed on Tahsin's website.</p>	No difference
<p>(IV) Does the company regularly evaluate the independence of the CPA?</p>	V		<p>(1) The Company regularly evaluates the independence and suitability of CPAs on an annual basis based on the "Accountant Independence</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>Statement” and the “Audit Quality Indicators (AQI)”, and the evaluation results will be reported to the Board of Directors.</p> <p>(2)The latest evaluation result has been reported to the Board of Directors for deliberation and approval on November 12, 2025.</p> <p>(3) In the annual assessment, CPAs WANG, WU-CHANG and LIN ZHI-LONG 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 (Note 2).</p>	
<p>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' 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)?</p>	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> <ol style="list-style-type: none"> (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. (2) Prepare the minutes and annual report. (3) Provide relevant data for the directors, Audit Committee, Remuneration Committee, and Sustainable Development Committee to carry out business. (4) Assist each director to complete the training according to the regulated hours (6 hours). (5) Handling matters related to insider changes. (6) Pre- and post-transfer reporting of insiders' shareholding. (7) Strengthen the revision of corporate governance-related norms and the establishment of the official website investor zone. (8) Other matters stipulated in the Articles of Incorporation or laws. 	No difference

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
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		(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. (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. (3) A report on the communication between various categories of stakeholders has been regularly reported to the board of directors on March 12, May 12, August 12, and November 12, 2025 and March 12, 2026.	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 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?	V		(1) The Company has a spokesperson and an acting spokesperson. (2) Dedicated persons are assigned to gather and disclose related information on the website in a timely manner. (3) 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. (4) Disclosure of investor conference information in the Financial Information section of the Investor Relations area on the Company's website.	No difference
(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		V	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.	The company has filed the financial reports within the deadlines prescribed by law

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
situation of each month earlier than the prescribed period?				
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)?	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 toilets, creating a 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, advocacies on health education and information security, and 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>	No difference
VIII. Does the Company have other important information that help understand the implementation of corporate governance?	V		<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, 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>	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. Does the Company have other important information that help understand the implementation of corporate governance?			<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 firefighting are offered periodically to enhance awareness of fire safety and improve common understanding of the operation of various firefighting 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 May 7, 2025 in the first half of the year, with 37 participants. The second session was held on October 16, with 38 participants; The overseas fire drill at the Myanmar plant was conducted on June 30, 2025 in the first half of the year, with 1,235 participants. The second drill was held on December 17, with 1,315 participants.</p> <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 352 suppliers (83%). 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>	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. Does the Company have other important information that help understand the implementation of corporate governance?	V		<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>	No difference
	V		<p>VI. Professional development of Directors: (Note 3)</p>	
	V		<p>VII. Implementation of risk management evaluation (Note 4), financial risk management mechanisms and strategic operations: (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 2026 was reported on December 30, 2025; the audit implementation for 2025 was reported on February 13, 2026 as scheduled. ● 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 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</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. Does the Company have other important information that help understand the implementation of corporate governance?	V		<p>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: (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. (2) The information security reports were regularly reported to the Board of Directors on March 12, May 12, August 12, November 12 2025 and March 12, 2026. (3) Ad-hoc internal education, training and promotion are conducted twice a year. (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>	
	V		<p>IX. Implementation of Customer Policies: (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. (2) Domestic sales: Promote sustainable business, join eco-friendly recycling supplier association , implement green promotions and application of technology.</p>	
	V		<p>X. Status of liability insurance purchased for Directors, Supervisors, and persons of important positions by the Company: (1) To reduce the risks associated to directors, key employees and the company and establish a comprehensive corporate governance mechanism, the company submitted the</p>	

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
VIII. Does the Company have other important information that help understand the implementation of corporate governance?			<p>matters related to insurance to the Board of Directors on August 12, 2025.</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, 2025 until July 1, 2026.</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 2025 (12th Session) of the company indicated the improvement status, and measures for matters yet to be improved: (Note 5)	No difference

Note 1: Evaluation standards for the suitability and independence of CPAs.

Evaluation Items	Evaluation Results	Are the standards fulfilled?
1. Does the accounting firm have sufficient scale?	Yes	Yes
2. Have CPAs provided audit services for less than seven consecutive years?	Yes	Yes
3. Have CPAs not provided the Company with any non-audit services that may directly affect the audit work?	Yes	Yes
4. Have CPAs and members in the audit team not held positions of Directors, managers, or posts that impose critical impact on audits currently or in the last two years?	Yes	Yes
5. Do CPAs have no direct or material indirect financial interest in the Company?	Yes	Yes
6. Do CPAs have no financing or guarantee arrangements with the Company or its directors?	Yes	Yes
7. Do CPAs hold no shares issued by the company?	Yes	Yes
8. Do CPAs not act as the legal counsel of the company or on behalf of the company to coordinate conflicts with other third parties?	Yes	Yes
9. Are CPAs not family members or relatives of the Company's Directors, managers, or other individuals in positions that could seriously impact audits?	Yes	Yes
10. Do CPAs not having any close business relationship or potential employment relationship with the Company	Yes	Yes
11. Does the accounting firm have a good reputation?	Yes	Yes
12. Do CPAs receive no commission related to the business?	Yes	Yes
13. Are CPAs free from any legal proceedings or cases involving	Yes	Yes

Evaluation Items	Operational Situation			Differences From the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
correction or investigation by the competent authority?				
14. Do CPAs participate in regular continuing education and provide the Company with timely professional information?	Yes			Yes
15. 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

Explanation: To prevent a CPA from losing independence due to providing audit services to the Company for an extended period and becoming overly familiar with the Company's management, the Taiwan Stock Exchange has expressly stipulated a CPA rotation requirement every seven years. Accordingly, before a CPA has provided audit services to the same client for seven full years, another CPA must be appointed to take over the audit engagement.



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LETTER OF INDEPENDENCE

Recipient: Tahsin Industrial Corporation

Date: October 27, 2025

Reference No.: Guo Hao The Second Instance Letter 2 No. 11410005

Subject:

This Firm has been engaged to audit (review) the financial statements of Tahsin Industrial Co., Ltd. for 2025, including the interim financial statements. In connection with your Company's engagement of this Firm to perform the audit/review of the financial statements, this Independence Statement is hereby issued.

Explanation:

With respect to the audit (review) engagement services provided by this Firm to your Company, the members of the engagement team hereby declare that, in accordance with the Certified Public Accountant Act of the Republic of China and Statement of Professional Ethics No. 10, "Independence in Audit and Review Engagements," issued by the National Federation of Certified Public Accountants Associations of the Republic of China, they have complied with the following requirements and have not violated any independence requirements:

1. I understand the Firm's policies regarding independence.
2. Neither I nor my family members, including my spouse/cohabitant and dependents, have any direct or material indirect financial interest in your Company that would affect independence.
3. Any financing or guarantees provided by your Company to my family members or me are conducted in the ordinary course of business.
4. I have no business or other relationships with your Company, its directors, supervisors, or managerial officers that would affect independence.
5. Neither I nor my family members currently serve, or have served within the past two years, as a director, supervisor, managerial officer, or in any position that has a significant influence on the engagement of your Company. I also confirm that I will not assume any of the aforementioned positions during the future service period.
6. During the engagement period, I have no close relatives, meaning parents, siblings, or children who are not family members as described in the preceding item, nor any lineal blood relatives or lineal relatives by marriage other than the close relatives described above, who serve as directors, supervisors, managerial officers, or in positions that have a direct and significant influence on the engagement work of your Company.
7. I have not received any gifts, gratuities, or special benefits of significant value from your Company, its directors, supervisors, managerial officers, or major shareholders, except for those whose value does not exceed ordinary social etiquette standards.
8. There are no other circumstances that may affect independence.

Crowe Horwath (TW) CPAs

CPA: Wang, Wu-Chang

CPA: Lin, Zhi-Long

Note 3: Professional development of Directors

Title	Name	Attendance Date	Organizer	Course Title	Hours of Study
Chairman	WU, ZI-CONG	2025.06.15	Taiwan Corporate Governance Association	Key Points for Understanding Industrial Holding Companies and Group-Based Operations	3H
		2025.07.20	Taipei Exchange	Implementing Sustainable Development through the TPEX Market – General Principles	3H
Vice Chairman	HU, PO-YI	2025.03.19	Taiwan Academy of Banking and Finance	Corporate Governance Seminar	3H
		2025.11.26	Taiwan Project Management Association	Director Continuing Education Program for Listed and OTC Companies – Building Succession Teams and Developing Talent	3H
Director and CEO	HU, BOR-CHON	2025.10.16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6H
Director	HU, PEI-TUAN	2025.10.03	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3H
		2025.12.02	Taiwan Project Management Association	Director Continuing Education Program for Listed and OTC Companies – Board Performance Indicators and Evaluation	3H
Director	LIU, WAN-CHENG	2025.10.03	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3H
		2024.11.26	Taiwan Project Management Association	Director Continuing Education Program for Listed and OTC Companies – Building Succession Teams and Developing Talent	3H
Director	LAI, KEN-MIN	2025.03.19	Taiwan Academy of Banking and Finance	Corporate Governance Seminar	3H
		2025.10.01		Corporate Governance Forum	3H
		2025.10.03	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3H
Independent Director	LIN, KO-WU	2025.06.10	Taiwan Corporate Governance Association	Practical Operations of the Sustainable Development Committee (Chief Sustainability Officer and Working Groups)	3H
		2025.09.05	Securities and Futures Institute	Series Courses for Directors, Supervisors, and Corporate Governance Officers – Analysis of Sustainability Disclosure Standards: Practical Application of TCFD, TNFD, and IFRS S1/S2	3H
Independent Director	YANG, TE-WANG	2025.09.26	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3H
		2025.10.01	Academy of Banking and Finance	Corporate Governance Forum	3H
Independent Director	YANG, KUO-SHU	2025.10.03	Securities and Futures Institute	2025 Insider Trading Prevention Seminar	3H
		2025.11.26	Taiwan Project Management Association	Director Continuing Education Program for Listed and OTC Companies – Building Succession Teams and Developing Talent	3H

Tahsin Industrial Corporation
Risk Control Assessment Implementation Status
Period: July-December 2025

Note 4

Risk Category	Risk Item	Risk Sub-item	Assessment Result		Current Status or Response Measures for Existing/Potential Risks	Assessment Unit
			Yes	No		
Environmental Risk	Climate Change	Extreme Weather	V		<ol style="list-style-type: none"> 1. Evacuation mechanisms and procedures 2. Strengthen the disaster prevention and relief system structure and operations 3. Purchase insurance to diversify and share unknown risks 4. Conduct regular drills to enhance employees' emergency response capabilities 	Administration Department
	Energy Risk	Water Shortage	V		<ol style="list-style-type: none"> 1. Install water-saving devices at water outlets 2. Implement rotational water usage by area 3. Establish emergency water storage tanks 	President's Office
		Power Shortage	V		Activate the emergency backup power supply system	
		Earthquake	V		<ol style="list-style-type: none"> 1. Provide timely evacuation and shelter instructions 2. Dispatch and supply materials 3. Provide support for employees returning home 4. Collect information and establish an emergency response mechanism 5. Improve employees' disaster prevention awareness and rescue knowledge 6. Conduct regular structural inspections of buildings and reinforce or repair buildings in accordance with laws and regulations 	
		Flood		V	<ol style="list-style-type: none"> 1. Elevate roadbeds in the plant area and divert ponding in low-lying areas 2. Keep drainage ditches unobstructed 3. Regularly inspect pump operating conditions 	
		Fire		V	<ol style="list-style-type: none"> 1. Provide timely evacuation and refuge guidance 2. Maintain important documents 3. Add disaster prevention equipment (alarms, fire extinguishers, flame-retardant items) 4. Establish an online platform to monitor equipment and enable real-time tracking and reporting 	

					<ul style="list-style-type: none"> 5. Formulate a disaster prevention and response plan 6. Regularly inspect fire-fighting and escape equipment 7. Conduct on-site fire drills 	
Financial Risk	Financial Operations	Interest Rates	V		<ul style="list-style-type: none"> 1. Adjust investment strategies and financing decisions 2. Review diversified asset allocation (time deposits, RP, corporate bonds) 3. Diversify investments and conduct long-term planning 	Finance Department
		Exchange Rates	V		<ul style="list-style-type: none"> 1. Certain foreign-currency receivables and payables are naturally hedged by currency 2. Use prudent and conservative exchange rates as the basis for export quotations 3. Make good use of derivative financial instruments to reduce exchange-rate risk 4. Seek professional consultation 	
		Inflation	V		Invest in stable, inflation-resistant assets	
		Tax Changes	V		<ul style="list-style-type: none"> 1. Review the conditions for applicable tax incentives 2. Closely monitor compliance matters to reduce operational risks 3. Read tax publications to effectively understand tax system information and practical operations 4. Establish a comprehensive tax compliance management system 	
	Funding Risk	Bank Credit Facilities	V		<ul style="list-style-type: none"> 1. Establish the Group's credit standing through interviews 2. Provide complete information to cooperate with the credit investigation process 3. Provide collateral or guarantees 	
		Investment	V		<ul style="list-style-type: none"> 1. Diversify investments among different asset classes to reduce risk 2. Set stop-loss strategies to protect principal 3. Establish expected returns and realize gains according to take-profit rules 4. Regularly review the investment portfolio 5. Monitor market trends and respond flexibly 	
		Accounts Receivable			Review, understand the status of, and track accounts receivable monthly through aging analysis	
		Accounts Receivable	V		<ul style="list-style-type: none"> 1. Use credit ratings provided by insurance companies 2. Establish an effective internal credit assessment system 3. Accounts receivable collection strategies 	
	V					
Operational Risk	Information Security	System Abnormality	V	Minor	<ul style="list-style-type: none"> Company network interruption 1. Identify network equipment problems and replace the equipment 2. Replace network equipment used for more than eight 	Information Department

				years with backup equipment
			External network interruption	Request assistance from the network service provider
V		Moderate	Power outage	1. Sign a UPS maintenance contract 2. Replace batteries that have been used for more than five years or that vendors find defective during inspection
			System crash	1. Restart the machine 2. Identify the cause based on system log files
V		Severe	Abnormal network traffic	1. Identify the source of network traffic 2. Analyze log files to identify the cause 3. Block machines generating abnormal traffic 4. Seek assistance from information security experts
			Hardware failure	1. Back up data and systems daily 2. Perform recovery drills annually to verify system redundancy functions 3. Sign maintenance contracts 4. Have vendors replace hardware on the same day
Confidentiality	V		E-mail data leakage	1. Retain incoming and outgoing e-mails for future reference 2. Outgoing e-mails that trigger audit rules must be approved by supervisors before sending and recorded for future reference
	V		Employee data leakage	1. Use data protection mechanisms to record file access and transmission for future reference 2. Preserve relevant evidence for legal proceedings 3. Conduct information security training to enhance employees' confidentiality awareness
	V		Hacker intrusion	1. Improve information security regulations to reduce the probability of hacking 2. Improve information security equipment to reduce the probability of hacking 3. Conduct information security training to reduce the

				probability of employees being deceived 4. Conduct social engineering drills to enhance employee alertness 5. Seek assistance from information security experts	
	Integrity	V		Data retention and verification 1. Back up server data 2. Regularly verify backup data	
Human Resources	Labor Shortage	V		1. Evaluate simplifying or outsourcing non-core work (including by using foreign migrant workers) 2. Extend the retirement age 3. Rehire middle-aged and senior retired employees 4. Adjust working hours flexibly 5. Streamline management models	Administration Department
	Talent Gap	V		1. Industry-academia cooperation training programs 2. Cross-department learning to cultivate multi-skilled talent 3. Rehire retired employees to guide new employees and pass on practical experience 4. Establish a comprehensive knowledge management system	
	Retention and Employee Benefits	V		1. Reasonable compensation 2. Provide nutritious meals and plan warm and comfortable dormitories 3. Optimize the working environment 4. Emphasize a people-oriented approach to strengthen employee cohesion	
	Human Rights Issues	V		1. Comply with the Labor Standards Act to ensure reasonable working hours 2. Ensure dignity is not violated or diminished 3. Strictly prohibit ethnic discrimination 4. Safeguard a fair and friendly workplace	
Supplier Management	Procurement Concentration		V	Regularly review and evaluate procurement processes	Materials Department
	Raw Material Quality	V		1. Establish a supplier evaluation mechanism 2. Make good use of technological tools to automate procurement and improve transparency	
	Safety Stock Management	V		1. Use the system to analyze inventory turnover and set safety stock levels 2. Initiate replenishment based on actual conditions and the system warning mechanism 3. Establish different management methods according to product characteristics 4. Regularly analyze obsolete and excess inventory to reduce inventories	

				<ul style="list-style-type: none"> 5. Provide suppliers with production schedules to reduce supply instability 6. Carefully select suppliers to shorten the lead time for incoming materials 	
	Supply Chain Interruption		V	<ul style="list-style-type: none"> 1. Diversify suppliers 2. Strengthen supplier communication and relationships 3. Maintain backup inventory 4. Use automated systems to track and ensure scheduling 5. Establish partnerships 	
Customer Management	Sales Concentration		V	<ul style="list-style-type: none"> 1. Seek new customers 2. Develop new products 3. Segment markets and diversify by region 	Domestic and Export Sales Management
	Product Quality Management and Safety	V		<ul style="list-style-type: none"> 1. Optimize production processes and standardization 2. Manage from the source and strengthen quality inspection controls 3. Pass on and share experience 4. Establish a knowledge database (to avoid repeating errors) 	
	Customer Satisfaction	V		<ul style="list-style-type: none"> 1. Focus on customer needs and provide the expected quality requirements 2. Handle related issues with a customer-first attitude 	
Occupational Safety	Occupational Accidents	V		<ul style="list-style-type: none"> 1. Improve the working environment to reduce occupational burnout 2. Regularly inspect and maintain equipment 3. Establish and comply with standard operating procedures 	Production Management
	Occupational Diseases	V		<ul style="list-style-type: none"> 4. Purchase additional emergency medical equipment 5. Conduct regular drills to enhance response capabilities 6. Conduct regular education, training, and case sharing to enhance employee awareness 7. Conduct regular health examinations for self-protection 8. Contracted medical institutions provide necessary medical assistance and treatment 9 9 . Establish reporting and investigation mechanisms 	Production Management
	Chemical Hazards	V		<ul style="list-style-type: none"> 1. Establish a hazard communication system 2. Label hazardous and toxic substances and follow hazard communication rules 3. Strengthen hazard communication training 4. Personal protective equipment 	Production Management
	Statutory Communicable	V		<ul style="list-style-type: none"> 1. Establish an isolation system 2. Designate locations for medical observation and treatment 3. Disinfect the environment 	Administration Department

		Diseases			4. Remain alert and maintain personal and environmental hygiene	
	Intellectual Property	Patent Litigation and Protection	V		File patent applications for new product development to ensure rights and interests	President's Office
		Trade Secrets	V		1. Ensure data security upon job changes and immediately cancel electronic accounts 2. Ensure confidentiality and integrity during work handover upon personnel changes 3. Regularly promote awareness of the impact and importance of confidentiality	
		Patent Litigation and Protection	V		1. Collect evidence 2. Send warning letters 3. Seek legal assistance	Domestic and Export Sales Management
		Trade Secrets	V		1. Sign strict confidentiality agreements 2. Adopt reasonable information security control and protection measures 3. Classify information by level and category 4. Grant access permissions according to different job duties 5. Strengthen internal controls and regularly review and update protection strategies	
Strategic Risk	Regulatory Compliance	Impact of Policy and Regulatory Changes	V		1. Conduct operational, risk, and crisis management in response to regulatory adjustments 2. Monitor major domestic and foreign policy and regulatory changes to maintain competitiveness 3. Consult relevant professionals and prepare timely response measures	President's Office
			V			Finance Dept.
	Ethical Corporate Management	Risk of Bribery, Fraud, Corruption, Unfair Competition, and Reputational Damage		V	1. Anti-corruption education and a zero-tolerance attitude 2. Strictly establish preventive measures against breaches of duty 3. Strengthen controls over assets and cash flows 4. Establish a sound internal control system 5. Share and promote legal information 6. Practice ethical corporate management through daily self-discipline	President's Office
			V	Export Sales Management		
			V	Production Management		
			V	Administrative Management		
			V	Financial Management		
			V			

Note 5: Improvements Made Based on the 12th Corporate Governance Evaluation Indicators		
1.5	Has the Company formulated specific measures to enhance corporate value, submitted them to the Board of Directors, and disclosed the relevant information on the “Corporate Value Enhancement Plan” section of the Market Observation Post System?	Submitted to and Resolved to approve of the Board of Directors on March 12, 2026
2.6	Does the Company’s Board of Directors include at least one female director?	Re-election scheduled for June 26, 2026
4.8	Has the Company established a policy to appropriately reflect operating performance or results in employee compensation, and disclosed such policy on the Company’s website or in its annual report?	Already disclosed in the annual report
4.23	Has the Company disclosed its policy on linking senior executives’ remuneration to ESG-related performance evaluations?	Already disclosed in the annual report
4.31	Does the Company regularly conduct employee satisfaction surveys and disclose their implementation status and improvement plans?	Already disclosed in the annual report

Note 5: Priority Areas for Improvement Not Yet Addressed Under the 12th 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
2.7	Does the number of independent directors of the Company account for at least one-third of all directors?	Under internal evaluation
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
2.14	Has the Company established a nomination committee with no fewer than three members, more than half of whom are independent directors, with an independent director serving as the convener and meeting chair, and has it disclosed its composition, duties, and operations?	Under internal evaluation
2.23	Do the Company’s Board Performance Evaluation Measures or procedures expressly require an external evaluation to be conducted at least once every three years, and has this been disclosed on the Company’s website or in the annual report?	Under internal evaluation
3.13	Has the Company's annual report voluntarily disclosed Directors' remuneration?	Under internal evaluation
3.20	Has the Company been invited (voluntarily) to hold at least two roadshows?	Under internal evaluation
3.21	Has the Company's annual report voluntarily disclosed the President's and the Vice President’s individual remuneration?	Under internal evaluation
4.7	Has the Company uploaded the English version of its sustainability report to the Market Observation Post System and the Company’s website?	Under internal evaluation
4.22	Has the Company invested resources to support the development of domestic culture, and disclosed the forms of support and related results on the Company’s website, in its annual report, or in its sustainability report?	Under internal evaluation

2.3.4 Remuneration Committee:

(1) Information on the Members of the Remuneration Committee

<div style="text-align: center;">Criteria</div> <div style="text-align: center;">Name</div> <div style="text-align: center;">Identity (Note 1)</div>	<div style="text-align: center;">Professional qualifications and experience (Note 2)</div>	<div style="text-align: center;">Independent status (Note 3)</div>	<div style="text-align: center;">Concurrent compensation committee position in other publicly listed companies</div>
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. 	1
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. 	<ul style="list-style-type: none"> ● For independent directors, please refer to Page 16-17 of the annual report. 	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. Define the scope of the Company's frontline employees.**
- 3. Clearly define the scope of frontline employees applicable to the payroll procedures under the Company's personnel and payroll cycle.**
- 4. 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:					
<p>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.</p> <p>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.</p>					

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 2025
and up to the Date of Publication of the Annual Report:**

In the year 2025 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 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.**
 - Resolved to approve: Define the scope of frontline employees of the Company**
 - Resolved to approve: The proposal for the remuneration and payment of directors of the company in 2024.**
 - Resolved to approve: 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.**

(2) The 6th meeting of the 5th Remuneration Committee:

(November 4, 2025)

- **Resolved to approve: The distribution plan of the year-end bonus to executive directors and managers.**
- **Resolved to approve: The proposal for the monthly travel expenses of the Company's directors in 2026.**
- **Resolved to approve: The proposal for the assessment of 2026 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 7th meeting of the 5th Remuneration Committee:

(February 24, 2026)

- **To submit a report: The 2025 self-assessment report of the company's Board of Directors and board members.**
- **Resolved to approve: Clearly define the scope of frontline employees applicable to the payroll procedures under the Company's personnel and payroll cycle.**
- **Resolved to approve: The proposal for the remuneration and payment of directors of the company in 2025.**
 - **Resolved to approve: The proposal for the remuneration distribution of managers of the company in 2025.**

**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.**

2.3.5. 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.</p> <p>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.</p> <p>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) On November 12, 2025, the following matters were compiled and reported to the Board of Directors:</p> <p>① Promotion of sustainable development: The proposal covered planning and improvements in areas including social engagement, friendly workplace, talent cultivation, energy management, carbon reduction targets, and the establishment of a supplier management system.</p> <p>② Implementation status of risk control assessment (Note</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	
			4): The proposal covered risk identification and response measures for the risks faced by the Company. Based on the assessment results, the Company carries out necessary operations and risk management work to ensure that the relevant risks are controlled within an acceptable range.	
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? (The principle of importance refers to environmental, social and corporate governance issues that have a significant impact on corporate investors and other stakeholders)	V		(1) On June 20, 2025, the Company's Board of Directors approved the establishment of the "Risk Management Policy and Procedures" to establish an effective risk management mechanism. (2) The personnel responsible for each business operation shall serve as the risk owners for the operations under their charge and act as the initial unit for risk identification, assessment, and control. They shall carry out their duties in accordance with the internal control systems and internal regulations governing the relevant operations (including production management, materials management, marketing management, administrative management, and business management), and shall implement the relevant rules and procedures accordingly. (3) The responsible supervisors of each implementation working group shall be responsible for risk management in the relevant operations. Based on the actual operation of the business, they shall review the operating procedures and regularly assess risk items each year. The assessment shall cover environmental management, occupational safety, product safety, information security, corporate governance and organizational structure, allocation of authority and responsibility, and operating procedures. These measures shall be duly implemented to control potential risks arising from operating activities within an acceptable range. (4) Senior management shall review the completeness of the Company's risk management mechanisms in order to effectively supervise the implementation of risk management, and shall report regularly to the Board of Directors.	No difference
III. Environmental matters (I) Does the company establish proper environmental management systems based on the characteristics of its industries?	V		To implement employees' awareness of occupational safety and health and provide a high-quality working environment, the Company enhances workplace efficiency, quality, and safety through 5S practices — sort, set in order, shine, standardize, and sustain. In addition, through greenhouse gas inventory, the Company promotes energy conservation and carbon reduction, tracks the effectiveness of emission reductions, and publicly discloses the relevant information on the Company's website.	No difference
(II) Does the company endeavor to utilize all resources more efficiently	V		(1) The Company continues to promote various energy reduction measures. In terms of green manufacturing, the Company's PP corrugated board products are made of environmentally	No difference

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons						
	Yes	No								
and uses renewable materials which have a low impact on the environment?			<p>friendly materials. They are waterproof, moisture-proof, lightweight, high-strength, corrosion-resistant, recyclable, and reusable, and can be used as protective cushioning materials, outdoor advertising signboards, and reusable logistics boxes. Through technological development, the Company also reuses recycled plastic pellets. No hazardous waste is generated during the manufacturing process, and the products do not cause environmental toxicity, thereby reducing the environmental burden.</p> <p>(2) The Company's Zhonggang Plant passed the Plastic Recycled Material Traceability (PRM) verification on November 27, 2024. The certified products are: 100% post-consumer recycled PP plastic pellets (YRC) and 30% post-consumer recycled PP corrugated board (YRA).</p> <p>Percentage of recycled and reused particles in the last two years:</p> <table border="1"> <thead> <tr> <th></th> <th>Recoverable and reused resource rate</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>6.74%</td> </tr> <tr> <td>2025</td> <td>6.58%</td> </tr> </tbody> </table> <p>Description: The decrease in the recycling rate in 2025 compared with 2024 was mainly attributable to a 4.48% year-on-year decline in revenue from PP boards.</p>		Recoverable and reused resource rate	2024	6.74%	2025	6.58%	
	Recoverable and reused resource rate									
2024	6.74%									
2025	6.58%									
(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		<p>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.</p>	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		<p>I. The company promotes energy conservation and carbon reduction, and implements the reduction strategy, measures, goal and plan:</p> <p>(1) Air-conditioning electricity: New energy-efficient/inverter separate air conditioners have been installed in all factories and offices.</p> <p>(2) Water-saving plan: Adopt water conservation from daily life.</p> <p>(3) Digital system establishment: Make good use of video meetings and cut down on paper usage.</p> <p>(4) Transportation: Appeal to the employees to carpool 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 Zhonggang Plant to reduce electricity consumption and carbon emissions. The Solar Photovoltaic System installation and roof construction were completed by</p>	No difference						

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																						
	Yes	No																								
			<p>December 31, 2022. The total installed capacity of the system is 904 kW, with an installation cost of \$45 million. Operation commenced in February 2023 with a decrease in the room temperature of the factory building by about 1 degree Celsius.</p> <p>Total Electricity Consumption of the Group Unit: 10,000 kWh</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> <th>Increase(decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>Grey electricity used</td> <td>555.86</td> <td>567.68</td> <td>(0.021)</td> </tr> <tr> <td>Green electricity used</td> <td>180.11</td> <td>133.40</td> <td>0.3501</td> </tr> <tr> <td>Total electricity used</td> <td>735.97</td> <td>701.08</td> <td>0.0497</td> </tr> </tbody> </table> <p>Note: 1. In 2025, Myanmar Tah Hsin replaced diesel power generation with green electricity. 2. Diesel power generation at Myanmar Tah Hsin in 2024 was not included.</p> <p>Green Electricity Consumption by the Group Unit: 10,000 kWh</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (Decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>24.47%</td> <td>19.03%</td> <td>0.2859</td> </tr> </tbody> </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: Regularly conduct energy conservation and carbon reduction promotion among all employees worldwide, starting from the employees themselves, changing daily habits, reducing unnecessary carbon emissions, and implementing effective energy conservation.</p> <p>(8) Through promotion by administration management, the goal is to cut emissions 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:</p>		2025	2024	Increase(decrease) ratio	Grey electricity used	555.86	567.68	(0.021)	Green electricity used	180.11	133.40	0.3501	Total electricity used	735.97	701.08	0.0497	2025	2024	Increase (Decrease) ratio	24.47%	19.03%	0.2859	
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Promotion items	Status of Implementation		Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																		
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			<p>The direct emission is categorized in Scope 1: (Unit: Ton)</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>705.3178</td> <td>1,264.8129</td> <td>(0.4424)</td> </tr> </tbody> </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 border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>2,760.9764</td> <td>2,834.4722</td> <td>(0.0259)</td> </tr> </tbody> </table> <p>② Water consumption: (degree)</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>12,628</td> <td>11,283</td> <td>0.01192</td> </tr> </tbody> </table> <p>(1) Water Resource Management Policies:</p> <p>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.</p> <p>② Responsible units monitor water usage and wastewater discharge quality targets across all production sites.</p> <p>③ Monthly reports are compiled to analyze and compare water usage across all facilities.</p> <p>(2) Explanation of Abnormal Water Usage: Since 2024, domestic water for the dormitories at the Zhonggang Plant has been switched to tap water. In addition, in 2025, the administrative office was relocated, and land leveling work was carried out.</p> <p>(3) Improvement Measures: The relocation work at the Zhonggang Plant was completed in 2025.</p> <p>(11) To achieve carbon emission reductions continuously over</p>	2025	2024	Increase (decrease) ratio	705.3178	1,264.8129	(0.4424)	2025	2024	Increase (decrease) ratio	2,760.9764	2,834.4722	(0.0259)	2025	2024	Increase (decrease) ratio	12,628	11,283	0.01192
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Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons																																									
	Yes	No																																											
			<p>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.</p> <p style="text-align: right;">(Unit: Ton)</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>2024</td> <td></td> </tr> <tr> <td>640</td> <td>532</td> <td>(0.2030)</td> </tr> </tbody> </table> <p>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.</p> <p>(1) Volume of waste handled by the Company in the past two years:</p> <p style="text-align: right;">(Unit: Ton)</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> <th>Method of handling</th> </tr> </thead> <tbody> <tr> <td>Hazardous</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td>Non-hazardous</td> <td>32.67</td> <td>24.59</td> <td>Incineration</td> </tr> <tr> <td>Total</td> <td>32.67</td> <td>24.59</td> <td></td> </tr> </tbody> </table> <p>Note: In 2025, the relocation of the office and plant facilities at the Wuqi Zhonggang Plant generated a larger amount of waste.</p> <p>Volume of waste handled by overseas subsidiaries in the past two years:</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> <th>Method of handling</th> </tr> </thead> <tbody> <tr> <td>Hazardous</td> <td>0.015</td> <td>0.02</td> <td>Landfilling</td> </tr> <tr> <td>Non-hazardous</td> <td>34.483</td> <td>46.88</td> <td>Incineration</td> </tr> <tr> <td>Total</td> <td>34.498</td> <td>46.90</td> <td></td> </tr> </tbody> </table> <p>(2) Waste Management:</p> <p>① The Company's waste mainly consists of domestic waste (45%) and general industrial waste (including waste plastic mixtures 42%, waste paper mixtures 2%, and waste fiber mixtures 11%). All waste generated is classified as non-hazardous. Disposal is entrusted to licensed third-party contractors, which are certified waste disposal companies equipped with GPS positioning systems to assist tracking.</p> <p>② Waste generated by overseas subsidiaries is also predominantly non-hazardous. A minimal amount of</p>			Increase (decrease) ratio	2025	2024		640	532	(0.2030)		2025	2024	Method of handling	Hazardous	0	0		Non-hazardous	32.67	24.59	Incineration	Total	32.67	24.59			2025	2024	Method of handling	Hazardous	0.015	0.02	Landfilling	Non-hazardous	34.483	46.88	Incineration	Total	34.498	46.90		
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Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
			hazardous waste, such as fluorescent light tubes containing mercury, had a negligible environmental impact.	
IV. Social matters (I) Has the company developed relevant management policies and procedures based on relevant laws and international human rights instruments?	V		<p>(1) The Company abides by the relevant labor laws and regulations, and has formulated the Correction, Complaint, 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>(2) The Company established specific management plan of the Work Rules for Labor Safety to provide and maintain a safe, hygienic, and healthy</p> <p>(3) working environment for employees. (For further details, please refer to the relevant explanations of labor-management relations)</p> <p>(4) 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, etc., and continuing supervising, improving plans and implementation performance.</p>	No difference
(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?	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. ● Operating Performance Reflected in Employee Compensation Based on economic trends and market salary levels, and taking into account the Company's operating conditions, the achievement rate of sustainability goals, and individual work performance, the Company adjusts employee salaries to maintain the overall competitiveness of its compensation. In 2025, the Group's revenue increased by 6.31% compared with 2024. The average salary adjustment rate for the Company's managerial and non-managerial employees was 	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	
(III) Has the company provided employees with a safe and healthy work environment as well as regular classes on health and safety?	V	<p>approximately 1.62% in 2025 and 2.2% in 2026.</p> <ul style="list-style-type: none"> ● 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 the relevant section in the Annual Report (Labor relations). ● 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 2025, 50.4% of the employees and 48% of the managerial level are female. <ol style="list-style-type: none"> (1) 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. (2) Newly recruited employees receive pre-employment training, and information safety, occupational safety, and health knowledge is promoted every year. (3) A work environment test is held every six months; special operators have health checkups annually while general employees receive health checkups every two years. (4) Fire drills are held twice a year, and regular self-defense fire training classes are held on a regular basis. (5) The supervisors take care of employees' mental and physical health in daily life to ensure the safety during work. (6) Promote occupational safety, strengthen the protection management for workers and the prevention of occupational hazards to create a zero harm workplace. 	No difference
(IV) Does the company establish effective career development training programs for its employees?	V	<p>The company establishes a complete talent cultivation system from the perspective of practical and sustainable management:</p> <ol style="list-style-type: none"> (1) Foreign language awards to enhance professional functions and overall competitiveness. (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. 	No difference

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
(V) 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?	V		<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>(2) 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>	No difference
(VI) 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 safety and health, or labor and human rights? And the implementation status?	V		<p>(1) When conducting evaluations of suppliers, the purchasing department shall review in accordance with the evaluation methods in the company regulations. In 2025, there were 359 (85%) 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 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) 352 (83.22%) suppliers have signed the Supplier Corporate Social Responsibility Commitment.</p>	No difference
V. Does the company adopt internationally widely recognized standards or guidelines when producing corporate	V		(1) The Company compiled the ESG report in 2025 to disclose its efforts in promoting sustainable development. The report adheres to the SASB (Sustainability Accounting Standards Board) and the latest version of the GRI Standards (Global Reporting Initiative).	No difference

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
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?			(2) The Company engaged Crowe (TW) CPAs to issue a limited assurance report 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 (www.tahhsin.com.tw).	
<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, recyclable, and reusable polypropylene corrugated board with the characteristics of pressure resistance, heat resistance, water resistance, moisture 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) The company donates supplies every year to social welfare organizations to help take care of the vulnerable groups in rural areas.

Donation Details for 2025 up to the Date of Publication of the Annual Report

Name of Organization	Quantity	Amount(NT\$)
Taichung Municipal Dali Senior High School		30,000
Social Enterprise Chang Show Jyu Social Welfare Foundation		50,000
Social Enterprise Huei Ming Christian Foundation for the Benefits of the Blind		100,000
Huashan Social Welfare Foundation		50,000
Social Enterprise Taiwan Sunshine Women Association		50,000
Taichung Municipal Dali Senior High School	60	17,052
The Mustard Seed Mission	297	48,682
Social Enterprise Huei-Kong Social Welfare Foundation		200,000
Taichung Municipal Chung Gang Senior High School	206	67,365
Scholarship for the Department of Fashion Design, Ling Tung University		61,000
Taiwan Fund for Children and Families - South Taichung Center	90	48,431
Taichung City Spinal Cord Injury Association	3,024	640,987
Social Enterprise Eden Social Welfare Foundation	2,298	1,554,764
Industry-Academia Collaboration Project with Ling Tung University	334	41,253
Total		2,959,534

2.3.6. 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</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	
			indicators. The connection between the system and the relevant results of climate change 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, 	

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
			<p>and processes.</p> <ul style="list-style-type: none"> ● 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> <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 	No difference

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
			<p>costs and significant profit reduction.</p> <ul style="list-style-type: none"> ● 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 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>(1) 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>(2) 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.</p> <p>(3) 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.</p> <p>(4) 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	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

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
scenarios, parameters, assumptions, analysis factors and main financial impacts involved in the analysis.				
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>To achieve net zero emissions, the Group has formulated a low-carbon plan that will target reductions in emissions from operating activities.</p> <p>[Scope 1]: Direct greenhouse gas emissions. [Scope 2]: Indirect emissions from energy use. [Scope 3]: Greenhouse gas emissions from transportation (including purchased goods and services, fuel- and energy-related activities, and employee commuting).</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 indicators and targets of the action items used 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. 	No difference

Promotion items	Status of Implementation		Summary	Differences from the Code of Practice for Sustainable Development for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
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 2025 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>(1) 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>(2) 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>(3) In 2025, the company's self-generated solar energy consumption at the Wuqi Plant was 769,500 kWh, with green power accounting for 14.92% of the total power consumption in Taiwan factories (Taipei, Taichung, Wuqi). The subsidiary Tah Fu's was 599,900 kWh, accounting for 40.57% of the total power consumption in factories overseas (Tah Fu, Tah Viet, Tahsin Fumei, Tah Myan). The Group's total consumption was 1,801,100 kWh. Accounting for 24.62% of the Group's total electricity consumption.</p>	No difference
IX. Greenhouse gas inventory and	V		As of the publication date of the annual report, the inventory and assurance information for 2025 had not yet obtained a third-party assurance report. The complete assurance information will be disclosed in the sustainability report on the Company's website by	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	
assurance, reduction targets, strategies and specific action plans (filled in 1-1 and 1-2 separately).			<p>the end of August 2026.</p> <p>Company website: www.tahhsin.com.tw/Corporate Social Responsibility/Sustainability Report</p> <p>Reduction goals, strategies, and specific action plans are stated as below.</p>	
<p>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)</p> <p>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</p>	V		<p>(1) 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: (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>(2) On August 17, 2023, the Financial Supervisory Commission issued the "Roadmap for Taiwan's Alignment with IFRS Sustainability Disclosure Standards." Pursuant to the requirements dated November 12, 2025, the regulatory timeline applicable to the Company shall commence in fiscal year 2028, with filings to commence in 2029.</p> <p>IFRS Sustainability Disclosure Standards: IFRS S1: Disclosure of Sustainability-related Financial Information IFRS S2: Climate-related Disclosures</p> <p>Description of the scope covered by greenhouse gas emissions data for the most recent two years:</p> <p>(1) To accurately understand the greenhouse gas and carbon emissions generated from its operating activities, the Group launched greenhouse gas inventory and verification procedures ahead of schedule in 2023, using 2023 as the base year for the inventory.</p> <p>(2) The inventory and assurance information for 2024 was subject to limited assurance by Crowe (TW) CPAs in accordance with the Standards on Assurance Engagements. The complete assurance information was disclosed in the Sustainability Report on the Company's website at the end of August 2025.</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>organization, assurance criteria, and assurance opinions. (Detailed explanation on the right)</p> <p>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)</p>			<p>Direct emission (Category 1): (Ton)</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>705.3178</td> <td>1264,8129</td> <td>(0.4424)</td> </tr> </tbody> </table> <p>Indirect energy(Category 2) greenhouse-gas:</p> <p>① Greenhouse gas carbon emissions: (Ton)</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>2,760.9764</td> <td>2,834.4722</td> <td>(0.0259)</td> </tr> </tbody> </table> <p>② Water consumption: (degree)</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>12,628</td> <td>11,283</td> <td>0.1192</td> </tr> </tbody> </table> <p>Indirect emission (Category 3), including business and employee commuting: (Ton)</p> <table border="1"> <thead> <tr> <th>2025</th> <th>2024</th> <th>Increase (decrease) ratio</th> </tr> </thead> <tbody> <tr> <td>640</td> <td>532</td> <td>0.2030</td> </tr> </tbody> </table> <p>Note: The data collected for employee commuting was more complete in 2025.</p> <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 border="1"> <thead> <tr> <th></th> <th>Recoverable and reused resource rate</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>6.74%</td> </tr> <tr> <td>2025</td> <td>6.58%</td> </tr> </tbody> </table> <p>Explanation: The recycling rate in 2025 decreased compared with 2024, mainly due to a 4.48% decline in revenue from PP boards compared with the previous year.</p>	2025	2024	Increase (decrease) ratio	705.3178	1264,8129	(0.4424)	2025	2024	Increase (decrease) ratio	2,760.9764	2,834.4722	(0.0259)	2025	2024	Increase (decrease) ratio	12,628	11,283	0.1192	2025	2024	Increase (decrease) ratio	640	532	0.2030		Recoverable and reused resource rate	2024	6.74%	2025	6.58%	
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			<p>Volume of waste handled by the Company in the past two years: (Unit: Ton)</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> <th>Method of handling</th> </tr> </thead> <tbody> <tr> <td>Hazardous</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td>Non-hazardous</td> <td>32.67</td> <td>24.59</td> <td>Incineration</td> </tr> <tr> <td>Total</td> <td>32.67</td> <td>24.59</td> <td></td> </tr> </tbody> </table> <p>Note: In 2025, the relocation of the office and plant facilities at the Wuqi Zhonggang Plant generated more waste.</p> <p>Volume of waste handled by overseas subsidiaries in the past two years:</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> <th>Method of handling</th> </tr> </thead> <tbody> <tr> <td>Hazardous</td> <td>0.01</td> <td>0.02</td> <td>Landfilling</td> </tr> <tr> <td>Non-hazardous</td> <td>34.48</td> <td>46.87</td> <td>Incineration</td> </tr> <tr> <td>Total</td> <td>34.49</td> <td>46.89</td> <td></td> </tr> </tbody> </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: (1) In 2024, the Company prepared a Sustainability Report disclosing its sustainability development initiatives. The Company completed the required filing and disclosed the implementation status of sustainable development on its website on August 21, 2025. (2) 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. (3) 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. 71–81 of the Annual Report.</p>		2025	2024	Method of handling	Hazardous	0	0		Non-hazardous	32.67	24.59	Incineration	Total	32.67	24.59			2025	2024	Method of handling	Hazardous	0.01	0.02	Landfilling	Non-hazardous	34.48	46.87	Incineration	Total	34.49	46.89		
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2.3.7. 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	
<p>III. Formulation of policies and plans for ethical corporate management</p> <p>(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?</p>	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
<p>(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities</p>	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</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	
<p>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"?</p> <p>(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?</p>	V		<p>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 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
<p>II. Implementing integrity operation</p> <p>(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?</p>	V		<p>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</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	
			clauses regarding the termination or dissolution of the contract if the counterparts are involved in any dishonest behavior.	
(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 temporarily for recusal.</p> <p>(3) The Board of Directors has been convened for 5 times in 2025 in accordance with the "Rules of Procedures for Board Meeting".</p>	No difference
(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	V		<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</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	
<p>according to the risk valuation results of the unethical conduct, or audited by CPAs?</p> <p>(V) Does the company organize internal or external training on ethical corporate management regularly?</p>		V	<p>internal control system statement, and will be submitted to the board of directors.</p> <p>(3) The external audit is entrusted to the accountants on an interim and annual basis.</p> <p>(1) The Company promotes 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 2025, there were 66 classes of self-organized or external training courses, with 3,322 personnel being trained for 301.5 training hours. For more information about the implementation of education and training, see P153~154 of the annual report.</p>	No difference
<p>III. Implementation of the company's whistle-blowing mechanism</p> <p>(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?</p>		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
<p>(II) Has the company stipulated standard operating procedures (SOP) and relevant systems of confidentiality for</p>		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</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	
investigating the case being exposed by the whistle-blower? (III) Has the company taken measures to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?	V		personnel. 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 platform. (2) External: The Company has disclosed the relevant content of the ethical corporate management best practices and the operational 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				

Evaluation Items	Operational Situation		Summary	Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance
	Yes	No		
<p>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.</p> <p>(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.</p> <p>(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.</p>				

2.3.8. 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
29	Risk Management Policies and Procedures

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

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

2.3.9. 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	2025.09.18	The Allied Association for Science Park Industries	Analysis of IFRS Sustainability Disclosure Standards	3	
				Introduction to the Money Laundering Control Act and Case Studies	3	
		2025.09.19		Ways to Strengthen Corporate Sustainability: Turning ESG Risks into Opportunities and Building Sustainable Corporate Competitiveness	3	
				Corporate Governance and Securities Regulations	3	
		2025.09.22		Accounting Research and Development Foundation	Continuing education course for securities exchange accountants of issuers	12
Substitute Staff for the Financial Officer	HO, WEN-DA	2025.08.21	Accounting Research and Development Foundation	Continuing education course for securities exchange accountants of issuers	12	
		2025.08.22				
Audit Supervisor	LIU, LI-ZHEN	2025.05.24	Internal Audit Association of the Republic of China	Seminar on Key Points of Internal Control and Internal Audit for "Regulatory Compliance"	6	
		2025.10.13		Risk-Based Internal Audit Methods and Practices	6	
Auditor	CHEN, YI-ZU	2025.09.11	Internal Audit Association of the Republic of China	Practical Seminar on Corporate Contracts from the Perspective of the Operating Cycle	6	

		2025.10.16		Practical Self-Assessment	6
Substitute Staff for the Auditor	TSAI SHU-MING	2025.03.27	Internal Audit Association of the Republic of China	Payroll Cycle and Labor Incident Act from the Perspective of Corporate Governance	6
		2025.10.16		Practical Self-Assessment	6

- (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.

2.3.10. 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.

2.3.11. 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.

2.3.12. 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 20, 2025:

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: WANG, WU-CHANG, CPA, ZHANG, FU-LANG, CPA

- **The proposal of the company's Business Report and Financial Statements for 2024 has been adopted for ratification.**
 - **The proposal of the earnings distribution plan for 2024 has been adopted for ratification.**
 - **Approved after discussion: Amendment to the Company's "Articles of Incorporation."**
 - **Approved after discussion: Amendment to the Company's "Procedures for Endorsements and Guarantees."**
- 2. Execution of the resolutions made in the general shareholders' meeting on June 20, 2025, is as follows:**
- **The proposal of the company's Business Report and Financial Statements for 2024 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 for the earnings distribution plan for 2024, 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, 2024 for the first half of 2024.**

- ◎ **A cash dividend of NT\$ 2.5 per share has been paid on May 9, 2025 for the second half of 2024.**
- **Approved after discussion: Amendment to the Company’s “Articles of Incorporation.”**
- ◎ **An amount of no less than 0.5% shall be allocated for salary adjustments or remuneration distribution to frontline employees. On March 12, 2026, the Board of Directors approved the distribution amounts of 2025 employee remuneration and frontline employee remuneration.**
- **Approved after discussion: Amendment to the Company’s “Procedures for Endorsements and Guarantees.”**
- ◎ **Company seals shall be kept by designated personnel, and the seals under their custody shall be included in the handover process. Seals may only be affixed or negotiable instruments may only be issued in accordance with the Company’s prescribed seal-use procedures. The relevant operating procedures were published on the Company’s internal platform on June 20, 2025.**

3. Important resolutions of the Board of Directors in 2025 and as of the date of publication of the annual report:

In the year 2025 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 10th Board meeting of the 20th Board of Directors: (March 12, 2025)

- **Submitted and approved: Report on information security, ethical corporate management, and communication with various categories of stakeholders.**
- **Submitted and approved: Implementation status of sustainable development and greenhouse gas inventory.**
- **Submitted and approved: Report on laws and regulations related to corporate governance.**
- **Submitted and approved: Evaluation results of the 2024 self-performance assessments of the Company's Board members, the Board of Directors, the Audit Committee, and the Remuneration Committee.**
- **Resolved to approve: The Company's 2024 business report and financial statements (including the consolidated financial statements) have been prepared.**
- **Resolved to approve: Distribution of a cash dividend of NT\$2.5 per share from earnings for the second half of 2024.**
- **Resolved to approve: The ex-dividend record date and payment date for the Company's cash dividend distribution from earnings for the second half of 2024 were set as April 16, 2025 and May 9, 2025, respectively.**
- **Resolved to approve: Statement on the 2024 self-assessment of the internal control system.**

- **Resolved to approve: Report on the evaluation of the independence and suitability of the CPAs.**
- **Resolved to approve: Change of CPAs due to internal job rotation within the accounting firm.**
- **Resolved to approve: Extension of expiring bank credit facilities.**
- **Resolved to approve: Extension of expiring credit facilities for derivative financial instrument hedging.**
- **Resolved to approve: Authorization for changes in personnel related to derivative financial instrument transactions.**
- **Resolved to approve: Amendments to certain provisions of the Company’s “Articles of Incorporation”.**
- **Resolved to approve: Amendments to certain provisions of the Company’s “Procedures for Endorsements and Guarantees”.**
- **Resolved to approve: Definition of the scope of the Company’s frontline employees.**
- **Resolved to approve: Payment of directors’ remuneration for 2024.**
- **Resolved to approve: Distribution of managerial officers’ remuneration for 2024.**
- **Resolved to approve: Matters related to setting the date and venue of the Company’s 2025 Annual General Shareholders’ Meeting and accepting shareholders’ proposals.**

(2) The 11th Board meeting of the 20th Board of Directors: (May 12, 2025)

- **Submitted and approved: Report on information security, ethical corporate management, and communication with various categories of stakeholders.**

- **Submitted and approved:** The professional qualifications and independence of the Company's current independent directors were reviewed by the corporate governance officer and were found to comply with relevant laws and regulations. The checklist of qualifications for independent directors during their term of office was also submitted.
- **Resolved to approve:** The Company's consolidated financial statements for the first quarter of 2025 have been prepared and shall be handled in accordance with Article 36 of the Securities and Exchange Act.
- **Resolved to approve:** Planning and filing of the 2024 Sustainability Report and assurance engagement schedule.
- **Resolved to approve:** Extension of expiring bank credit facilities.
- **Resolved to approve:** Addition of a facility for selling derivative options for non-hedging purposes.
- **Resolved to approve:** Provision of a guarantee for the invested company, Tahsin Shoji Co., Ltd. to obtain a financing credit facility of JPY 300 million from the Beitun Branch of Yuanta Bank.

(3) The 12th Board meeting of the 20th Board of Directors: (June 21, 2024)

- **Resolved to approve:** Authorization for changes in personnel related to derivative financial instrument transactions.
- **Resolved to approve:** Establishment of the Company's "Risk Management Policy and Procedures."

(4) The 13th Board meeting of the 20th Board of Directors: (August 12, 2025)

- **Submitted and approved: Report on information security, ethical corporate management, and communication with various categories of stakeholders.**
- **Submitted and approved: Implementation status of sustainable development and greenhouse gas inventory.**
- **Submitted and approved: Renewal of directors' and key officers' liability insurance, including the insured amount, coverage, premium rate, and other related terms.**
- **Resolved to approve: The Company's consolidated financial statements for the second quarter of 2025 have been prepared, together with the business report for the first half of 2025.**
- **Resolved to approve: Distribution of a cash dividend of NT\$2 per share from earnings for the first half of 2025.**
- **Resolved to approve: The ex-dividend record date and payment date for the Company's cash dividend distribution from earnings for the first half of 2025 were set as September 7, 2025 and September 26, 2025, respectively.**
- **Resolved to approve: Authorization for changes in personnel related to derivative financial instrument transactions.**
- **Resolved to approve: Preparation of the Company's 2024 Sustainability Report.**
- **Resolved to approve: Dissolution and deregistration of Tehsin New Machinery Co., Ltd., the Company's invested subsidiary in Vietnam, due to changes in the business environment and adjustments to the Company's operating strategy and regional deployment.**

(5) The 14th Board meeting of the 20th Board of Directors: (November 12, 2025)

- **Submitted and approved: Report on information security, ethical corporate management, and communication with various categories of stakeholders.**
- **Submitted and approved: Implementation status of sustainable development promotion and risk control.**
- **Resolved to approve: The Company’s consolidated financial statements for the third quarter of 2025 have been prepared and shall be handled in accordance with Article 36 of the Securities and Exchange Act.**
- **Resolved to approve: The Company’s 2026 “Business Operating Plan”.**
- **Resolved to approve: The Company’s 2026 Internal Audit Plan.**
- **Resolved to approve: Extension of expiring bank credit facilities.**
- **Resolved to approve: Ratification of the extension of expired bank credit facilities.**
- **Resolved to approve: Extension of expiring derivative forward exchange and swap hedging facilities.**
- **Resolved to approve: Amendments to certain provisions of the Company’s “Internal Control System” and “Regulations for Implementing Internal Audit”. “**
- **Resolved to approve: Amendments to certain provisions of the Company’s “Risk Management Policy and Procedures.”**
- **Resolved to approve: Report on the periodic evaluation of the independence and suitability of the CPAs.**
- **Resolved to approve: Distribution of year-end bonuses for the Company’s executive directors and managerial officers.**

- **Resolved to approve: Monthly transportation allowances for the Company's directors for 2026.**
- **Resolved to approve: Evaluation of remuneration payments to the Company's executive directors and managerial officers for 2026.**

(6) The 15th Board meeting of the 20th Board of Directors: (March 12, 2026)

- **Submitted and approved: Report on information security, ethical corporate management, and communication with various categories of stakeholders.**
- **Submitted and approved: Report on laws and regulations related to corporate governance.**
- **Submitted and approved: Evaluation results of the 2025 self-performance assessments of the Company's Board members, the Board of Directors, the Audit Committee, and the Remuneration Committee.**
- **Resolved to approve: The Company's 2025 business report and financial statements (including the consolidated financial statements) have been prepared.**
- **Resolved to approve: Distribution of a cash dividend of NT\$2.5 per share from earnings for the second half of 2025.**
- **Resolved to approve: The ex-dividend record date and payment date for the Company's cash dividend distribution from earnings for the second half of 2025 were set as May 2, 2026 and May 22, 2025, respectively.**
- **Resolved to approve: Statement on the 2025 self-assessment of the internal control system.**

- **Resolved to approve: Detailed definition of the scope of frontline employees applicable to the payroll procedures under the Company's personnel and payroll cycle.**
- **Resolved to approve: Formulation of the Company's Corporate Value Enhancement Plan in order to emphasize shareholder value.**
- **Resolved to approve: Additional investment by subsidiary Tah Viet Co., Ltd. in Tahsin FuMei.**
- **Resolved to approve: Capital increase of subsidiary Tah Viet Co., Ltd.**
- **Resolved to approve: Payment of directors' remuneration for 2025.**
- **Resolved to approve: Distribution of managerial officers' remuneration for 2025.**
- **Resolved to approve: As the term of office of the Company's directors, including independent directors, is about to expire, a re-election will be conducted at this year's Annual General Shareholders' Meeting in accordance with applicable laws.**
- **Resolved to approve: Nomination of the candidates for directors, including independent directors, and review of the nominees' qualifications.**
- **Resolved to approve: Proposal to submit to the Annual General Shareholders' Meeting for approval to release the newly elected directors from non-compete restrictions.**
- **Resolved to approve: Matters related to setting the date and venue of the Company's 2026 Annual General Shareholders' Meeting and accepting shareholders' proposals.**

2.3.13. 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.

2.3.14. 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

2.3.15. 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.

2.3.16. 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.

2.4 Information on Audit Fees of the CPAs

Name of Accounting Firm	Name of the CPAs	Audit Period	Remarks
Crowe Horwath (TW) CPAs	WANG, WU-CHANG	2025.01.01~2025.12.31	
	LIN, ZHI-LONG	2025.01.01~2025.12.31	

Unit: NT\$1,000

Audit Period	Audit Fees	Non-Audit Fees	Total	Remarks
2025.01.01~2025.12.31	1,597	925	2,522	Service Contents for Non-Audit Fees: tax certification, company registration, sustainability report assurance services, and limited assurance services for greenhouse gas statements

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, 2025 in accordance with the law.

2.5 Information on Replacement of CPAs: Not applicable.

2.6 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

2.7 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	2025		Current Fiscal Year as of April 28	
		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	Tahsin Chang 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.

2.8 Information about the top 10 shareholders who are interested parties

April 28 2026

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	
Tahsin Chang Investment Co., Ltd. Representative: HU, PEI-TUAN	2,546,694 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	Tahsin Chang 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	1,901,500 469,260	1.92 0.47	0 364,322	0 0.37	0 1,901,500	0 1.92	HU, PEI-TUAN	Brother-in-law	
Song Bo Investment Co. Ltd. Representative: HU, JING-ZI	1,790,288 69,825	1.81 0.07	0 0	0 0	0 0	0 0	HU, PO-YI	Sister-in-law	

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.

2.9 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, 2025

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	Shareholdin g ratio	Shares	Shareholdin g ratio
Tahsin Shoji Co., Ltd.	800,000	100.00	—	—	800,000	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

3.1 Capital and Shares

(I) Sources of Capital

Year/Month	Issued price	Authorized capital stock		Paid-in capital		Sources of Capital	Remarks	
		Shares	Amount	Shares	Amount		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

3.2 Shareholder structure

Shareholder structure	Government agencies	Financial institutions	Other legal persons	Foreign institutions and persons	Individuals	Total
Number of people	0	1	71	43	6,709	6,824
Number of shares held	0	963,820	69,952,097	1,255,395	26,927,688	99,099,000
Shareholding percentage %	0.00%	0.97%	70.59%	1.27%	27.17%	100.00%

3.2.1 Distribution of Shareholdings

April 28, 2026

Shareholding classification	Number of shareholders	Number of shares held	Shareholding percentage %
1- 999	4,232	1,076,414	1.09%
1,000- 5,000	1,995	3,950,748	3.99%
5,001- 10,000	285	2,078,885	2.10%
10,001- 15,000	94	1,126,079	1.14%
15,001- 20,000	42	739,785	0.75%
20,001- 30,000	50	1,211,150	1.22%
30,001- 40,000	17	573,394	0.58%
40,001- 50,000	17	756,051	0.76%
50,001- 100,000	26	1,727,509	1.74%
100,001- 200,000	14	1,970,054	1.99%
200,001- 400,000	15	4,428,867	4.47%
400,001- 600,000	7	3,476,377	3.51%
600,001- 800,000	3	2,161,745	2.18%
800,001-1,000,000	1	963,820	0.97%
1,000,001 or more are classified according to actual conditions.	26	72,858,122	73.51%
Total	6,824	99,099,000	100.00%

Preferred stock: Not applicable

**3.3 List of Major Shareholders:
Shareholders Holding over 5% of the Total Shares or Whose Percentage
of Equity Held Ranks Top 10**

April 28, 2026

Name of major shareholders	Shares 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%
Tahsin Chang Investment Co., Ltd.	2,546,694	2.57%
Xin 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%
Song Bo Investment Co., Ltd.	1,790,288	1.81%

3.4 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 accordance 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 resolution to 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:

Surplus distribution	Dividends (NTD)	Date of adoption by Board of Directors	Ex-dividend base date	Dividend payment date	Payment ratio
2024	First half of the year	2.5	2024.08.12	2024.09.04	232.56%
	Second half of the year	2.5	2025.03.12	2025.04.16	
2025	First half of the year	2.0	2025.08.12	2025.09.07	290.32%
	Second half of the year	2.5	2026.03.12	2026.05.02	

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

Not applicable.

3.5 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.

3.6 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 the aforementioned employees, the remuneration of frontline employees, and the remuneration of directors 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 20, 2025.**
- 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 25~29 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 24, 2026, and submitted to the Board of Directors for review. According to the articles of incorporation (in 2025), no more than 0.5% of the earnings shall be**

distributed to Directors, no less than 0.5% of the earnings to employees, and no less than 0.5% of the earnings to frontline 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 2025: (Approved by the Board of Directors on March 12, 2026)

According to the profitability of the year, 0.5% of the pre-tax profit of NT\$0.85 million was estimated for employee compensation, another NT\$0.85 million was estimated for frontline employee compensation, and NT\$0.78 million for directors' compensation, which is consistent with the amount recognized in the annual financial report.

2) Distribution for 2024: (Approved by the shareholders' meeting on June 20, 2025)

It was resolved by the Board of Directors that a total of NT\$1.28 million would be distributed for employee compensation and NT\$1.14 million for directors for 2024, 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\$1.28 million would be distributed to employees and NT\$1.14 million to directors for the year 2024, both in cash.

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

Approved by the Board of Directors on March 12, 2026

(1) It is proposed to distribute cash remuneration of NT\$850,000 for employees, a remuneration of NT\$850,000 for frontline employees, and a remuneration of NT\$780,000 for directors.

(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, 2025 and the actual status

(1) It is proposed to distribute cash remuneration of NT\$1,280,000 for employees, and a remuneration of NT\$1,140,000 for directors.

(2) The number of shares issued to employees as stock dividends was 0 shares, which accounted for 0 of the earnings added to capital.

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

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

3.7 Status of Stock Buyback: None.

3.8 Issuance of Corporate Bonds: None.

3.9 Issuance of Preferred shares: None.

3.10 Issuance of Overseas Depository Receipts: None.

3.11 Employee Stock Options: None.

3.12 Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

3.13 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

4.1 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 2025

Items	% of turnover	Major product
Plastic products manufacturing and processing	67.06	Raincoat, plastic processing, PP corrugated board, waterproof fabrics
PU waterproof fabric processing	22.32	Garment
Manufacturing and processing of steel products	3.28	Household fittings (including wardrobes)
Manufacturing and processing of mechanical products	7.34	Binding machines, laminators

3. Current products and services:

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

(II) Industrial Trend Overview

(1) Current situation and development of the industry

The global economy showed resilience amid uncertainty in 2025. China continues to drive domestic demand through fiscal policies and industrial upgrading, while strengthening technological innovation to support economic momentum. In Europe, the prolonged Russo-Ukrainian war and persistently high energy prices have weakened external demand, posing challenges to economic growth. The United States, benefiting from the robust development of the technology industry and artificial intelligence-related investment, has demonstrated strong recovery momentum.

The Group is engaged in the plastic products business in the downstream segment of the plastics and chemical industry, and continues to be affected by fluctuations in oil, energy, raw material, and labor costs. In the face of changing international political and economic conditions and market demand, the Group will continue to monitor industry trends and flexibly adjust its operating strategies to ensure stable product supply and enhance its competitiveness. The following sections describe the development trends of the products manufactured by the Group and the current industry conditions:

1. Export sales of raincoat garments:

The major markets of the Company include Europe, Japan and the United States. It is produced in the mode of receiving orders and preparing materials in Taiwan, and manufacturing in overseas factories. In response to the relocation of global supply chains and the need for rapid product development and delivery, the Group not only actively deepens customer relationships and participates in international textile and outdoor product exhibitions, but also strives to build a diversified system of raw material suppliers. At the same time, by continuously improving the production technologies and quality management of its overseas factories, the Group strengthens manufacturing efficiency and aims to create value for customers through excellent quality.

2. Domestic sales of raincoat garments:

In addition to its own brand and contract manufacturing, the Group actively participates in bidding for government and other enterprise procurements. 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, through precise inventory management, brand added value and profitability can be enhanced. In terms of digital transformation and channel development, the Group also aims to optimize its corporate website to increase traffic and brand visibility, actively establish a presence on major domestic e-commerce platforms to build comprehensive online sales channels, and collaborate with distributors to develop new sales channels, thereby expanding market coverage and driving steady business growth through diversified channels.

3. PP Corrugated Board :

Facing cost challenges that arise from rising international crude oil prices and increases in domestic electricity rates, the Group has implemented rigorous inventory control policies and adopted a “centralized production” and “dedicated machinery” model. These measures effectively improve product yield and production efficiency, thereby reducing raw material losses and energy expenses. At the same time, to practice sustainable operations, the Group uses self-generated solar power for its own consumption, promotes product recycling and reuse, optimizes plant traffic flows and space utilization, and strengthens environmentally friendly practices and employee care. In addition, the Group actively develops environmentally friendly logistics turnover boxes and promotes them to leading logistics operators. Through these efforts, the Group aims to strengthen its operating performance while deepening its green supply chain, fulfilling corporate social responsibility, and enhancing brand value.

4. New machinery products:

The Group continues to invest in product R&D and processing technology optimization, and is committed to providing customers with excellent service and quality. By deepening its presence in the field of dedicated stationery machinery products and strengthening strategic partnerships with customers, the Group leverages its technological advantages and production capacity synergies to steadily increase its market share and global competitiveness.

(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 labor, with the raw materials accounting for the vast majority of total costs. The price fluctuations in raw materials have a significant impact on the Group's profit margin. As the price of upstream plastic raw materials fully affects the production input cost of the downstream plastic products industry, amid the transformation of global industries, energy and material prices continue to face pressure due to factors such as international geopolitical conflicts, demand from emerging technology industries, and increasingly stringent environmental regulations. In response, the Group considers “accurately monitoring market supply and demand trends” a core priority and is committed to mitigating the impact of sharp price fluctuations on its operations. Maintaining a stable raw material supply chain is not only the foundation of the Group’s stable operations, but also a key factor in ensuring product price competitiveness, giving back to the customers, and achieving steady corporate growth.

2. Impact of labor costs

The group strictly complies with labor laws and regulations, fully implementing social insurance and retirement systems as part of our core responsibility to protect employee rights. In response to operational cost pressures from inflation and minimum wage hikes, we are actively driving human resource optimization strategies, enhancing competency training and potential development initiatives to boost overall labor productivity. Concurrently, we are committed to building a safe, hygienic work environment that ensures the physical and mental well-being of our colleagues. Through close labor-management collaboration, we aim to

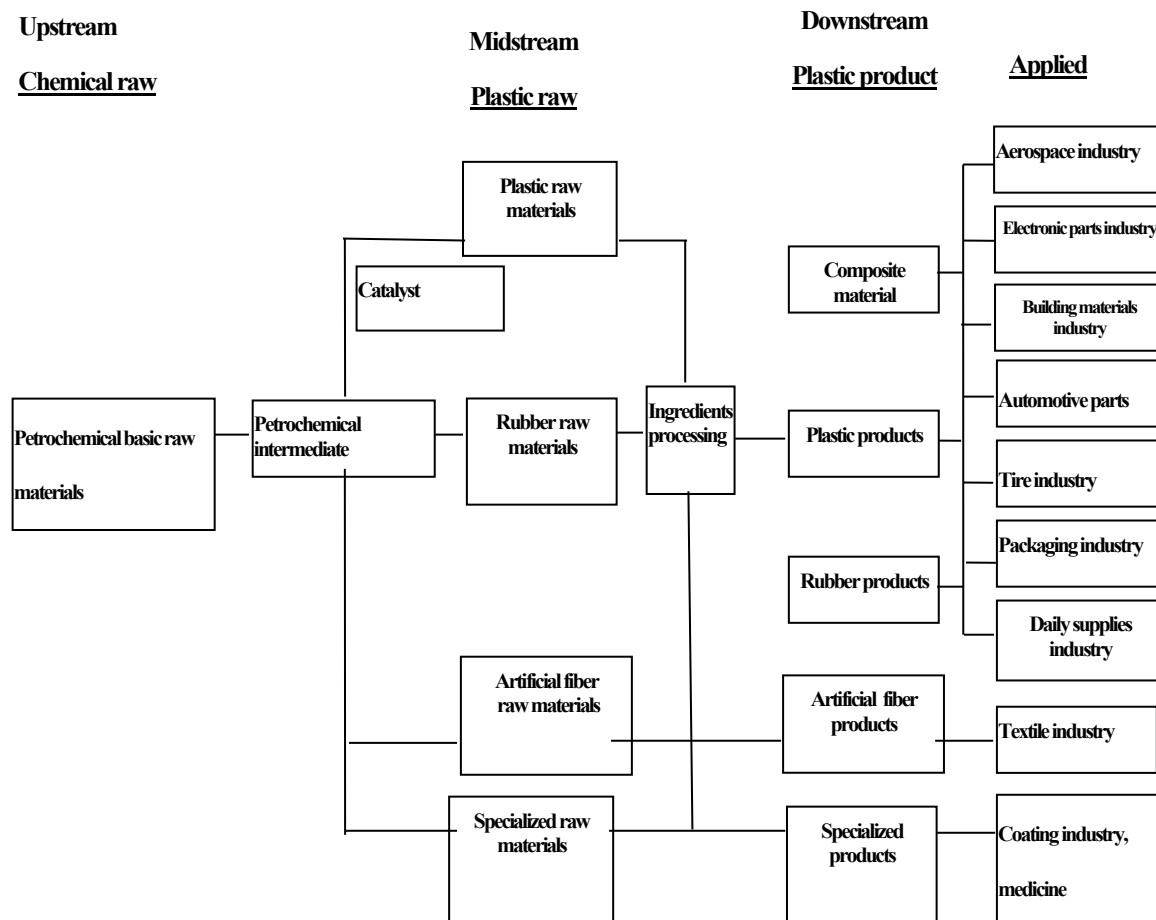
create a win-win outcome for both corporate sustainability and talent growth.

3. The impact of exchange rate fluctuations

The Group's export business is significantly affected by international political and economic conditions and exchange rate fluctuations. In 2025, amid adjustments in global monetary policies and geopolitical uncertainty, volatility in the New Taiwan dollar exchange rate intensified. In response, the Group closely monitors international developments to minimize the impact of exchange rate fluctuations on profitability, 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 networks in its major overseas markets. By segmenting its operations by product category and market positioning, expanding distribution channels, and aligning with overseas market trends and customer needs, the Group effectively uses new environmentally friendly materials and designs new product styles to serve its customers.

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

The global raincoat market has been expanding due to weather changes, rising outdoor activities, and customers' preferential needs for fashion and practicality. These factors foster the growth of the overall market. Although the raincoat market is highly competitive, many second- or third-rate companies have occupied over half of the market. Quality and technology are important criteria for evaluating rainwear brands. The Group must continue to develop new materials and technologies, and design compliant rainwear products that are lightweight, fashionable, colorful, waterproof, and multifunctional. In addition, the Group will strengthen brand diversification by expanding into multiple fields, including garments, household products, and new machinery, while building brand awareness

in target markets. By creating unique competitive advantages, th

e Group will be able to stand out among numerous competitors and achieve sustained and stable growth.

Technology and Research and Development Overview

1. A total of NT\$ 10,000 had been put into the research and development in 2025 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	Projecte d mass producti on time	Factors impacting the future success of R&D
Ultima 65 Upgraded Version	New product development	NT\$1.2 million	2027. Q3	1. Whether meeting the market demand 2. Automatically detects the thickness and type of plastic film and automatically sets the temperature and speed. 3. The R&D of a PC-version controller

4.2 Long-term and short-term business development plans

Short term:

1. Brand and market expansion: The Group actively participates in professional exhibitions in Taiwan and overseas to showcase its excellent process technologies and reliable quality, while providing professional services to strengthen its premium brand image and customer satisfaction.
2. Production optimization and quality control: The Group continues to improve its overseas production capacity allocation. Through the introduction of automated

equipment, phasing-out of obsolete machinery, and enhanced employee competency training, the Group fully implements its quality control processes.

3. **Supply chain and cost management:** The Group expands its global raw material supply channels, refines its price comparison and negotiation mechanisms, and enhances product price competitiveness. At the same time, it optimizes inventory management to improve asset turnover value.
4. **Real-Time Production and Sales Coordination:** The Group closely monitors customer trends, inventory levels, and international market developments, and flexibly adjusts production and sales allocation as well as pricing strategies to ensure punctual delivery, strengthen accounts receivable management, and maintain stable operations.

Long term:

1. **Diversified market deployment:** The Group deepens strategic cooperation with high-quality customers and actively develops emerging markets beyond the United States, Europe, and Japan to balance seasonal demand and ensure stable production capacity.
2. **Channel expansion:** The Group continues to deepen its domestic and overseas physical sales channels while accelerating its presence on e-commerce platforms. Through innovative product development, the Group seeks to secure diversified orders and expand market coverage.
3. **Global production capacity resilience:** The Group continues to upgrade machinery and equipment, create a friendly workplace, and cultivate local talent. It also secures overseas production capacity through long-term cooperation or strategic investment models, while evaluating the expansion of production bases in Southeast Asia to enhance supply chain resilience.
4. **Sustainable operations and ESG:** The Group implements energy conservation and carbon reduction policies, optimizes production processes to reduce environmental impact, and obtains international certifications. By combining high quality with green competitiveness, the Group aims to create long-term corporate profits.

4.2 Overview of Market and Production and Marketing

(I) Market Analysis

1. Sales regions and market share for major products:

Items Major Commodities	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%

(1) Domestic market

In 2025, even though the domestic sales business unit faced challenges, including weak conditions in Taiwan’s traditional industries, tariffs, and the significant appreciation of the New Taiwan dollar in the first half of the year, the number of companies implementing unpaid leave and affected employees remained high. Nevertheless, the unit continued to seek new sources of business and actively secured orders. Full-year sales declined slightly by 0.8%. Looking ahead to the new year, the Group will face unfavorable conditions such as increases in the basic wage and rising prices across all aspects. While maintaining factory operations and securing business orders, the Group must actively manage price increases, cost reductions, and expense control, and formulate new response strategies accordingly.

Looking ahead, domestic demand remains sluggish, and the overall sales environment remains challenging. The Group will therefore need to take a more proactive approach to business development. Former customers who have not traded with the Group in recent years will be reviewed again to understand the reasons for customer loss and make improvements. The Group will also seek more competitive partners. In addition, it plans to work with professional marketing companies to formulate brand reshaping and marketing strategies, cooperate with social media influencers, and design styles that better meet the preferences of younger consumers, thereby attracting customers across a broader range of age groups.

I. PP Corrugated Board Division:

The Group has once again obtained plastic recycled material traceability certification, contributing to global carbon reduction and environmentally friendly trends. At the same time, the Group has collected post-consumer boards from major electronics manufacturers in the semiconductor and panel industries, recycled and reused them to produce circulation boxes, and established a standardized process. This model has gradually been promoted among industry peers. In addition, this year the Group further integrated all extrusion machines and post-processing cutting and packaging equipment, making better use of space advantages and improving the efficiency of internal processing within the factory.

II. Domestic Business Division:

① Raincoat Series :

New styles launched in the second half of the year have gradually entered the market. The Group has also phased out poorly selling older styles and introduced new color options, significantly strengthening its product line. At the same time, the catalogue format has been redesigned with a different presentation style. Moreover, the Group will also continue to optimize details of existing styles and develop new designs to better meet actual consumer needs.

② Garment and Fiber Series:

The Group continues to reduce inventory costs and adjust its production strategy by preparing raw fabric instead of finished goods. It has also developed new workwear styles, single-page promotional catalogues, and electronic catalogues for multi-channel promotion. Meanwhile, the Group will continue to provide good service to existing customers, develop new customers, and pursue project-based and group quotations to increase sales revenue.

③ Casual Wear Series

This year, the Group attempted to launch several functional, recycled-material polo shirts that incorporated fashionable color trends. Through sublimation printing or transfer printing, the products reflect a shift from fast fashion toward sustainable fashion, aligning with social trends and gaining favor among younger consumers. As a result, the sales scope has become broader.

(II) Foreign markets

1. United States:

Due to volatile external tax policies, particularly those relating to China, brands have generally become more conservative. However, the effect of production relocation remains visible. Domestic consumer purchasing power has also weakened compared with the past due to inflation.

2. Japan:

In 2025, Japan's OUTDOOR garment market showed steady overall growth. Demand for mountaineering apparel, waterproof jackets, and outdoor leisurewear remained stable. At the same time, "outdoor apparel suitable for urban wear" became a major sales driver.

3. Europe and other regions:

In 2025, the Group actively developed the Central European and Polish markets, with notable results. Gradual entry into the military apparel market also became a key growth driver. In the U.K. market, development relies on existing customers, and long-standing style orders are expected to continue supporting stable production lines in the following year. Demand in the New Zealand and Australian markets also developed steadily, with strong performance in 2025.

Outlook in 2026:

- 1. The impact of U.S. tariff policies has not yet fully emerged. It is expected that upward pressure on product prices will become greater in the future, and market consumption patterns may change. In addition to new product development, the Group will also expand into Central and South America.**
- 2. Military apparel products in the Central European and Polish markets remain worthy of continued attention and development, with opportunities to secure further orders. For the New Zealand and Australian markets, where orders remain stable, the Group will need to provide more competitive pricing. The Group also hopes to secure development opportunities for down garment orders. The domestic market will also be a key focus in 2026, with the introduction of knitted stretch fabric styles and lightweight products, and quality control as its primary challenges.**
- 3. The EU Carbon Border Adjustment Mechanism (CBAM), will officially take effect in 2026. Brands are requiring raw materials to transition toward low-carbon and environmentally friendly materials, such as GRS-certified materials, and to comply with ESG reporting requirements. Suppliers have already cooperated with brand requirements by providing certified raw materials, and order momentum is expected to strengthen.**
- 4. In Japan, the market is expected to continue developing in 2026. Urban outdoor styles, waterproof and lightweight designs, and products with high cost-performance value are expected to become the main growth drivers.**

(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, trench coat, military-inspired, and fashionable styles, as well as epidemic prevention protection, suitable for work, leisure, and entertainment. All ages and classes meet the needs of a 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 suitable for people at all levels and for 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:

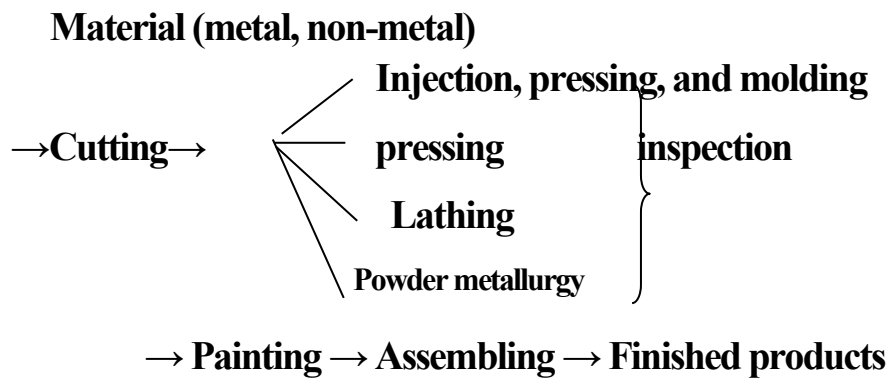
Raw materials → cutting → sewing → inspection packaging → finished products

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	585,258	21,470	Formosan Rubber Group Inc.
NYLON/PU	Y	441,616	49,240	Formosa Taffeta Co., Ltd., DOMILES ENTERPRISES CO., LTD. Formosan Rubber Group Inc., Singtex Industrial Co., Ltd.
PVC compounds	KG	234,706	12,374	Ta Win International Co., Ltd.
PP Compounds	KG	2,644,955	89,378	Formosa Plastic Corp. Formosa Chemicals & Fibre Corp.
Taffeta (Nylon)	Y	650,437	34,657	Formosa Taffeta Co., Ltd
Blended Cloth	Y	168,219	10,333	Formosa Chemicals & Fibre Corp. Saint T. H. Textile Corp. Chen Yu Corp. Ch'ing Chi Textile Corp.
Zipper	PCS	3,734,904	36,046	YKK TAIWAN CO., LTD. Dragon Times Accessory Co., Ltd., ZN TECHNOLOGY CO., LTD., Keen Ching Industrial Corp.
Carton	Pieces	346,282	4,953	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	2024			2025			March 31, 2026		
	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	86,015	9.24	None	57,722	6.11	None	11,145	4.91	None
Others	844,779	90.76		886,689	93.89		215,688	95.09	
Net amount of purchased goods	930,794	100.00		944,411	100.00		226,833	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	2024			2025			March 31, 2026		
	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	437,308	20.37	None	468,494	20.53	None	44,030	10.99	None
Others	1,709,752	79.63		1,814,040	79.47		356,534	89.01	
Net amount of sold goods	2,147,060	100.00		2,282,534	100.00		400,564	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.

4.3 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		2024	2025	March 31, 2026
Numbers of Employees	Technicians	53	49	48
	Clerks	240	243	242
	Workmen	52	52	51
	Total	345	344	341
Average age		43.2	43.8	44.1
Average Year of Services		16.53	16.77	17.06
Educational Distribution Ratio	Ph.D.	0	0	0
	Master's	2.9	4.07	3.81
	College or Equivalent	51.59	50.29	51.32
	High School	40.58	40.70	39.88
	Lower Level of Education	4.93	4.94	4.99

Ratio of the category	2024	%	2025	%	Ratio of the category	2024	%	2025	%
Female	174	50.4	174	50.6	people with disability	2	0.58	2	0.58
					Aboriginal	2	0.58	2	0.58
					Foreigner	10	2.90	10	2.91
					Officer	63	18.26	60	17.44
Male	171	49.6	170	49.4	people with disability	2	0.58	2	0.58
					Aboriginal	0	0.00	0	0.00
					Foreigner	38	11.01	36	10.47
					Officer	73	21.16	66	19.19
Total	345	100	344	100					

4.4 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: NTS0.

(II) Environmental Protection Related Expenditure of the Company:

Item/Year	2025	2024
Pollution prevention fees	1. Fees for testing air pollution and others	1. Fees for testing air pollution and others
Amount	NT\$ 204,550	NT\$ 159,750

(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.

4.5 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 2025, the allocation ratios for labor pension under the old system, new system, and employee voluntary contributions are as follows:

Item	No. of employees	Ratio (%)	Self-contribution rate (%)	Self-contribution amount (NT\$ thousand)	Pension account
Old system	94	27.33%	6%	306,052 (Accumulated)	Tahsin Account, Labor Pension Reserve Fund, - Bank of Taiwan
New system	205	59.59%	6%	5,825	Employee Account, Bureau of Labor Insurance
Self-contribution	45	13.08%	6%	1,310	“
Tota;	344	100%			

(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 2025 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 2025 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 75 trainees participated in these training sessions. The overseas factory in Myanmar conducted fire drills in the first and second half of 2025, and 2,550 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 August 2025 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 HarborHospital to assist on the health check for 211 employees in total, while Zhonggang Plant entrusted the Tungs' Taichung MetroHarbor 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.

In July 2026, the Company will arrange for Tungs' Taichung MetroHarbor Hospital and Country Hospital Taipei to provide on-site employee health examination services at the Company.

(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 2025, 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 2025, the Company conducted a total of 19 off-site training sessions, with 26 trainees and a total of 206 training hours. The total training expenses for the entire company amounted to NT\$ 80,000. The Company conducted a total of 47 internal training sessions for insiders and employees of the Company in 2025, with 3,296 trainees and a total of 95.5 training hours.

Course category	Course content	Number of participants	Hours	Fees
External training courses	Refresher training on first-aid and fire safety Forklift operator training Workplace protection A+A Accounting, tax, and financial knowledge workshop Regulatory compliance, internal control, and internal audit Payroll cycle and the Labor Incident Act Regulatory advocacies on ethical corporate management Insider trading prevention awareness session	26	206	70,000
Internal training course	Strategic analysis of net-zero planning pathways Applications of commercial AI tools Financial professional subject training Material knowledge and quality focus Workplace communication for improving work efficiency Basic digital drawing operations Health seminar and DIY gardening Advanced safe workplace culture for the new generation	351	69.5	10,000

	Fire safety management practices Customs declaration procedures Extruder operating standards			
Regulatory courses	Prevent insider trading propaganda Corporate governance business operations Equity trading legal compliance Important information on law promotion Business Ethics Regulations promotion	60	12	-
Information security course (distance learning)	Introduction to basic Unix commands Introduction to the Company website WordPress system Social engineering and personal information security	260	2	-
Fire drill	Disaster prevention and protection, fire safety and evacuation	2,625	12	

(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 phase-out and upgrade 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 each time) and at the Zhonggang plant twice a month (two hours each time), and the doctor will provide on-site services six times a year (two hours each time). They will provide employees with regularly recorded health data and preventive measures, professional consultation and guidance on nutrition, exercise, and other advice 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-formation sharing are held irregularly for more effective management to relieve 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 2025 Employee Satisfaction Survey between April and May 2026. 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 business philosophy, team operations, work environment and safety, salaries and benefits, employee welfare, and occupational training and development. 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 development	
Number of Respondents	258	
Coverage Rate	86.29%	
Responsible Department	Sustainability Committee Task Force	
Survey Frequency	Once a year	
Survey Period	2025/1/1~2025/12/31	
Survey Results	Overall employee satisfaction	68.9 %
	Sustainable development business philosophy	72.6 %
	Team operations	71.4 %
	Work environment and safety	71.0 %
	Salaries and benefits	65.0 %
	Employee welfare	66.8 %
	Occupational training and development	66.4 %
Recommendations for Improvement	Based on the survey results, the following are recommendations for improvement in 2026: 1. Suggestions related to the six key	

	<p>evaluation areas will be reviewed and reported by the Sustainability Committee Task Force, and then submitted to the Board of Directors.</p> <p>2. For other improvement suggestions, they will be reviewed by the relevant departments, with prompt understanding, handling, and follow-up tracking.</p>
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(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

4.6 Information Security Management

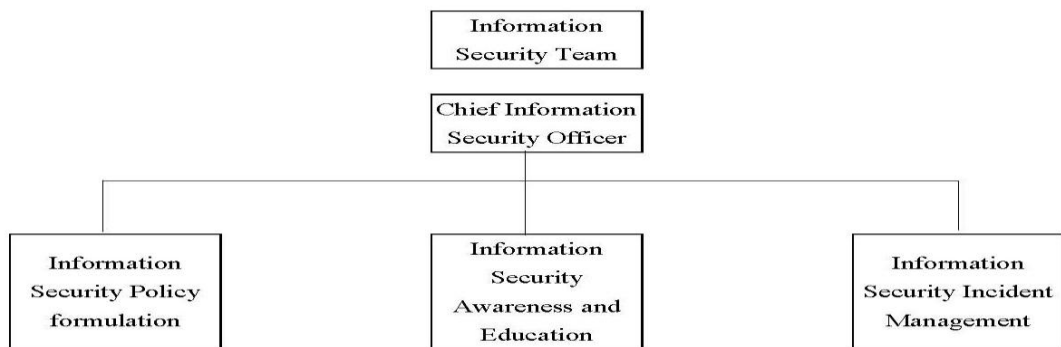
Regulations on implementing information security protection, actual implementation, and response measures:

- **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.

- **Openfind Email Protection System**

Spam management mechanism has been established to block outbound spam and defend against malicious email, prevent various types of social engineering attacks, and reduce cybersecurity incidents, and comply with the controls required for information security inspections.

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

The Group has established an online backup system for the Group's e-mail system to ensure the security of the e-mail system and compliance with e-mail-related regulations, and to store historical e-mails for 10 years for 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 three 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:

2025

Education and promotion (video conference)	Hours	Number of people
Social engineering and personal information security	1.0H	176
Social engineering and personal information security	1.0H	84

Until the end of March, 2026

Education and promotion (video conference)	Hours	Number of people
Social engineering	1.0H	172

Social engineering drill test results		Employees tested		
Execution date	Content	Total number	Number	Percentage
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%
2025/10/31	Clicking links	235	10	4.26%
	Entering data		0	

● **2026 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.

4.7 Important Contracts: None

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

5.1 Financial Position

Unit: NT\$ thousand

Items \ Year	2025	2024	Difference	
			Amount	%
Current assets	6,862,976	6,403,739	459,237	7.17%
Long-term investment	1,069,677	1,055,130	14,547	1.38%
Fixed assets	2,266,456	2,582,338	84,118	3.26%
Intangible assets	0	0	0	0%
Other assets	213,873	197,448	16,425	8.32%
Total assets	10,812,982	10,238,655	574,327	5.61%
Current liabilities	442,030	570,777	-128,747	-22.56%
Long-term liabilities	0	0	0	0%
Preparations	187,516	199,479	-11,963	-6.00%
Other liabilities	24,736	58,050	-33,314	-57.39%
Total liabilities	654,282	828,306	-174,024	-21.01%
Share capital	990,990	990,990	0	0%
Capital surplus	256,341	239,999	16,342	6.81%
Retained earnings	7,733,281	7,564,645	168,636	2.23%
Equity adjustment	1,261,318	697,945	563,373	80.72%
Treasury stock	(83,230)	(83,230)	0	0%
Total shareholders' equity	10,158,700	9,410,349	748,351	7.95%

Analysis and description:

1. **Current Liabilities:** Mainly due to a decrease of NT\$9 million in short-term loans, a decrease of NT\$33 million in contract liabilities, a decrease of NT\$79 million in accounts payable, and a decrease of NT\$4 million in current income tax liabilities during the current period.
2. **Other Liabilities:** Mainly due to a decrease of NT\$36 million in non-current lease liabilities compared with the previous period.
3. **Equity Adjustments:** Mainly due to an increase of NT\$1.995 billion in unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive gains or losses, and an increase of NT\$196 million from the disposal of equity instruments measured at fair value through other comprehensive gains 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.

5.2 Analysis of Financial Performance

(I) Comparative Analysis of Financial Performance

Unit: NT\$ thousand

Items \ Year	2025	2024	Increase (Decrease) Amount	Rate of Change %
Total Revenue	2,291,394	2,150,958	140,436	6.53
Less: Sales Returns	(2,103)	(1,675)	-428	25.55
Sales Allowances	(6,757)	(2,223)	-4534	203.96
Net operating revenue	2,282,534	2,147,060	135,474	6.31
Operating Costs	(1,951,102)	(1,858,012)	-93,090	5.01
Operating gross profit	331,432	289,048	42,384	14.66
Operating Expenses	(357,502)	(364,040)	6,538	-1.80
Operating profit	(26,070)	(74,992)	48,922	-65.24
Non-operating Income and Profit	325,512	351,343	-25,831	-7.35
Non-operating Expenses and Losses	(137,186)	(14,331)	-122,855	857.27
Pre-tax Income from Continuing Operations	162,256	262,020	-99,764	-38.07
Income Tax Expenses	(11,326)	(53,123)	41,797	-78.68
After-tax Income from Continuing Operations	150,930	208,897	-57,967	-27.75

Analysis of the rate of change:

1. Sales return: This was mainly due to the return of export products with abnormalities during the current period.
2. Sales Allowances: Mainly due to compensation for abnormalities in export products during the current period.
3. Operating Profit: Mainly due to a NT\$14 million increase in operating revenue, a NT\$42 million increase in gross profit, and a NT\$6 million decrease in operating expenses compared to the previous period.
4. Non-operating Expenses and Losses: This was mainly due to an increase of NT\$144 million in foreign exchange losses compared with the previous period.
5. Income Tax Expense: This was mainly due to a decrease of NT\$42 million in deferred income tax for the current period compared with the previous period.
6. Pre-tax and After-tax Net Profit: As analyzed above, mainly due to the growth in revenue, an increase in gross profit, as well as a decrease in non-operating income, an increase in non-operating expenses, and a decrease in income tax expense during the current period.

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

5.3 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
2,202,455	248,508	66,966	2,383,997	—	—

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

- (1) **Operating activities:** Net cash inflow for the current period was NT\$ 248 million; mainly due to dividend income, a decrease in accounts payable, and refunded income tax, which resulted in net inflow from operating activities.
- (2) **Investing activities:** Net cash inflow for the current period was NT\$384 million; mainly due to an increase in the acquisition and disposal of financial assets measured at fair value through other comprehensive gains.
- (3) **Financing activities:** Net cash outflow for this period was 442 million yuan; mainly due to the payment of cash dividends.
- (4) **Impact of exchange rate changes:** Net cash outflow for the period was NT\$ 9 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	2025	2024	Rate of Change
	Cash Flow Ratio		56.22%	47.57%
Cash Flow Adequacy Ratio		44.50%	36.99%	20.30%
Cash Reinvestment Ratio		-	-	-%

Analysis of the rate of change:

1. **Cash flow ratio:** This period increased by 8.65% compared with the previous period, and the increase rate was 18.18%, mainly due to the mainly due to a decrease of NT\$128 million in current liabilities compared with the previous period.
2. **Cash flow admissible ratio:** This period increased by 7.51% compared with the previous period, and the increase rate was 20.30%, mainly due to a decrease of NT\$47 million in cash dividends distributed compared with 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
2,383,997	150,000	696,000	1,837,997	—	—

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

- (1) **Operating activities:** It is expected that the net cash inflow in 2026 will be NT\$ 150 million, mainly due to the net inflow of operating activities generated by dividend income.
- (2) **Investment activities:** Net cash outflow is expected to be NT\$ 300 million in 2026; 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 outflow by NT\$ 200 million; and the Company will obtain net cash for real estate, plant and equipment, which accounts for an outflow of NT\$ 100 million, making investing activities a net cash outflow.
- (3) **Financing activities:** Net cash outflow is expected to be NT\$ 396 million in 2026; mainly due to the payment of cash dividends, financing activities will be a net cash outflow.

2. Remedial measures for projected cash deficit and liquidity analysis: None.

5.4 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.

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

5.6 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 2025
Interest expenses	NT\$ 2,315 thousand
Interest expense to net revenue ratio	0.10%
Interest expense to net profit before tax ratio	1.43%

2. Fluctuation in exchange:

- The Group's product sales are primarily export-oriented. In the face of uncertainty over the direction of U.S. monetary policy, energy shocks caused by conflicts in the Middle East that have driven up inflation, and other uncontrollable black swan events, global exchange rates have experienced significant volatility. Their future trends will continue to depend on inflation and economic data performance. The Group will continue to monitor the impact of various changing factors on exchange rate fluctuations.
- 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 2025
Net exchange (loss) gain	NT\$ (45,726) thousand
Net exchange (loss) as a percentage of net revenue	(2.00)%
Net conversion (loss) to net profit before tax ratio	(28.18)%

3. Inflation situation:

- The Executive Yuan Chief Accounting Office announced that the annual growth rate of the Consumer Price Index (CPI) for 2025 increased by 1.66%. 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, 2025, the Company's maximum endorsement/guarantee limit was NT\$ 5,063,219 thousand, the maximum endorsement and guarantee balance for the current period was NT\$ 141,986 thousand, the actual amount utilized was NT\$ 89,460 thousand, due to the decrease in exchange rate difference by NT\$16,828 thousand compared with NT\$ 106,288 thousand by the end of 2024.
- 4) As of March 31, 2026, the Company's maximum endorsement/guarantee limit was NT\$ 5,143,280 thousand, the maximum endorsement and guarantee balance for the current period was NT\$ 126,842 thousand, the actual amount utilized was NT\$ 95,375 thousand, with an increase of NT\$ 5,915 thousand compared with NT\$ 89,460 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, 2025, the contract amount of pre-purchase forward exchange that has not been written off by the Group was US\$ 0.8 million /NT\$ 25,104 thousand.**
- 4) **As of March 31, 2026, the contract amount of pre-purchase forward exchange that has not been written off by the Group was US\$ 0.8 million /NT\$ 25,556 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
Ultima 65 Upgraded version	New product development	NT\$ 1.2 million	2027.Q3	1. Whether meeting the market demand 2. Automatically detects the thickness and type of plastic film and automatically sets the temperature and speed. 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) To strengthen the Group's corporate governance and implement risk management in its business operations, the Board of Directors approved the establishment of the Risk Management Policies and Procedures on June 20, 2025. These policies and procedures establish an effective risk management framework to address operational uncertainties and serve as the basis for implementing crisis management and emergency response measures.
- 2) In 2025, the Company did not experience any major negative events that could affect its corporate image.
- 3) The Group always upholds the business philosophy of integrity, active inheritance, talent cultivation, and the promotion of a safe and healthy workplace environment for employees, and highlights the quality and reasonable prices of our products for customers, to maintain a good corporate image since its establishment 69 years ago.

4) To maintain and promote corporate image is not only the mission but also the cornerstone of the 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. The Group will continue to move forward steadily, pursue shared prosperity with all stakeholders, create greater investment value, and fulfill its corporate responsibilities to society.

(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: None.

(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.

5.7 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 Enterprises Consolidated 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, Paragraph 2 of Article 36 of the Securities and Exchange Act: None.

Tahsin Industrial Corp.

Chairman : Wu, Zi-Cong

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