



## **Vision**

To be the best company with commitment to business excellence and sustainability.

## **Mission**

The world's most trusted provider of electronic components.

## **Core Value**

In line with the founding spirit of "Integrity, Practicality, Innovation, Service", and the organization and management culture of "Harmony, Unity, and High Efficiency", the two are compatible to form the core value of Taiwan Crystal Technology.

Whether it is internally or externally, to people or to things.

Honesty is always our most fundamental and important requirement, mutual trust fulfills every prudent promise; establish comprehensive quality and risk awareness, seek truth from facts, look into the bottom line, and look to the future for healthy development; continuous improvement and excellence, and continuous pursuit of operation, management, technology, and marketing Innovate in all aspects; adhere to high-quality growth, provide services attentively, and achieve every task entrusted to obtain the full trust of employees, customers, shareholders, business partners and the market.

Whether it is employees, customers, shareholders, business partners, or even society or the region.

People and the environment are always the important lifeline supporting the survival and development of an enterprise, and we attach great importance to the development and maintenance of sustainable and harmonious relations of interest. We use a kind heart, people-oriented, treat employees kindly, and create a happy corporate culture. We use a responsible heart to implement company management and governance, create value for shareholders and customers, and fulfill our corporate social responsibilities and obligations as a global citizen.

We pay attention to discipline, but not red tape. We are open to communication, but not in a bureaucratic manner.

We respect the individual, but don't follow suit. We value efficiency, but don't compromise quality.

We are convinced that only teamwork can be united, go all out to implement effectively, and be unafraid of challenges. Maintaining common values can achieve our mission and move towards our vision.

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## Chapter 1 Letter to Shareholders

To all shareholders,

Looking back at 2025, the global economic environment traversed a complex landscape of advanced technological innovation and geopolitical conflicts. While the world still faces regional inflationary pressures, international trade protectionism, and supply chain challenges brought about by climate change, the quartz frequency component industry is also experiencing structural growth opportunities as artificial intelligence permeates from cloud data centers to edge computing devices, and as self-driving cars and low-Earth orbit satellite technologies expand rapidly. Taiwan Crystal Technology, as a global leader in precision quartz frequency solutions, has consistently upheld its core values of "integrity, pragmatism, innovation, and service," not only maintaining its foothold in the volatile market but also achieving breakthroughs in both operational performance and sustainable development in 2025.

- Consolidated operating revenue for 2025 was NT\$13.349 billion (approximately 102.1% of budget achieved), an increase of approximately 5.3% compared to the previous year's consolidated operating revenue of NT\$12.672 billion.
- Net profit after tax in 2025 is NT\$1.805 billion (approximately 108.7% of budget achieved), a decrease of approximately 15.6% compared to the previous year's net profit after tax of NT\$2.137 billion.
- Basic earnings per share after tax in 2025 are NT\$5.28, a decrease of approximately 19.4% compared to the previous year's basic earnings per share after tax of NT\$6.55, with a return on equity (ROE) of 11.1%.

The global economic landscape in 2025 will exhibit distinct characteristics of "multipolarity" and "risk-driven" development. The AI computing power race is shifting from the cloud to end devices, placing unprecedented demands on the precision, power consumption, and anti-interference capabilities of frequency control components in these terminal devices and high-speed communication operations. Our company closely follows customer specifications and the development of industry terminal application technologies, launching competitive and market-compliant products in a timely manner, successfully entering the global mainstream communication equipment and mobile device supply chain. With international trade tariff barriers and regional conflicts persisting, supply chain resilience has become a primary consideration in customer procurement decisions. Taking into account international geopolitical risks and a balanced global production capacity layout, our SUB plant successfully achieved its capacity ramp-up targets by 2025, forming a highly complementary global supply network with our plants in Pingzhen, Taiwan, Ningbo, and Chongqing, China. Although the global electric vehicle market has entered a period of stability, the "intelligentization" of vehicles continues to accelerate, with a significant increase in the number of frequency components in self-driving electric vehicles. Our company is also accelerating its efforts in the automotive electronics and smart transportation sectors. Artificial intelligence applications, network communications, and automotive electronics products now account for over 40% of revenue, becoming the three pillars of our company's most robust long-term growth.

Our company understands that outstanding enterprises must possess the resilience to cope with extreme climate change, the impact of energy conservation and emission reduction trends, and the protection of operational agility and security. In 2025, we also achieved a significant milestone in ESG (Environmental, Social, and Governance) aspects. These actions not only meet global trends and the stringent requirements of international customers but also fully demonstrate our determination and commitment to sustainable development.

All company plants continue to expand their use of renewable energy. By 2025, the combined proportion of renewable energy use across the group exceeded 15%, a significant 50% increase compared to the previous year. This represents ahead of schedule in achieving the annual target for renewable energy usage, demonstrating steady progress towards the long-term goal of net-zero carbon emissions by 2050.

Building upon existing ISO 14064 greenhouse gas inventory, ISO 14067 product carbon footprint, and ISO 50001 energy management international third-party certifications, the company also obtained ISO 20400 supply chain sustainable procurement management assessment in 2025. This extends the concept and phased goals of sustainable development to key suppliers, aiming to establish a more secure and resilient global sustainable supply chain ecosystem.

The company has comprehensively upgraded its group's information security protection system, aligning with international information security standards and domestic semiconductor industry standards. Collaborating with professional information security service providers, the company utilizes stronger and more effective information security protection technologies to ensure the core rights and interests of investors and customers are protected to the highest degree.

Looking ahead to 2026, we will face more diverse application scenarios and more stringent technical challenges. With the increasingly comprehensive coverage of low-Earth orbit satellite communication networks, high-speed AI computing, automotive electronics, and terminal WiFi 7, the demand for high-frequency, stable, and wide-temperature-range quartz frequency components will experience further explosive growth. Our company has completed the initial deployment of related products and actively participates in the formulation of customer early-stage design specifications. We will also continue to increase R&D investment, exploring the cross-border integration of quartz and semiconductor processes (MEMS), and are committed to developing higher-frequency, smaller, more stable, and highly integrated clock modules to meet the needs of future wearable devices and the robotics industry. In 2026, the company's annual operational plan, based on three main themes—"Passion Inspires Innovation, Responsibility Drives Growth, and Resilience Achieves Sustainability"—focuses on the following key points:

Strengthen product marketing strategies in high-growth markets such as artificial intelligence, the automotive industry, high-end oscillators, and emerging markets.

With the technology roadmap at its core, deepen the efficient operation of product R&D technology modules and the technical committee to support marketing and market development. Simultaneously, we will deepen patent and trade secret management, establish a comprehensive intellectual property governance and technology protection system, and leverage the company's technological advantages to enhance its medium- and long-term market competitiveness.

Trade protectionism or tariff fluctuations may increase costs. We will reduce reliance on a single market or supplier by diversifying the supply chain, maintaining backup inventory, and expanding local suppliers.

We will establish a Smart Operations Center, combining AI artificial intelligence technology and network information application development. We will fully collaborate with universities and effectively utilize government resources for industrial smart transformation to build a company-wide AI application platform, effectively reducing operating costs and improving operational efficiency and quality, thus accelerating smart transformation.

We will continue to advance the company's ESG development goals, ensuring that our corporate governance, social responsibility, and environmental sustainability meet the

expectations of investors, customers, suppliers, governments, international conventions, and all stakeholders.

Through functional models and competency assessments, as well as systematic training, we will continuously improve employee skills and learning opportunities, ensuring organizational succession and the sustainable development of personnel professional skills.

We will elevate the board of directors and corporate governance to a higher level, strengthening the performance of corporate governance assessments. We have initiated project preparations to proactively address government requirements for IFRS compliance

Faced with an uncertain international landscape, TXC Corporation will leverage its strong product technology and resilient organizational mobilization to maintain a robust financial structure and flexible production configuration. We are confident that regardless of tariff policy changes, regional political conflicts, or supply chain bottlenecks, we can continue to provide the most reliable support and services to our global customers. TXC Corporation is prepared to meet every challenge of the future. We firmly believe that through continuous technological breakthroughs, deepened capacity layout, and a steadfast commitment to sustainability, we can create the greatest long-term value for shareholders, employees, and society in the face of fierce global competition.

Thank you for your continued support and patronage. TXC Corporation will continue to provide better and more valuable development opportunities for our colleagues, customers, suppliers, partners, and investors. We are willing to grow together with everyone, continuously assess the situation, strive to maintain resilience, fight to overcome adversity, and adhere to disciplined execution to achieve our vision of "becoming a top-performing, sustainable company."

Chairman and CEO : **Lin, Wan-Shing**

President and Vice CEO: **Kuo, Ya-Ping**

## Chapter 2 Company Governance

### I. Documents of directors, president, vice presidents, associate vice presidents, and managers of each departments and divisions

#### (I) Directors

##### 1. Director Information

March 29, 2026 Unit:Shares,%

| Title Name                    | Nationality | Gender Age        | Date Elected | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Share Currently Held by Spouse & Minors |      | Share Held in the name of others |   | Major Academic (professional) Experience  | Current Position in TXC or Other Companies   |
|-------------------------------|-------------|-------------------|--------------|--------------------|--------------------------|------|-----------------------|------|---|------|----------------------------------|---|---|--|
|                               |             |                   |              |                    | Shares                   | %    | Shares                | %    | Shares                                  | %    | Shares                           | % |   |  |
| Chairman<br>Lin,<br>Wan-Shing | R.O.C       | Male<br><br>71~80 | 2025/05/27   | 1989/11/05         | 5,030,722                | 1.47 | 5,030,722             | 1.47 | 75,991                                  | 0.02 | 0                                | 0 | Master in Management, National Taiwan University of Science and Technology<br>Chairman and CEO of TXC Corporation | Chairman and CEO of TXC Corporation<br>Chairman of TAIWAN CRYSTAL TECHNOLOGY INTERNATIONAL LIMITED<br>Juristic-person director representative of TXC JAPAN CORPORATION LTD<br>Chairman of TAIWAN CRYSTAL TECHNOLOGY(HK) LTD Corporation<br>Juristic-person director representative of TXC (NINGBO) CORPORATION<br>Juristic-person director representative of Chongqing All Suns Company Limited<br>Supervisor of Ningbo Longying Semiconductor Co., Ltd<br>Chairman of Tai-Shing Electronics Components Corporation<br>Chairman of Liang Shing EcLife Corp.<br>Juristic-person director representative of RFIC TECHNOLOGY CORPORATION<br>Juristic-person director representative of DEPO Auto Parts Ind. Co., Ltd.<br>Supervisor of Piezoelectric Crystal Industries Association of Taiwan |

| Title Name              | Nationality | Gender Age      | Date Elected | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Share Currently Held by Spouse & Minors |      | Share Held in the name of others |      | Major Academic (professional) Experience   | Current Position in TXC or Other Companies  |
|-------------------------|-------------|-----------------|--------------|--------------------|--------------------------|------|-----------------------|------|---|------|----------------------------------|------|--|---|
|                         |             |                 |              |                    | Shares                   | %    | Shares                | %    | Shares                                  | %    | Shares                           | %    |  |   |
| Director Lin, Jin-Bao   | R.O.C       | Male<br>71~80   | 2025/05/27   | 1989/11/05         | 5,847,263                | 1.70 | 5,827,263             | 1.70 | 163                                     | 0    | 0                                | 0    | MBA, West Texas A&M University, USA<br>Chairman and Founder of TXC Corporation   | Director of TXC Corporation and member of Investment Review Committee of TXC Corporation<br>Director of Tai-Shing Electronics Components Corporation<br>Director of Liang Shing EcLife Corp<br>Juristic-person director representative of GALLOPWAVE INC.<br>Director of Piezoelectric Crystal Industries Association of Taiwan |
| Director Kuo, Ya-Ping   | R.O.C       | Male<br>51~60   | 2025/05/27   | 2019/06/12         | 258,000                  | 0.08 | 258,000               | 0.08 | 0                                       | 0    | 0                                | 0    | Boston University ,MBA<br>Executive Deputy Vice President and Deputy Vice President of Management Center of TXC Corporation<br>Director and President of TXC Corporation | Director and President and Deputy CEO of TXC Corporation<br>Juristic-person director representative of TXC JAPAN CORPORATION LTD  |
| Director Pan, Ching-Yi  | R.O.C       | Female<br>51~60 | 2025/05/27   | 2025/05/27         | 0                        | 0    | 0                     | 0    | 0                                       | 0    | 0                                | 0    | Eastern Michigan University, USA<br>MBA<br>CFO of WALTON ADVANCED ENGINEERING, INC.<br>Juristic-person director representative of Xinfeng Technology, Inc.               | Director of TXC Corporation and member of Investment Review Committee of TXC Corporation<br>Juristic-person director representative of Walton Advanced Engineering, (Suzhou) Inc.<br>Juristic-person director representative of Waltech Advanced Engineering (Suzhou), Inc  |
| Director Hsu, Hsing-Hao | R.O.C       | Male<br>41~50   | 2025/05/27   | 2019/06/12         | 3,730,352                | 1.09 | 4,010.352             | 1.17 | 182,959                                 | 0.05 | 308,026                          | 0.09 | M.S. degree - Electrical and Computer Engineering, Colorado State University<br>Chairman of Kang-Shuo Investment Corporation<br>R&D Manager of K&H MFG. CO., LTD.        | Director of TXC Corporation and member of Investment Rview Committee of TXC Corporation<br>Director of Golden Biotechnology Corporation<br>Chairman of Kang-Shuo Investment Corporation<br>Director of K&H MFG. CO., LTD.   |

| Title Name                            | Nationality | Gender Age        | Date Elected | Date First Elected | Shares Held When Elected |      | Shares Currently Held |      | Share Currently Held by Spouse & Minors |   | Share Held in the name of others |   | Major Academic (professional) Experience  | Current Position in TXC or Other Companies  |
|---------------------------------------|-------------|-------------------|--------------|--------------------|--------------------------|------|-----------------------|------|---|---|----------------------------------|---|---|---|
|                                       |             |                   |              |                    | Shares                   | %    | Shares                | %    | Shares                                  | % | Shares                           | % |   |   |
| Director<br>Chen Chueh,<br>Shang-Hsin | R.O.C       | Male<br><br>71~80 | 2025/05/27   | 2010/06/15         | 298,212                  | 0.09 | 298,212               | 0.09 | 0                                       | 0 | 0                                | 0 | <p>Master of management, Zhejiang University</p> <p>Director and Vice President of TXC Corporation</p> <p>Director and Deputy CEO of TXC Corporation</p>  | <p>Director of TXC Corporation</p> <p>Chairman of TXC (NINGBO) CORPORATION</p> <p>Juristic-person director representative of TXC (CHONGQING) CORPORATION</p> <p>Juristic-person director representative of Chongqing All Suns Company Limited</p> <p>Supervisor of Ningbo Jingyu Company Limited</p> <p>Juristic-person director representative of TETC CORP. NINGBO</p> <p>Juristic-person director representative of PT TXC TECHNOLOGY INDONESIA</p> <p>Juristic-person director representative and Vice Chairman of Ningbo Longying Semiconductor Co., Ltd</p> <p>Chairman of Ningbo Xingmao Electronic Technology Co., Ltd</p> <p>Juristic-person director representative of Tai-Shing Electronics Components Corporation</p> |
| Director<br>Huang,<br>Hsiang-Lin      | R.O.C       | Male<br><br>51~60 | 2025/05/27   | 2019/06/12         | 3,379,399                | 0.99 | 3,379,399             | 0.99 | 0                                       | 0 | 0                                | 0 | <p>State University of New York at Albany, Master of Business Administration (MBA)</p> <p>Assistant Vice President of Marketing Center of TXC Corporation</p> <p>Juristic-person director representative and President of TETC CORP. NINGBO</p> | <p>Director of TXC Corporation</p> <p>Juristic-person director representative and President of TETC CORP. NINGBO</p>  |

| Title Name                           | Nationality | Gender Age    | Date Elected | Date First Elected | Shares Held When Elected |   | Shares Currently Held |   | Share Currently Held by Spouse & Minors |   | Share Held in the name of others |   | Major Academic (professional) Experience   | Current Position in TXC or Other Companies  |
|--------------------------------------|-------------|---------------|--------------|--------------------|--------------------------|---|-----------------------|---|---|---|----------------------------------|---|--|---|
|                                      |             |               |              |                    | Shares                   | % | Shares                | % | Shares                                  | % | Shares                           | % |  |   |
| Independent Director<br>Yu, Shang-Wu | R.O.C       | Male<br>61~70 | 2025/05/27   | 2007/06/13         | 0                        | 0 | 0                     | 0 | 0                                       | 0 | 0                                | 0 | Ph.D., Birmingham University<br>Dean of School of Business Administration, Jingwen University of Science and Technology<br>Chair Professor and Dean of the School of Management and Chinese, Yuanpei University of Medical Technology<br>Professor, Director, Dean of Information Management Department of National Taiwan University of Science and Technology<br>Vice President and Dean of School of Management, Tungnan University<br>Distinguished Professor and Dean of School of Information, Takming University of Science and Technology<br>Director (public stock representative) of First Financial Holdings (Shares) Co., Ltd.<br>Juristic-person director representative of the First Bank<br>Juristic-person director representative of International Express Securities Co., Ltd.<br>Public welfare director of the Taiwan Stock Exchange (assigned by the Financial Supervisory Commission)<br>Independent Director of Taisun Int'l (Holding) Corp.<br>Supervisor of Taiwan Economy Research Institute | Independent Director of TXC Corporation<br>Convenor of Remuneration Committee of TXC Corporation<br>Convenor of Audit and Risk Committee of TXC Corporation<br>Member of Investment Review Committee of TXC Corporation<br>Professor, Ming Chi University of Technology College of Management and Design<br>Independent Director of VISGENEER INC.<br>Independent Director of GENESYS LOGIC, INC. |

| Title Name                            | Nationality | Gender Age      | Date Elected | Date First Elected | Shares Held When Elected |   | Shares Currently Held |   | Share Currently Held by Spouse & Minors |   | Share Held in the name of others |   | Major Academic (professional) Experience  | Current Position in TXC or Other Companies  |
|---------------------------------------|-------------|-----------------|--------------|--------------------|--------------------------|---|-----------------------|---|---|---|----------------------------------|---|---|---|
|                                       |             |                 |              |                    | Shares                   | % | Shares                | % | Shares                                  | % | Shares                           | % |   |   |
| Independent Director<br>Yen, Hsing-Fu | R.O.C       | Male<br>61~70   | 2025/05/27   | 2025/05/27         | 0                        | 0 | 0                     | 0 | 0                                       | 0 | 0                                | 0 | Master of Accounting, National Chengchi University<br>Certified Public Accountant of KPMG   | Independent Director of TXC Corporation<br>Member of Remuneration Committee of TXC Corporation<br>Member of Audit and Risk Committee of TXC Corporation<br>Convenor of Investment Review Committee of TXC Corporation<br>Independent Director of TOPCO TECHNOLOGIES CORP  |
| Independent Director<br>Chiu, Su-Mei  | R.O.C       | Female<br>51~60 | 2025/05/27   | 2025/05/27         | 0                        | 0 | 0                     | 0 | 0                                       | 0 | 0                                | 0 | Bachelor of Law, Soochow University<br>National Taiwan University/<br>Fudan University EMBA<br>Chief Legal Officer of Lite-On Technology Co., Ltd.<br>Chief Legal Officer of SSSTC<br>Senior Strategy Director of Technology Transfer and Legal Center of Industrial Technology Research Institute<br>Senior Vice President of Intellectual Property Management Consultant<br>Juristic-person supervisor representative of Qjia United Technology Company | Independent Director of TXC Corporation<br>Member of Remuneration Committee of TXC Corporation<br>Member of Audit and Risk Committee of TXC Corporation<br>Member of Investment Review Committee of TXC Corporation<br>5G Industry Innovation and Development Alliance Intellectual Property SIG Expert Advisor<br>National Federation of Industry and Commerce Intellectual Property Committee Member<br>Chariman and CEO of Solutions In May Management Consultant Inc.<br>Chariman and CEO of Zencision Advisory Inc.<br>Supervisor of NEXUS CVC Partners Corporation<br>Supervisor of PATRIOT GREEN ENERGY TECHNOLOGY CO., LTD. |

| Title Name                            | Nationality | Gender Age      | Date Elected | Date First Elected | Shares Held When Elected |   | Shares Currently Held |   | Share Currently Held by Spouse & Minors |   | Share Held in the name of others |   | Major Academic (professional) Experience   | Current Position in TXC or Other Companies  |
|---------------------------------------|-------------|-----------------|--------------|--------------------|--------------------------|---|-----------------------|---|---|---|----------------------------------|---|--|---|
|                                       |             |                 |              |                    | Shares                   | % | Shares                | % | Shares                                  | % | Shares                           | % |  |   |
| Independent Director<br>Chen, Ming-Yi | R.O.C       | Female<br>51~60 | 2025/05/27   | 2025/05/27         | 0                        | 0 | 0                     | 0 | 0                                       | 0 | 0                                | 0 | Master of International Relations, Columbia University<br>Master of Nutrition, Cornell University, USA<br>Vice president of ITIC (Industrial Technology Investment Corporation)<br>CFO of TAIWAN BIOMATERIAL COMPANY LIMITED<br>Juristic-person director representative of ANDROS PHARMACEUTICALS CO., LTD<br>Juristic-person director representative of WeMED Bio-Tech Inc.<br>Juristic-person director representative of CORNUCOPIA INNOVATION CORPORATION | Independent Director of TXC Corporation<br>Member of Remuneration Committee of TXC Corporation<br>Member of Audit and Risk Committee of TXC Corporation<br>Member of Investment Review Committee of TXC Corporation<br>Supervisor of INFINION CO., LTD. |

When the chairman of the board of directors and the general manager or equivalent (top manager) are the same person, spouses or relatives of each other, the reasons, rationality, necessity, future improvement measures and other relevant information shall be stated:

The CEO of the company is responsible for the planning and implementation of the company's long-term business development strategy, the overall management of the group's business team and reporting to the board of directors, while the president is responsible for the planning and management of the daily operation of each plant area. The chairman of the board of directors of the company also serves as the CEO. The company is expected to plan and implement the company's long-term business development strategy in the direction of the concept of sustainable operation, and clearly divide the functions and powers of the chairman, the CEO and the president. In addition, the number of independent directors of the company is more than 4, and more than half of the directors are not employees or managers, so as to enhance the independence of the board of directors.

2. Major Shareholders of the Corporate Shareholders: None.
3. Major Shareholders are Corporate Shareholders: None.
4. Training of the Directors

| Title    | Name                   | On-Board Date | Training Date |            | Organizer  | Course  | Hour |
|----------|------------------------|---------------|---------------|------------|--|---|------|
|          |                        |               | From          | To         |  |   |      |
| Director | Lin, Wan-Shing         | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 |  | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Director | Lin, Jin-Bao           | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 |  | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Director | Kuo, Ya-Ping           | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 |  | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Director | Pan, Ching-Yi          | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/08/15    | 2025/08/15 | SECURITIES & FUTURES INSTITUTE                               | 2025 Insider Equity Transaction Legal Compliance Promotion Meeting  | 3    |
|          |                        |               | 2025/08/22    | 2025/08/22 | Taiwan Chinese National Association of Industry and Commerce | Company Directors and Supervisors Training – “2025 Taishin Shin Kong Net Zero Summit Forum”               | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 | Taiwan Corporate Governance Association                      | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Director | Hsu, Hsing-Hao         | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 |  | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Director | Chen Chueh, Shang-Hsin | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 |  | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Director | Huang, Hsiang-Lin      | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association                      | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|          |                        |               | 2025/11/10    | 2025/11/10 |  | The Way of Corporate Sustainability and Resilience Management   | 3    |

| Title                | Name          | On-Board Date | Training Date |            | Organizer                               | Course  | Hour |
|----------------------|---------------|---------------|---------------|------------|---|---|------|
|                      |               |               | From          | To         |   |   |      |
| Independent Director | Yu, Shang-Wu  | 2025/05/27    | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association | Analysis of International IFRS Sustainability Disclosure Standards and Corresponding Corporate Strategies | 3    |
|                      |               |               | 2025/11/10    | 2025/11/10 |   | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Independent Director | Yen, Hsing-Fu | 2025/05/27    | 2025/07/25    | 2025/07/25 | SECURITIES & FUTURES INSTITUTE          | 2025 Insider Equity Transaction Legal Compliance Briefing Session   | 3    |
|                      |               |               | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association | Analysis of International IFRS Sustainable Disclosure Standards and Corporate Response Strategies         | 3    |
|                      |               |               | 2025/08/12    | 2025/08/12 |   | Ethical Integrity and Insider Trading Prevention (Part 1)   | 3    |
|                      |               |               | 2025/08/12    | 2025/08/12 |   | Ethical Integrity and Insider Trading Prevention (Part 2)   | 3    |
| Independent Director | Chiu, Su-Mei  | 2025/05/27    | 2025/07/25    | 2025/07/25 | SECURITIES & FUTURES INSTITUTE          | 2025 Insider Equity Transaction Legal Compliance Briefing Session   | 3    |
|                      |               |               | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association | Analysis of International IFRS Sustainable Disclosure Standards and Corporate Response Strategies         | 3    |
|                      |               |               | 2025/10/03    | 2025/10/03 | SECURITIES & FUTURES INSTITUTE          | 2025 Anti-Insider Trading Promotion Meeting   | 3    |
|                      |               |               | 2025/11/10    | 2025/11/10 | Taiwan Corporate Governance Association | The Way of Corporate Sustainability and Resilience Management   | 3    |
| Independent Director | Chen, Ming-Yi | 2025/05/27    | 2025/07/25    | 2025/07/25 | SECURITIES & FUTURES INSTITUTE          | 2025 Insider Equity Transaction Legal Compliance Briefing Session   | 3    |
|                      |               |               | 2025/08/04    | 2025/08/04 | Taiwan Corporate Governance Association | Analysis of International IFRS Sustainable Disclosure Standards and Corporate Response Strategies         | 3    |
|                      |               |               | 2025/09/26    | 2025/09/26 | SECURITIES & FUTURES INSTITUTE          | 2025 Anti-Insider Trading Promotion Meeting   | 3    |
|                      |               |               | 2025/11/10    | 2025/11/10 | Taiwan Corporate Governance Association | The Way of Corporate Sustainability and Resilience Management   | 3    |

## 5. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

| Qualification<br>Name      | Professional qualifications and experience   | Independence<br>(two years before election and during term of office)  | Number of independent directors serving concurrently as other public companies |
|----------------------------|--|--|--|
| Chairman<br>Lin, Wan-Shing | Graduated from the Institute of Business Administration, National Taiwan University of Science and Technology, served as the company's vice chairman, president and the 15 <sup>th</sup> chairman of the Republic of China Industrial and Commercial Construction Research Association. He has worked in the field of quartz crystal for more than 40 years, during which time he was responsible for the company's operations management, strategic planning, and global market layout. He led the company to complete industrial upgrading, promote its own brand and international development, and successfully established a global supply chain and technological competitive advantage, enabling the company's operations to grow steadily and establish its position as a world-class manufacturer. With his profound senior management experience, he possesses outstanding mastery and leadership skills in corporate organizational development, operational system construction, multinational resource integration, and medium- and long-term development strategies. He has over five years of key professional and leadership experience required for the company's business. | <ol style="list-style-type: none"> <li>1. Currently serve as the CEO of the company and a director with the status of a manager.</li> <li>2. The director of related companies (100% subsidiary) of the company.</li> <li>3. The top ten individual shareholders of the company</li> <li>4. The relative relationship with Mr. Lin Jin-Bao, a director of the company, is within the second degree of kinship.</li> <li>5. The chairman of the board of directors of associate and other associate.</li> <li>6. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>7. There is no case where the government, legal person or its representative is elected as stipulated in Article 27 of the Company Act.</li> </ol> | None   |
| Director<br>Lin, Jin-Bao   | He holds a Master of Business Administration degree from West Texas A&M University and is the founder and first chairman of this company. Since entering the industry, he has dedicated himself to the field of quartz crystals and enjoys a high reputation, being a leading pioneer and founder of Taiwan's quartz crystal industry. During his tenure, he assisted the company in internationalization, connecting quartz-related technologies and markets with major international manufacturers. He also focused on integrating resources within Taiwan's quartz industry, enhancing overall industry competitiveness, actively promoting the institutionalization of corporate management, strengthening corporate governance, improving operational efficiency, and leading the company towards international development. He possesses profound business management capabilities and a forward-looking vision, able to integrate industry trends, technological applications, and market strategies, leading the company to steady growth. He has over five years of professional and leadership experience required for company operations.   | <ol style="list-style-type: none"> <li>1. A director with employee status (consultant).</li> <li>2. The top ten individual shareholders of the company.</li> <li>3. The relative relationship with Mr. Lin Wan-Shing, the director of the company, is within the second degree of kinship.</li> <li>4. The director of the board of directors of associate and other associate.</li> <li>5. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>6. There is no case where the government, legal person or its representative is elected as stipulated in Article 27 of the Company Act.</li> </ol>   | None   |
| Director<br>Kuo, Ya-Ping   | Graduated from Boston University with a master's degree in business management, he is currently the general manager of the company. During his more than 20 years in the company, he served as the executive vice president of the company and the vice president of the management center, the vice president of the quality assurance center, and assistant vice president of the marketing center, the president of TXC Optec Corporation. He has an international outlook, the ability to judge the characteristics of globalized professional market competition and the ability to innovate and lead professional team development. He has rich experience in marketing, operation management and strategic planning, and has more than five years of work experience required for company business.   | <ol style="list-style-type: none"> <li>1. Currently serve as the president and deputy CEO of the company and a director with managerial status.</li> <li>2. The relative relationship with Ms.Kuo, Ya-Han, the vice president of the company, is within the second degree of kinship.</li> <li>3. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>4. There is no case where the government, legal person or its representative is elected as stipulated in Article 27 of the Company Act.</li> </ol>   | None   |

|  |   |   |             |
|--|---|---|-------------|
| <p>Director<br/>Pan, Ching-Yi</p>              | <p>Graduated with a Bachelor of Science degree in Accounting from National Cheng Kung University and an MBA from Eastern Michigan University, possessing a solid financial background and international perspective. Previously served as CFO of WALTON ADVANCED ENGINEERING, INC., responsible for the company's overall financial strategy planning, capital operation, investment management, and financial risk control. Has extensive practical experience in the financial operations of high-tech manufacturing, with over five years of relevant work experience.</p>   | <ol style="list-style-type: none"> <li>1. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>2. There is no case where the government, juristic-person director representative is elected as stipulated in Article 27 of the Company Act.</li> </ol>   | <p>None</p> |
| <p>Director<br/>Hsu, Hsing-Hao</p>             | <p>Graduated from Colorado State University with a master's degree in Electromechanical Computer Engineering, focusing on the research of high-frequency circuit design. He used to be the marketing director of Chan-Yu Corporation, and is currently the director of Golden Biotechnology Corporation, the director of K&amp;H MFG. CO., LTD. and the Chairman of Kang-Shuo Investment Corporation, specializing in software and hardware sales and R&amp;D of laboratory teaching equipment and test instruments in different fields, with more than five years of work experience required for company business.</p>  | <ol style="list-style-type: none"> <li>1. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>2. There is no case where the government, juristic-person director representative is elected as stipulated in Article 27 of the Company Act.</li> </ol>   | <p>None</p> |
| <p>Director<br/>Chen Chueh,<br/>Shang-Hsin</p> | <p>Graduated from Zhejiang University and currently serves as Chairman of several subsidiaries of the company. During his over 20 years with the company, he has held positions such as Vice CEO, Marketing Director, and Vice General Manager, possessing extensive industry experience and management expertise. He has rich experience in marketing strategy planning, product positioning, customer relationship management, and international business development. He also has experience in factory operation and management, having implemented various manufacturing management systems to improve capacity and efficiency, ensure stable product quality and delivery times, support overall operational strategies, and enhance group operational performance. He possesses over five years of professional and leadership experience required for company operations.</p> | <ol style="list-style-type: none"> <li>1. The director of related companies (100% subsidiary) of the company.</li> <li>2. The chairman or director of associate, or the supervisor of other associate.</li> <li>3. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>4. There is no case where the government, legal person or its representative is elected as stipulated in Article 27 of the Company Act.</li> </ol> | <p>None</p> |

|  |   |  |             |
|--|---|--|-------------|
| <p>Director<br/>Huang, Hsiang-Lin</p>        | <p>He graduated from the State University of New York with a master's degree in business administration. He is currently the president of TETC CORP. NINGBO, a subsidiary of the company. During his 20 years in the company, he served as the assistant vice president and director of the company's marketing center, mainly responsible for market development and customer management in the Greater China region. He specializes in market strategy, brand marketing and customer service, and has extensive experience in cross-industry and product business promotion. He has the ability to develop corporate competitiveness and lead project planning teams. In addition, he actively participates in and leads the practical work of factory operation management, production planning, manufacturing process optimization, quality control and cost-effectiveness improvement, and successfully promotes the integration of operational efficiency and manufacturing quality, strengthens the overall operational performance of the group, and has more than five years of professional and leadership experience required for the company's business.</p>  | <ol style="list-style-type: none"> <li>1. Acting as juristic-person director representative and president of related companies (100% subsidiary) of the company.</li> <li>2. There is no one of the circumstances of Article 30 of the Company Act.</li> <li>3. There is no case where the government, legal person or its representative is elected as stipulated in Article 27 of the Company Act.</li> </ol>  | <p>None</p> |
| <p>Independent Director<br/>Yu, Shang-Wu</p> | <p>Graduated from the University of Birmingham with a Ph.D. in Finance, served as Dean of School of Business Administration, Jingwen University of Science and Technology, Chair Professor and Dean of the School of Management and Chinese, Yuanpei University of Medical Technology Professor, Director, Dean of Information Management Department of National Taiwan University of Science and Technology, Vice President and Dean of School of Management, Tungnan University, Distinguished Professor and Dean of School of Information, Takming University of Science and Technology, Director (public stock representative) of First Financial Holdings (Shares) Co., Ltd., Juristic-person director representative of the First Bank, Juristic-person director representative of International Express Securities Co., Ltd., Public welfare director of the Taiwan Stock Exchange (assigned by the Financial Supervisory Commission), and Independent Director of Taisun Int'l (Holding) Corp. etc.</p> <p>He has been engaged in academic research for many years and specializes in corporate financial management, investment management and financing decision-making. He has professional qualifications as a lecturer in public and private colleges and universities in the relevant fields of business, finance and corporate business.</p> | <p>In accordance with the Company's Articles of Association and the "Code of Corporate Governance Practices," directors are elected through a candidate nomination system. During the nomination and selection of board members, the Company has confirmed the independence of the directors, their spouses, and their relatives within three degrees of kinship from the Company. Furthermore, it has been verified that the independent directors, for the two years prior to their election and during their term of office, have met the qualification requirements stipulated in the "Regulations Governing the Establishment and Compliance of Independent Directors of Publicly Listed Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act. The independent directors are granted full power to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and thus independently exercise their relevant powers, meeting the requirements for independence.</p> | <p>2</p>    |

|   |  |   |          |
|---|--|---|----------|
| <p>Independent Director<br/>Yen, Hsing-Fu</p> | <p>Graduated with a Master's degree in Accounting from National Chengchi University, holding a Certified Public Accountant (CPA) qualification, and possessing over 30 years of practical experience in finance and auditing. Has long served as a practicing accountant at Anhou Jianye Certified Public Accountants, handling financial verification and internal control audits for numerous listed companies, demonstrating deep practical knowledge of corporate financial systems and related regulations. Specialties include financial auditing, tax filing, design and evaluation of corporate internal control systems, corporate governance framework construction, and legal compliance management. Effectively assists companies in enhancing financial transparency, risk control, and governance efficiency. Holds certifications as a judge, prosecutor, lawyer, accountant, or other professional and technical personnel required for corporate business.</p>      |   | <p>1</p> |
| <p>Independent Director<br/>Chiu, Su-Mei</p>  | <p>Graduated from the Department of Law at Soochow University and completed the EMBA program jointly offered by National Taiwan University and Fudan University, possessing both a solid legal background and a macro-level corporate management perspective. Previously served as General Counsel of Lite-On Technology Co., Ltd. and Lite-On Electronics Co., Ltd., responsible for corporate legal strategy planning, risk management, and handling major legal matters, accumulating rich practical experience. Also served as Senior Strategy Officer for Technology Transfer and Legal Affairs at the Industrial Technology Research Institute, specializing in intellectual property management, technology licensing, and cross-border legal negotiations. Has over 20 years of experience in the legal and corporate governance fields of the high-tech industry, possessing relevant work experience in business, legal, finance, accounting, or corporate operations.</p> | <p>According to the company's articles of association and the "Corporate Governance Code of Practice", directors are selected through a candidate nomination system. When nominating and selecting board members, the company has confirmed that its own, spouse and relatives within the third degree are relative to the company. In addition, it has been verified that the four independent directors have complied with the "Regulations on the Appointment of Independent Directors of Publicly Issued Companies and Matters to be Followed" and Article 14 of the Securities and Exchange Law in the two years before the election and during their tenure. According to the qualification requirements set out in 2, independent directors are empowered to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and independently perform relevant functions and powers, which meets the independence requirements.</p> | <p>0</p> |
| <p>Independent Director<br/>Chen, Ming-Yi</p> | <p>Graduated from the Graduate School of International Relations at Columbia University, possessing a strong interdisciplinary professional background and an international macro perspective. Previously served as Vice President of Innovative Industrial Technology Transfer Co., Ltd. and CFO of Taiwan Biomedical Materials Co., Ltd. Has accumulated many years of practical experience in corporate financial planning, capital operation, industrial technology transfer, and business strategy promotion. With a keen insight into startups and the high-tech sector, excels in investment management, multinational projects, and complex capital operations, and is a senior management talent with comprehensive capabilities in business, legal, finance, and accounting.</p>   |   | <p>0</p> |

## 6. Board Diversity and Independence

### Board Diversity

The company carefully considers the configuration and diversity standards of the board of directors. The selection process of all directors is fair, open and impartial, in line with regulation of the company's "Articles of Incorporation ", "Director Selection Process" and "Code of Practice for Corporate Governance", and based on industry experience and professional ability, etc., to select those with the knowledge, skills and literacy required to perform their duties to serve as directors.

According to the "Code of Practice on Corporate Governance", the composition of the board of directors should consider diversity, and formulate an appropriate diversity policy based on its own operation, operation type and development needs. It should include but not limited to the following two standards:

- a. Basic conditions and values: gender, age, nationality and culture, etc.
- b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The specific management objectives and achievement of the company's diversity policy are as follows:

| Management Goals              | Achievement |
|-------------------------------|-------------|
| Directors are younger         | Achieved    |
| At least two female directors | Achieved    |

The Board of Directors comprises a diverse group with expertise in industry, law, finance, accounting, investment management, and business management. The relevant professional fields are detailed in the table below: There are 3 female directors, representing 27% of the board; 3 directors are also company employees, representing 27% of the board; the age distribution of directors is as follows: 1 director is 41-50 years old, 5 are 51-60 years old, 2 are 61-70 years old, and 3 are 71-80 years old; independent directors comprise 36% of the board; 3 independent directors have served for less than 3 years, and 1 independent director has served for more than 9 years; the company's directors possess diverse professional backgrounds, with one member each in law and accounting, and the remaining members also possess extensive experience and expertise in finance, business, and management, providing professional advice to the company from various perspectives.

Due to the unique nature of the company's industry and the limited number of professional talents, it is difficult to find qualified female directors. Therefore, the number of female directors was increased during the 2025 board election, with the aim of gradually achieving the goal of having one-third of the directors of any gender.

| Diversity items<br>Name of director | Basic Component |        |             |               |               |               |               |   |     | Industry experience |  |                     |                         | Professional competence                |  |       |                           |                        |
|-------------------------------------|-----------------|--------|-------------|---------------|---------------|---------------|---------------|---|-----|---------------------|--|---------------------|-------------------------|--|--|-------|---------------------------|------------------------|
|                                     | Nationality     | Gender | Work in TXC | Age           |               |               |               | Independent directors<br>Tenure of tenure |     |                     | Electronic Technology<br>Manufacturing | R & D<br>Technology | Business<br>Development | Finance and<br>Investment<br>and M & A | Accounting<br>and<br>Financial<br>Analysis | Legal | Information<br>Technology | Business<br>Management |
|                                     |                 |        |             | 41<br>~<br>50 | 51<br>~<br>60 | 61<br>~<br>70 | 71<br>~<br>80 | <3  | 3~9 | >9                  |  |                     |                         |  |  |       |                           |                        |
| Lin, Wan-Shing                      | ROC             | Male   | V           |               |               |               | V             |   |     |                     | V                                      | V                   | V                       |  | V  |       | V                         |                        |
| Lin, Jin-Bao                        | ROC             | Male   | V           |               |               |               | V             |   |     |                     | V                                      | V                   | V                       |  | V  |       | V                         |                        |
| Kuo, Ya-Ping                        | ROC             | Male   | V           |               | V             |               |               |   |     |                     | V                                      |                     | V                       |  | V  |       | V                         |                        |
| Pan, Ching-Yi                       | ROC             | Female |             |               | V             |               |               |   |     |                     | V                                      |                     | V                       | V                                      |  |       | V                         |                        |
| Hsu, Hsing-Hao                      | ROC             | Male   |             | V             |               |               |               |   |     |                     | V                                      | V                   | V                       |  |  | V     | V                         |                        |
| Chen Chueh,<br>Shang-Hsin           | ROC             | Male   |             |               |               |               | V             |   |     |                     | V                                      | V                   | V                       |  | V  | V     | V                         |                        |
| Huang, Hsiang-Lin                   | ROC             | Male   |             |               | V             |               |               |   |     |                     | V                                      |                     | V                       |  | V  |       | V                         |                        |
| Yu, Shang-Wu                        | ROC             | Male   |             |               |               | V             |               |   |     | V                   |  | V                   | V                       | V                                      |  | V     | V                         |                        |
| Yen, Hsing-Fu                       | ROC             | Male   |             |               |               | V             |               | V   |     |                     |  | V                   | V                       | V                                      |  |       | V                         |                        |
| Chiu, Su-Mei                        | ROC             | Female |             |               | V             |               |               | V   |     |                     |  | V                   | V                       | V                                      | V  |       | V                         |                        |
| Chen, Ming-Yi                       | ROC             | Female |             |               | V             |               |               | V   |     |                     |  | V                   | V                       | V                                      |  |       | V                         |                        |

## Board independence

The board of directors of the company supervises the company's development strategy, supervises the management level, and is responsible to the company and shareholders. In all operations and arrangements of the corporate governance system, the board of directors exercises its functions and powers in accordance with laws, the company's articles of association or the resolutions of the shareholders' meeting. The board of directors of the company emphasizes the functions of independent operation and transparency. Directors and independent directors are independent individuals and exercise their powers independently. The company attaches great importance to corporate governance, and has set up 4 independent directors, which exceeds the statutory target, accounting for 36% of all directors. The audit committee is composed of all independent directors. Independence and performance, the effective implementation of internal control, the company's compliance with relevant laws and regulations, and the management and control of the company's existing or potential risks, etc., the company has also established an investment review committee to strengthen the company's investment decision-making quality, implement investment review procedures and performance management, and To conduct research, deliberation and suggestions on the company's long-term investment strategy planning and major investment decisions. The purpose of setting up functional committees is to assist the board of directors to supervise the company's implementation of accounting, auditing, financial reporting processes and financial control, and the quality and integrity of investment decision to improve corporate governance performance.

After confirming the family relationship information sheet and independent director declaration provided by the director candidates, the directors of the company, Mr. Lin, Wan-Shing and Mr. Lin, Jin-Bao are relatives within the second degree of kinship, and none of the remaining directors are subject to Article 26-3 of the Securities and Exchange Act item 3 and item 4.

**(II) Documents of president, vice president, assistant vice president, and chief of divisions**

March 29, 2026 Unit:Shares,%

| Title / Name   | Gender | Nationality | On-board Date | Shares Held |      | Shares Held by Spouse & Minors |      | Shares Held in the name of others |   | Major Academic (professional)  | Other Part Time Position with Other Companies   | With Spouse or Second-class Relative Relationship Manager |                |                    |
|--|--------|-------------|---------------|-------------|------|--------------------------------|------|-----------------------------------|---|--|---|---|----------------|--------------------|
|  |        |             |               | Shares      | %    | Shares                         | %    | Shares                            | % |  |   | Title   | Name           | Relation           |
| Chairman and CEO<br>Lin, Wan-Hsing                   | Male   | R.O.C       | 1989/11/11    | 5,030,722   | 1.47 | 75,991                         | 0.02 | 0                                 | 0 | Master in Management, National Taiwan University of Science and Technology<br>Director and President of TXC Corporation<br>Director and CEO of TXC Corporation           | Chairman of TAIWAN CRYSTAL TECHNOLOGY INTERNATIONAL LIMITED<br>Juristic-person director representative of TXC JAPAN CORPORATION LTD<br>Chairman of TAIWAN CRYSTAL TECHNOLOGY(HK) LTD Corporation<br>Juristic-person director representative of TXC (NINGBO) CORPORATION<br>Juristic-person director representative of Chongqing All Suns Company Limited<br>Supervisor of Ningbo Longying Semiconductor Co., Ltd<br>Chairman of Tai-Shing Electronics Components Corporation<br>Chairman of Liang Shing EeLife Corp.<br>Juristic-person director representative of RFIC TECHNOLOGY CORPORATION<br>Juristic-person director representative of DEPO Auto Parts Ind. Co., Ltd.<br>Supervisor of Piezoelectric Crystal Industries Association of Taiwan | Assistant Vice President                                  | Lin, Chun-Feng | Father and Son     |
| President and Deputy CEO<br>Kuo, Ya-Ping<br>(Note 1) | Male   | R.O.C       | 2009/08/01    | 258,000     | 0.08 | 0                              | 0    | 0                                 | 0 | Boston University ,MBA<br>Executive Deputy Vice President and Deputy Vice President of Management Center of TXC Corporation<br>Director and President of TXC Corporation | Juristic-person director representative of TXC JAPAN CORPORATION LTD  | VP of Marketing   | Kuo, Ya-Han    | Sister and brother |
| TXC (NGB)<br>President<br>Chao, Min-Chiang           | Male   | R.O.C       | 2012/01/01    | 7,437       | 0.00 | 126                            | 0    | 0                                 | 0 | Ph.D., Naval Architecture & Ocean Engineering, National Taiwan University<br>Engineer, Biomedical Engineering Center, ITRI<br>Vice President of TXC (NINGBO) CORPORATION | Juristic-person director representative and President of TXC (NINGBO) CORPORATION<br>Juristic-person director representative and President of Ningbo Free Trade Zon Ding Kai Investment Management Company<br>Chairman of PT TXC TECHNOLOGY INDONESIA   | None  | None           | None               |

| Title / Name   | Gender | Nationality | On-board Date | Shares Held |      | Shares Held by Spouse & Minors |   | Shares Held in the name of others |   | Major Academic (professional)   | Other Part Time Position with Other Companies   | With Spouse or Second-class Relative Relationship Manager |              |                    |
|--|--------|-------------|---------------|-------------|------|--------------------------------|---|-----------------------------------|---|---|---|---|--------------|--------------------|
|  |        |             |               | Shares      | %    | Shares                         | % | Shares                            | % |   |   | Title   | Name         | Relation           |
| TETC CORP.<br>(TETC)<br>Presiden<br>Huang,<br>Hsiang-Lin                             | Male   | R.O.C       | 2019/09/01    | 3,379,399   | 0.99 | 0                              | 0 | 0                                 | 0 | State University of New York at Albany, Master of Business Administration (MBA)<br>Director of TXC Corporation<br>Assistant Vice President of Marketing Center of TXC Corporation<br>Juristic-person director representative of TETC CORP. NINGBO | Juristic-person director representative of TETC CORP. NINGBO                                      | None  | None         | None               |
| PT TXC<br>TECHNOLOGY<br>INDONESIA<br>TXC (SUB)<br>President<br>Chang,<br>Chien-Tsung | Male   | R.O.C       | 2012/01/01    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | City University of Macau, MBA<br>Vice President of TXC (NINGBO) CORPORATION   | Juristic-person supervisor representative of TXC (NINGBO) CORPORATION                             | None  | None         | None               |
| TXC (CKG)<br>President<br>Yu, Fang-Ming<br>(Note 2)                                  | Male   | R.O.C       | 2012/01/01    | 53,952      | 0.02 | 0                              | 0 | 0                                 | 0 | Department of Electronic Engineering, Oriental Insitute of Technology<br>Vice President of TXC (CHONGQING) CORPORATION  | Juristic-person director representative of TXC (CHONGQING) CORPORATION                            | None  | None         | None               |
| Vice President<br>Lin, Shi-Bo  | Male   | R.O.C       | 2011/01/31    | 6,932       | 0.00 | 0                              | 0 | 0                                 | 0 | Master of Physics, UC, Riverside, USA<br>Vice President of TXC Corporation  | -   | None  | None         | None               |
| Vice President/<br>Chief<br>Technology<br>Officer (CTO)<br>Cheng, Li-Wei             | Male   | R.O.C       | 2018/01/01    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | Ph D., Materials Science and Engineering of National Tsing Hua University<br>Motech Industries (Group) Co., Ltd. Deputy General Manager and Chief Technology Officer<br>Vice President of TXC Corporation   | -   | None  | None         | None               |
| Vice President<br>Kuo, Ya-Han  | Female | R.O.C       | 2009/08/01    | 22,537      | 0.01 | 0                              | 0 | 0                                 | 0 | West Coast University, MBA<br>Vice President of TXC Corporation   | Juristic-person supervisor representative of TXC JAPAN CORPORATION<br>Chairman of TXC EUROPE GMBH | President and Deputy CEO                                  | Kuo, Ya-Ping | Sister and Brother |
| Vice President<br>Su, Jing-Sheng   | Male   | R.O.C       | 2015/12/05    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | Master of Department of Electrical Engineering, National Tsing Hua University<br>Vice President of TXC Corporation  | -   | None  | None         | None               |

| Title / Name  | Gender | Nationality | On-board Date | Shares Held |      | Shares Held by Spouse & Minors |   | Shares Held in the name of others |   | Major Academic (professional)  | Other Part Time Position with Other Companies | With Spouse or Second-class Relative Relationship Manager |      |          |
|---|--------|-------------|---------------|-------------|------|--------------------------------|---|-----------------------------------|---|--|---|---|------|----------|
|   |        |             |               | Shares      | %    | Shares                         | % | Shares                            | % |  |   | Title   | Name | Relation |
| Chief Financial Officer (CFO) / Vice President Hong, Guan-Wen | Female | R.O.C       | 2003/03/11    | 163,805     | 0.05 | 0                              | 0 | 0                                 | 0 | MBA, National Taipei University<br>CFO of TXC Corporation  | -   | None  | None | None     |
| Vice President Lin, Su-fen                                    | Female | R.O.C       | 2010/07/01    | 50,000      | 0.01 | 0                              | 0 | 0                                 | 0 | Electrical Department of Kaohsiung Institute<br>Assistant Vice President of TXC Corporation  | -   | None  | None | None     |
| Vice President Chen, Chiu-Lin                                 | Male   | R.O.C       | 2020/09/14    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | Master of Department of Industrial Engineering of National Tsing Hua University<br>Assistant Vice President of TXC Corporation   | -   | None  | None | None     |
| TXC (NGB) Vice President Liu, Hsu-Er                          | Male   | R.O.C       | 2015/06/01    | 9,000       | 0.00 | 0                              | 0 | 0                                 | 0 | Master of Department of Materials Science and Engineering, National Taiwan University<br>Assistant Vice President of TXC (NINGBO) Corporation  | -   | None  | None | None     |
| Technical Director Chang, Qi-Zhong (Note 3)                   | Male   | R.O.C       | 2006/04/01    | 18,929      | 0.01 | 2,000                          | 0 | 0                                 | 0 | Executive Master of Business Administration, EMBA<br>National Chiao Tung University<br>College of Management<br>Assistant Vice President of TXC Corporation<br>Chief Engineer of TXC Corporation | -   | None  | None | None     |
| Assistant Vice President Su, Zhe-Ming                         | Male   | R.O.C       | 2011/01/31    | 13,054      | 0.00 | 0                              | 0 | 0                                 | 0 | Department of Electrical Engineering, National Taiwan Ocean University<br>Director of TXC Corporation  | -   | None  | None | None     |
| Assistant Vice President / Deputy CTO Chiu, Chih-Hung         | Male   | R.O.C       | 2019/06/01    | 9,000       | 0.00 | 0                              | 0 | 0                                 | 0 | Master of Executive Master of Business Administration<br>Director of TXC Corporation   | -   | None  | None | None     |
| Deputy CTO Pao, Shih-Yung                                     | Male   | R.O.C       | 2019/06/01    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | Ph.D of National Taiwan University Institute of Applied Mechanics<br>Deputy Director of TXC Corporation  | -   | None  | None | None     |

| Title / Name   | Gender | Nationality | On-board Date | Shares Held |      | Shares Held by Spouse & Minors |   | Shares Held in the name of others |   | Major Academic (professional)   | Other Part Time Position with Other Companies | With Spouse or Second-class Relative Relationship Manager |                |                |
|--|--------|-------------|---------------|-------------|------|--------------------------------|---|-----------------------------------|---|---|---|---|----------------|----------------|
|  |        |             |               | Shares      | %    | Shares                         | % | Shares                            | % |   |   | Title   | Name           | Relation       |
| Assistant Vice President Chen, Ming                        | Male   | R.O.C       | 2023/10/01    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | Master of Business Administration of DREXEL UNIVERSITY<br>Director of TXC Corporation | -   | None  | None           | None           |
| TXC (CKG) Assistant Vice President Lin, Chun-Feng (Note 4) | Male   | R.O.C       | 2026/01/01    | 0           | 0.00 | 0                              | 0 | 0                                 | 0 | MBA, WASEDA UNIVERSITY<br>Director of TXC Corporation                                 | -   | Chairman and CEO  | Lin, Wan-Hsing | Father and Son |

When the chairman of the board of directors and the general manager or equivalent (top manager) are the same person, spouses or relatives of each other, the reasons, rationality, necessity, future improvement measures and other relevant information shall be stated:

The CEO of the company is responsible for the planning and implementation of the company's long-term business development strategy, the overall management of the group's business team and reporting to the board of directors, while the president is responsible for the planning and management of the daily operation of each plant area. The chairman of the board of directors of the company also serves as the CEO. The company is expected to plan and implement the company's long-term business development strategy in the direction of the concept of sustainable operation, and clearly divide the functions and powers of the chairman, the CEO and the president. In addition, the number of independent directors of the company is more than 4, and more than half of the directors are not employees or managers, so as to enhance the independence of the board of directors.

Note 1: Mr. Kuo, Ya-Ping was appointed as president and Deputy CEO on May 27, 2025.

Note 2: Mr. Chou, Chien-Fu was appointed as Chairman of TXC (CHONGQING) CORPORATION, and Mr. Yu, Fang-Ming was appointed as President of TXC (CHONGQING) CORPORATION on April 1, 2025.

Note 3: Mr. Chang, Qi-Zhong was appointed as Technical Director on April 1, 2025.

Note 4: Mr. Lin, Chun-Feng was appointed as Assistant Vice President of TXC (CHONGQING) CORPORATION on January 1, 2026.

## II. Remuneration and Compensation Paid to Directors, and President and Vice President

### (I) Remuneration Paid to Directors

December 31, 2025 Unit: Shares, NT\$ 1,000

| Title Name  | Director's Remuneration       |   |                                |   |  |   |                         |   | Total Remuneration (A+B+C+D) and as a % of Net Income (Note 10) |   | Compensation Earned by a Director Who is an Employee   |   |                                |   |  |       | Total Compensation A+B+C+D+E+F+G) and as a % of Net Income (Note 10) |       | Compensation Paid to Directors from Non-Consolidated Entities (Note 11) |          |   |        |       |
|---|-------------------------------|---|--------------------------------|---|--|---|-------------------------|---|---|---|--|---|--------------------------------|---|--|-------|--|-------|---|----------|---|--------|-------|
|   | Base Compensation(A) (Note 2) |   | Severance Pay and Pensions (B) |   | Compensation to Directors (C) (Note 3) |   | Allowances (D) (Note 4) |   |   |   | Base Compensation, Bonuses and Allowances (E) (Note 5) |   | Severance Pay and Pensions (F) |   | Compensation to Employees (G) (Note 6) |       |  |       |   |          |   |        |       |
|   | From TXC                      | From All Consolidated Entities (Note 7) | From TXC                       | From All Consolidated Entities (Note 7) | From TXC                               | From All Consolidated Entities (Note 7) | From TXC                | From All Consolidated Entities (Note 7) | From TXC  | From All Consolidated Entities (Note 7) | From TXC   | From All Consolidated Entities (Note 7) | From TXC                       | From All Consolidated Entities (Note 7) | From TXC                               |       | From All Consolidated Entities (Note 7)                              |       |   | From TXC | From All Consolidated Entities (Note 7) |        |       |
|   |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   | Cash                                   | Stock | Cash   | Stock |   |          |   |        |       |
| Chairman and CEO Lin, Wan-Shing                                 |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |
| Director Lin, Jin-Bao   |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |
| Director and President Kuo, Ya-Ping                             |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |
| Director Pan, Ching-Yi  |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |
| Director Hsu, Hsing-Hao   | 0                             | 0                                       | 0                              | 0                                       | 20,319                                 | 20,319                                  | 855                     | 855                                     | 21,174  | 21,174                                  | 11,652   | 33,209                                  | 792                            | 792                                     | 7,210                                  | 0     | 7,210  | 0     | 40,828  | 2.2625   | 62,385                                  | 3.4571 | 3,268 |
| Director Chen Chueh, Shang-Hsin                                 |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |
| Director and TETC President Huang, Hsiang-Lin                   |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |
| Director TLC Capital Co., LTD Representative: Peng, Chih-Chiang |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |  |       |   |          |   |        |       |

| Title Name                           | Director's Remuneration       |   |                                |   |  |   |                         |   | Total Remuneration (A+B+C+D) and as a % of Net Income (Note 10) |   | Compensation Earned by a Director Who is an Employee   |   |                                |   |  |       |   |       | Total Compensation A+B+C+D+E+F+G and as a % of Net Income (Note 10) |   | Compensation Paid to Directors from Non-Consolidated Entities (Note 11) |
|--------------------------------------|-------------------------------|---|--------------------------------|---|--|---|-------------------------|---|---|---|--|---|--------------------------------|---|--|-------|---|-------|---|---|---|
|                                      | Base Compensation(A) (Note 2) |   | Severance Pay and Pensions (B) |   | Compensation to Directors (C) (Note 3) |   | Allowances (D) (Note 4) |   |   |   | Base Compensation, Bonuses and Allowances (E) (Note 5) |   | Severance Pay and Pensions (F) |   | Compensation to Employees (G) (Note 6) |       |   |       |   |   |   |
|                                      | From TXC                      | From All Consolidated Entities (Note 7) | From TXC                       | From All Consolidated Entities (Note 7) | From TXC                               | From All Consolidated Entities (Note 7) | From TXC                | From All Consolidated Entities (Note 7) | From TXC  | From All Consolidated Entities (Note 7) | From TXC   | From All Consolidated Entities (Note 7) | From TXC                       | From All Consolidated Entities (Note 7) | From TXC                               |       | From All Consolidated Entities (Note 7) |       | From TXC  | From All Consolidated Entities (Note 7) |   |
|                                      |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   | Cash                                   | Stock | Cash                                    | Stock |   |   |   |
| Independent Director Yu, Shang-Wu    |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |   |       |   |   |   |
| Independent Director Yen, Hsing-Fu   |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |   |       |   |   |   |
| Independent Director Chiu, Su-Mei    |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |   |       |   |   |   |
| Independent Director Chen, Ming-Yi   | 0                             | 0                                       | 0                              | 0                                       | 13,330                                 | 13,330                                  | 980                     | 980                                     | 14,310  | 14,310                                  | 0  | 0                                       | 0                              | 0                                       | 0                                      | 0     | 0                                       | 0     | 14,310  | 14,310                                  | 0   |
| Independent Director Tsai, Song-Qi   |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |   |       |   |   |   |
| Independent Director Su, Yan-Syue    |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |   |       |   |   |   |
| Independent Director Wang, Chuan-Fen |                               |   |                                |   |  |   |                         |   |   |   |  |   |                                |   |  |       |   |       |   |   |   |

- Please describe the independent director's remuneration payment policy, system, standards and structure, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors:  
The company's directors' remuneration is handled in accordance with the company's articles of association, and reasonable remuneration is given in consideration of the company's operating results and its contribution to the company's performance; the procedure for setting remuneration is based on the company's "Directors and Managers Performance Evaluation Method" as the basis of evaluation. Follow, in addition to referring to the company's overall operating performance, future business risks and development trends of the industry, it also refers to the individual's performance achievement rate and contribution to the company's performance. The relevant performance appraisal and salary rationality are reviewed by the salary compensation committee and the board of directors. Review the remuneration system at any time depending on the actual operating conditions and relevant laws and regulations, in order to achieve a balance between the company's sustainable operation and risk control.  
The independent directors of the company are ex officio members of the remuneration, audit committee, and investment review committee. In addition to the remuneration paid to general directors, considering their responsibilities, risks, and investment time, etc., different reasonable remunerations are determined at their own discretion.
- In addition to the information disclosed in the table above, has any Director provided services to TXC Corporation and its subsidiaries and received compensation for such services (e.g. serving as a consultant that is not an employee): None.

Note: At the shareholders' meeting on May 27, 2025, Ms. Pan, Ching-Yi, Mr. Yen, Hsing-Fu, Ms. Chiu, Su-Mei, and Ms. Chen, Ming-Yi were elected as new directors and independent directors, respectively. The original corporate director, TLC Capital Co., LTD and independent directors, Mr. Tsai, Song-Qi, Ms. Su, Yan-Syue, and Ms. Wang, Chuan -Fen, resigned. The board of directors elected Mr. Lin, Wan-Shing as chairman and appointed him as CEO; and appointed Mr. Kuo, Ya-Ping as president and deputy CEO.

Table of Remuneration Scale

| Remuneration Paid to Directors  | Director Names  |   |  |   |
|---------------------------------|---|---|--|---|
|                                 | Total Remuneration (A+B+C+D)  |   | Total Compensation (A+B+C+D+E+F+G)   |   |
|                                 | From TXC (Note 8)   | From All Consolidated Entities (Note 9) H   | From TXC (Note 8)  | From All Consolidated Entities (Note 9) I   |
| Less than NT\$1,000,000         | TLC Capital Co., LTD,<br>Peng, Chih-Chiang, Tsai, Song-Qi,<br>Su, Yan-Syue, Wang ,Chuan-Fen   | TLC Capital Co., LTD,<br>Peng, Chih-Chiang, Tsai, Song-Qi,<br>Su, Yan-Syue, Wang ,Chuan-Fen   | TLC Capital Co., LTD,<br>Peng, Chih-Chiang, Tsai, Song-Qi,<br>Su, Yan-Syue, Wang ,Chuan-Fen                  | TLC Capital Co., LTD,<br>Peng, Chih-Chiang, Tsai, Song-Qi,<br>Su, Yan-Syue, Wang ,Chuan-Fen |
| NT\$1,000,000 –NT\$1,999,999    |   |   |  |   |
| NT\$2,000,000 –NT\$3,499,999    | Lin, Jin-Bao, Kuo, Ya-Ping,<br>Hsu, Hsing-Hao, Pan, Ching-Yi<br>Chen Chueh, Shang-Hsin,<br>Huang, Hsiang-Lin<br>Chiu, Su-Mei, Chen, Ming-Yi | Lin, Jin-Bao, Kuo, Ya-Ping,<br>Hsu, Hsing-Hao, Pan, Ching-Yi<br>Chen Chueh, Shang-Hsin,<br>Huang, Hsiang-Lin<br>Chiu, Su-Mei, Chen, Ming-Yi | Hsu, Hsing-Hao, Pan, Ching-Yi<br>Chen Chueh, Shang-Hsin,<br>Huang, Hsiang-Lin<br>Chiu, Su-Mei, Chen, Ming-Yi | Hsu, Hsing-Hao, Pan, Ching-Yi<br>Chiu, Su-Mei, Chen, Ming-Yi                                |
| NT\$3,500,000 –NT\$4,999,999    | Lin, Wan-Shing , Yu, Shang-Wu,<br>Yen, Hsing-Fu   | Lin, Wan-Shing , Yu, Shang-Wu,<br>Yen, Hsing-Fu   | Yu, Shang-Wu, Yen, Hsing-Fu  | Yu, Shang-Wu, Yen, Hsing-Fu   |
| NT\$5,000,000 - NT\$9,999,999   |   |   | Lin, Jin-Bao,  | Lin, Jin-Bao,   |
| NT\$10,000,000 - NT\$14,999,999 |   |   | Lin, Wan-Shing,<br>Kuo, Ya-Ping  | Kuo, Ya-Ping,<br>Chen Chueh, Shang-Hsin<br>Huang, Hsiang-Lin                                |
| NT\$15,000,000 - NT\$29,999,999 |   |   |  | Lin, Wan-Shing,   |
| NT\$30,000,000 - NT\$49,999,999 |   |   |  |   |
| NT\$50,000,000 - NT\$99,999,999 |   |   |  |   |
| NT\$100,000,000 and above       |   |   |  |   |
| Total                           | 16 persons<br>(included 1 corporate director representative)  | 16 persons<br>(included 1 corporate director representative)  | 16 persons<br>(included 1 corporate director representative)   | 16 persons<br>(included 1 corporate director representative)                                |

- Note 1: Director name shall be listed separately (the shareholder name and representative shall be listed separately for corporate directors) and each payment amount shall be disclosed as a summary. If directors concurrently serve as president and vice presidents, list in this Table and Tables (3-1) or (3-2) below.
- Note 2: 2025 director remuneration (includes director salary, allowances, severance pay, various bonuses and incentives).
- Note 3: 2025 compensation to directors passed by the Board of Directors in 2026.
- Note 4: Related 2025 director allowances (including travel expenses, special expenses, all kinds of allowances, accommodations, substantive objects offered in the form of vehicles and etc.). If real estate, cars and other transportation or exclusive personal expenses are offered, the asset category and cost, actual rent or rent calculated at fair market value, fuel expenses and other payments shall be disclosed. If a driver is assigned, attach an explanation of the driver's related compensation but do not include the compensation into the remuneration.
- Note 5: 2025 directors who concurrently hold positions in the company (including the president and vice presidents, other managers and employees) receive remunerations including salary, duty differential pay, severance pay, all kinds of bonuses, incentive pays, accommodations, and substantive objects offered in the form of vehicles. If real estate, cars and other transportation or exclusive personal expenses are offered, the asset category and cost, actual rent or rent calculated at fair market value, fuel expenses and other payments shall be disclosed. If a driver is assigned, attach an explanation of the driver's related compensation but do not include the compensation into the remuneration.
- Note 6: 2025 directors concurrently hold positions in the Company (including the president and vice presidents, other managers and employees) who receive employee bonuses (including stock and cash) shall disclose the 2025 employee compensation amounts passed and distributed by the 2026 Board of Directors meeting. If estimation is not possible, calculate this year's proposed distribution amounts based on the actual percentages distributed for the previous year and list in Table 1-3.
- Note 7: The total of all compensation items from all consolidated entities (including the Company) paid to Company directors shall be disclosed.
- Note 8: The total of each of the remuneration items paid by the Company to each director are disclosed under the corresponding director name in the scale.
- Note 9: The total of each of the remuneration items paid by all consolidated entities to Company directors shall be disclosed under the corresponding director name in the scale.
- Note 10: Net Income refers to 2025 net income: Those who have adopted IFRS, net income refers to the net income in individual or separate financial reports for the most recent year.
- Note 11: a. This column shall clearly list the related remuneration amounts from reinvested companies other than subsidiaries.
- b. If Company directors receive remuneration from reinvested companies other than subsidiaries, the remuneration received by Company directors from reinvested companies other than subsidiaries is included in the Remuneration Scale column and the column is renamed All Reinvested Entities.
- c. Compensation and remuneration refers to the compensation and remuneration (employee, director and supervisor remuneration), business execution expenses and other related remuneration received by Company directors as directors, supervisors and managers of reinvested entities other than subsidiaries.

**(II) Compensation Paid to President and Vice Presidents**

December 31, 2025 Unit: Thousand Shares, NT\$ 1,000

| Title                    | Name               | Base Compensation (A)<br>(Note 2) |   | Severance Pay and Pensions (B) |   | Bonuses and Allowances (C)<br>(Note 3) |   | Employee Compensation (D)<br>(Note 4) |       |   |       | Total Compensation (A+B+C+D) and as a % of Net Income (Note 8) |   | Compensation Paid to Directors from Non-Consolidated Entities (Note 9) |
|--------------------------|--------------------|-----------------------------------|---|--------------------------------|---|--|---|---------------------------------------|-------|---|-------|--|---|--|
|                          |                    | From TXC                          | From All Consolidated Entities (Note 5) | From TXC                       | From All Consolidated Entities (Note 5) | From TXC                               | From All Consolidated Entities (Note 5) | From TXC                              |       | From All Consolidated Entities (Note 5) |       | From TXC   | From All Consolidated Entities (Note 5) |  |
|                          |                    |                                   |   |                                |   |  |   | Cash                                  | Stock | Cash                                    | Stock |  |   |  |
| Chairman and CEO         | Lin, Wan-Shing     |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| President and Deputy CEO | Kuo, Ya-Ping       |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| TXC(NGB) President       | Chao, Min-Chiang   |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| TETC President           | Huang, Hsiang-Lin  |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| TXC(SUB) President       | Chang, chien-Tsung |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| TXC(CKG) President       | Yu, Fang-Ming      |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Vice President           | Lin, Shi-Bo        |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Vice President and CTO   | Cheng, Li-Wei      | 21,480                            | 35,564                                  | 1,504                          | 1,540                                   | 14,609                                 | 51,228                                  | 23,190                                | 0     | 23,190                                  | 0     | 60,783<br>3.3684   | 111,486<br>6.1781                       | 1,065  |
| Vice President           | Kuo, Ya Han        |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Vice President           | Su, Jing-Sheng     |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Vice President and CFO   | Hong, Guan-Wen     |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Vice President           | Lin, Su-fen        |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Vice President           | Chen, Chiu-Lin     |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| TXC (NGB) Vice President | Liu, Hsu-Er        |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |
| Technical Director       | Chang, Qi-Zhong    |                                   |   |                                |   |  |   |                                       |       |   |       |  |   |  |

Note: This is to fill in the remuneration information of managers above the deputy general manager at the end of 2025. For personnel changes, please refer to the general manager, deputy general manager, assistant manager, and supervisors of various departments and branches.

## Compensation Scale

| Compensation Paid to Senior Executives | Names of Senior Executives   |  |
|--|--|--|
|  | The Company (Note 6)   | The Company in the financial report (Note 7) (E)   |
| Less than NT\$1,000,000                | Chao,Min-Chiang, Huang, Hsiang-Lin, Chang,Chien-Tsung, Liu, Hsu-Er                                   |  |
| NT\$1,000,000 –NT\$1,999,999           | Yu,Fang-Ming, Chang, Qi-Zhong  |  |
| NT\$2,000,000 –NT\$3,499,999           |  |  |
| NT\$3,500,000 –NT\$4,999,999           | Lin, Shi-Bo, Chen,Chiu-Lin   |  |
| NT\$5,000,000 - NT\$9,999,999          | Lin, Wan-Shing, Kuo, Ya-Ping, Cheng, Li-Wei, Kuo,Ya Han, Su, Jing-Sheng, Hong, Guan-Wen, Lin, Su-fen | Chao,Min-Chiang, Huang, Hsiang-Lin, Chang,Chien-Tsung, Yu,Fang-Ming, Lin, Shi-Bo, Cheng, Li-Wei, Kuo,Ya Han, Su, Jing-Sheng, Hong, Guan-Wen, Lin, Su-fen ,Chen,Chiu-Lin Liu, Hsu-Er, Chang, Qi-Zhong |
| NT\$10,000,000 - NT\$14,999,999        |  | Lin, Wan-Shing, Kuo, Ya-Ping   |
| NT\$15,000,000 - NT\$29,999,999        |  |  |
| NT\$30,000,000 - NT\$49,999,999        |  |  |
| NT\$50,000,000 - NT\$99,999,999        |  |  |
| NT\$100,000,000 and above              |  |  |
| Total                                  | 15 persons   | 15 persons   |

Note 1: The names of president and vice general presidents shall be listed separately (the shareholder name and representative shall be listed separately for corporate directors) and each payment amount shall be disclosed as a summary. If there are directors that concurrently serve as a president and vice

general presidents, list in this Table and Tables (1-1) or (1-2) below.

Note 2: Lists 2025 salary, allowances and severance pay for the general and vice general managers.

Note 3: Lists 2025 president and vice general presidents bonuses, incentives, travel expenses, special expenses, all kinds of allowances, accommodations, substantive objects offered in the form of vehicles and other remuneration). If real estate, cars and other transportation or exclusive personal expenses are offered, the asset category and cost, actual rent or rent calculated at fair market value, fuel expenses and other payments shall be disclosed. If a driver is assigned, attach an explanation of the driver's related compensation but do not include the compensation into the remuneration

Note 4: Fill in the amount of employee remuneration (including stock dividends and cash) distributed by the board of directors in 2026. If it is impossible to estimate, calculate the proposed distribution amount for this year based on the actual distribution amount last year, and separately fill out the attached form 1-3.

Note 5: The total of all compensation items from all consolidated entities (including the Company) paid to Company president and vice general presidents shall be disclosed.

Note 6: The total of each of the remuneration items paid by the Company to each general and vice general manager shall be disclosed under the corresponding general manager and vice general manager names in the scale.

Note 7: The total of each of the remuneration items paid by all consolidated entities (including the Company) to each general and vice general manager shall be disclosed under the corresponding president and vice general presidents' name in the scale.

Note 8: Net Income refers to 2025 net income: Those who have adopted IFRS, net income refer to the net income in individual or separate financial reports for the most recent year.

Note 9: a. This column shall clearly list the related remuneration amounts from reinvested companies other than subsidiaries.

b. If Company general and vice general managers receive remuneration from reinvested companies other than subsidiaries, the remuneration received by Company directors from reinvested companies other than subsidiaries is included in Remuneration Scale Column E and the column is renamed All Reinvested Entities.

c. Remuneration refers to the compensation and remuneration (employee, director and supervisor remuneration), business execution expenses and other related remuneration received by Company general and vice general managers serving as directors, supervisors and managers of reinvested entities other than subsidiaries.

\* There are differences in the income concept in the remuneration information disclosed in this Table and income tax laws so this Table is used for information disclosure and not taxation purposes.

\* Regardless of the position, those positions equivalent to President and Vice President (i.e.: President, CEO and Director) have all been disclosed.

**(III) Profit Sharing Distributed to Managers (Proposed 2026 Employee Profit Sharing Amounts)**

December 31, 2025 Unit: Thousand Shares, NT\$ 1,000

|          | Title                                   | Name            | Stock | Cash   | Total  | % of Net Income |
|----------|---|-----------------|-------|--------|--------|-----------------|
| Managers | Chairman and CEO                        | Lin, Wan-Shing  | 0     | 28,880 | 28,880 | 1.6004          |
|          | President and Deputy CEO                | Kuo, Ya-Ping    |       |        |        |                 |
|          | Vice President                          | Lin, Shi-Bo     |       |        |        |                 |
|          | Vice President and CTO                  | Cheng, Li-Wei   |       |        |        |                 |
|          | Vice President                          | Kuo, Ya-Han     |       |        |        |                 |
|          | Vice President                          | Su, Jing-Sheng  |       |        |        |                 |
|          | Vice President and CFO                  | Hong, Guan -Wen |       |        |        |                 |
|          | Vice President                          | Lin, Su-Fen     |       |        |        |                 |
|          | Vice President                          | Chen,Chiu-Lin   |       |        |        |                 |
|          | Assistant Vice President                | Su, Zhe-Ming    |       |        |        |                 |
|          | Assistant Vice President and Deputy CTO | Chiu,Chih-Hung  |       |        |        |                 |
|          | Deputy CTO                              | Pao,Shih-Yung   |       |        |        |                 |
|          | Assistant Vice President                | Chen, Ming      |       |        |        |                 |

Note 1: Name and title of individuals shall be disclosed but earning distribution shall be disclosed in summarized form.

Note 2: Employee remuneration amounts (including stocks and cash) for managers passed by the 2026 Board of Directors meeting. If estimation is not possible, calculate this year's proposed distribution amounts based on the actual percentages distributed for the previous year. Net Income refers to 2025 net income: Those who have adopted IFRS, net income refers to the net income in individual or separate financial reports for the most recent year.

Note 3: The scope of application for managers is determined according to the rules set down in the March 27, 2003 Tai-tsai-cheng-san no. 0920001301 letters. The scope is as follows:

- (1) President and equivalent level personnel
- (2) Vice president and equivalent level personnel
- (3) Assistant vice president and equivalent level personnel
- (4) Financial department supervisor
- (5) Accounting department supervisor
- (6) Other persons handling company management affairs and with signature authority.

Note 4: If directors, presidents and vice presidents receive employee compensation (including stocks and cash), the compensation shall be listed in Table 1-2 and additionally in this Table.

Note 5: Fill in the information of the employee's remuneration received by the incumbent manager at the end of 2025. For personnel changes, please refer to the general manager, deputy general manager, assistant vice president, supervisor of each department and branch.

**(IV) Remuneration by the Company to individual directors shall be disclosed under the following**

**circumstances:**

1. Remuneration to individual directors shall be disclosed if there have been consecutive after-tax losses for the previous three year: None.
2. Remuneration to individual directors shall be disclosed in the event of insufficient director shareholdings for three consecutive months in the most recent year: None.
3. If there are directors with an average pledged share ratio of over 50% for any three months in the most recent years, the individual director(s) with the average pledged share ratio exceeding 50% for each of these months shall be disclosed: None.
4. If all Directors receive the directors' remuneration of all companies in the financial report accounting for more than 2% of the after tax net profit, and individual directors receive the remuneration of more than NT\$15 million: None.
5. Where the results of the corporate governance evaluation of a listed or OTC company in the most recent year are at the last level, or where the trading method has been changed, the trading has been stopped, or the listed and OTC company has been terminated in the most recent year and up to the date of printing the annual report, or where the approval of the corporate governance evaluation committee indicates that the company should not be evaluated: None.
6. This restriction shall not apply to full-time employees of a listed or OTC company whose average annual salary for the most recent year is less than NT\$500,000: None.
7. Listed and OTC companies whose net profit after tax increased by more than 10% in the most recent year, but the average annual salary of full-time employees who are not in supervisory positions did not increase compared with the previous year: None.
8. The after-tax profit and loss of listed companies in the most recent year has declined by 10% and exceeded NT\$5 million, and the average remuneration of each director (excluding part-time employee compensation) has increased by 10% and exceeded NT\$100,000: None.

**(V) Individually compare and explain the analysis of the remuneration paid to Company directors, president and vice presidents as a percentage of net income by the Company and all consolidated entities over the past two years and explain the remuneration payment policy, standard and mix, procedure for setting remuneration and operation performance and future risk correlation.**

1. Analysis of the proportion of remuneration paid to the company's directors, president and the proposed remuneration for directors, president and vice presidents of the company and the consolidated Entities:

The proposed remuneration for the directors, general manager, and deputy general managers of the Company and its consolidated subsidiaries for the fiscal year 2025 is expected to decrease by 6.08% and 5.96% respectively compared to the actual figures for 2024. As the net profit after tax for 2025 is expected to decrease by approximately 15.57% compared to 2024, the ratio of total remuneration to net profit after tax will increase slightly.

Unit: %

| Title                             | Remuneration as Percentage of Net Income |                                |               |                                |
|-----------------------------------|--|--------------------------------|---------------|--------------------------------|
|                                   | 2024 (Note 1)                            |                                | 2025 (Note 2) |                                |
|                                   | From TXC                                 | From All Consolidated Entities | From TXC      | From All Consolidated Entities |
| Director                          | 2.83                                     | 4.11                           | 3.06          | 4.25                           |
| President and Assistant President | 2.94                                     | 5.18                           | 3.37          | 6.18                           |

Note 1 In 2025, the board of directors approved the distribution of the remuneration amount of directors, general manager, and deputy general manager in 2024. Therefore, the calculation of the proportion of total remuneration to after-tax net income in this column is the actual number.

Note 2 In 2026, the board of directors approved the distribution of the remuneration amount for directors, general manager, and deputy general manager in 2025. Therefore, the calculation of the

proportion of total remuneration to net income after tax in the information in this column is the proposed number.

2. The remuneration of the Company's directors is handled by the Board of Directors in accordance with Article 19 of the Company's Articles of Association and with reference to the evaluation indicators in the Company's "Board of Directors and Managers Performance Evaluation Method". The Board of Directors, its members, and functional committees are evaluated annually. Directors' remuneration is calculated based on their weighted positions as Chairman and convener/member of functional committees, and may be adjusted at the discretion of the Board based on operational performance or the results of director performance evaluations.

The Company's managers' remuneration includes salary, bonuses, and employee compensation. Salary assessment is conducted in accordance with the "Salary Management Method", taking into account industry and market standards, and considering factors such as job title, grade, education/experience, professional competence, and responsibilities. Bonuses and employee compensation are highly linked to performance. Managers must set performance targets based on the annual strategy. Performance evaluation items are divided into two main categories: (1) Financial indicators: allocated according to each department's contribution to the company's profits, and taking into account the manager's target achievement rate; (2) Non-financial indicators: the implementation of the company's core values and operational management capabilities, and participation in sustainable development (ESG). The performance evaluation indicators for sustainable operation include: the achievement of climate change mitigation and adaptation-related targets (subsidiary ISO 14064 greenhouse gas inventory and assurance, product carbon footprint ISO 14067 verification, energy management system ISO 50001 verification, etc.), and the issuance of sustainability reports, which are comprehensively considered and account for 10% of the overall evaluation. The Company, based on its annual operating performance, financial condition, and operational status, follows the "Bonus Distribution Procedures" and "Employee Compensation Distribution Procedures," and implements the "Performance Appraisal Management Procedures." The performance appraisal results serve as the basis for the issuance of managerial bonuses and employee compensation. These are reviewed by the Salary and Compensation Committee, submitted to the Board of Directors for approval, and the compensation system is reviewed as needed based on actual operating conditions and relevant laws and regulations to achieve a balance between the Company's sustainable operation and risk control.

### III. Implementation of Corporate Governance

#### (I) Operation of the Board of Directors

In 2025, the Board of Directors had held 7 meetings (A), the attendance of which as follows:

December 31, 2025

| Title                | Name                                     | Actual number of attendees (B) | Number of proxy attendees | Actual rate of attendance (%) [B/A] | Remarks |
|----------------------|--|--------------------------------|---------------------------|-------------------------------------|---------|
| Chairman             | Lin, Wan-Shing                           | 7                              | 0                         | 100                                 |         |
| Director             | Lin, Jin-Bao                             | 7                              | 0                         | 100                                 |         |
| Director             | Kuo, Ya-Ping                             | 7                              | 0                         | 100                                 |         |
| Director             | Pan, Ching-Yi                            | 4                              | 0                         | 100                                 | Note1   |
| Director             | Hsu, Hsing-Hao                           | 7                              | 0                         | 100                                 |         |
| Director             | Chen Chueh, Shang-Hsin                   | 7                              | 0                         | 100                                 |         |
| Director             | Huang, Hsiang-Lin                        | 7                              | 0                         | 100                                 |         |
| Director             | TLC Capital Co., LTD (Peng, Chih-Chiang) | 3                              | 0                         | 100                                 | Note2   |
| Independent Director | Yu, Shang-Wu                             | 7                              | 0                         | 100                                 |         |
| Independent Director | Yen, Hsing-Fu                            | 4                              | 0                         | 100                                 | Note1   |
| Independent Director | Chiu, Su-Mei                             | 4                              | 0                         | 100                                 |         |
| Independent Director | Chen, Ming-Yi                            | 4                              | 0                         | 100                                 |         |
| Independent Director | Tsai, Song-Qi                            | 3                              | 0                         | 100                                 | Note2   |
| Independent Director | Su, Yan-Syue                             | 2                              | 1                         | 67                                  |         |
| Independent Director | Wang, Chuan -Fen                         | 3                              | 0                         | 100                                 |         |

Note1: The directors was appointed on May 27, 2025

Note2: The directors was resigned on May 27, 2025

Other items to be recorded:

1. The date, session, agenda, opinions of all independent directors and the Company's means of processing the opinions of independent directors shall be specified if one of the following circumstances occurred in the operation of the board of directors:
  - (1) Matters listed under Article 14-3 of the Securities and Exchange Act: Not applicable, since the Company has established an audit committee; matters listed under Article 14-5 of the Securities and Exchange Act shall be applicable instead.
  - (2) Other board resolutions recorded and stated in writing with opposing or reserved opinions from independent directors other than those mentioned above: None.

2. Directors' implementation on the avoidance of interest-related motions:

(1) Date: 2025/03/10

Agenda: To propose the change of legal representative of mainland subsidiary

Directors avoiding conflicts of interest: Director Chen Chueh, Shang-Hsin

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act, Director Chen Chueh, Shang-Hsin are parties to the proposal. According to the rules of procedure for board meetings, he should abstain from discussion and voting

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without objection.

(2) Date: 2025/04/14

Agenda: To remove of non-competition restrictions for newly elected directors.

Directors avoiding conflicts of interest: Chairman Lin, Wan-Shing, Director Lin, Jin-Bao, Director Chen Chueh, Shang-Hsin and Director Yu, Shang-Wu

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act, Chairman Lin, Wan-Shing, Director Lin, Jin-Bao, Director Chen Chueh, Shang-Hsin and Director Yu, Shang-Wu are parties to the proposal. According to the rules of procedure for board meetings, the parties should abstain from discussion and voting. Chairman LIN had appointed Independent Director Tsai, Song-Qi to preside in the discussion and voting on behalf of the Chairman.

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without objection.

(3) Date: 2025/05/05

Agenda: Review the 2024 annual payment of employee compensation and directors' remuneration.

Directors avoiding conflicts of interest: Chairman Lin, Wan-Shing, Director Kuo, Ya-Ping

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act, Chairman Lin, Wan-Shing, Director Kuo, Ya-Ping are the Company's managers. According to the rules of procedure for board meetings, the parties should abstain from discussion and voting. Chairman LIN had appointed Independent Director Yu, Shang-Wu to preside in the discussion and voting on behalf of the Chairman.

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without

objection.

(4) Date: 2025/05/27

Agenda: To propose the reappointment of the company's CEO and President

Directors avoiding conflicts of interest: Chairman Lin, Wan-Shing, Director Kuo, Ya-Ping

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act Chairman, Lin, Wan-Shing, Director Kuo, Ya-Ping, are parties to the proposal. According to the rules of procedure for board meetings, the parties should abstain from discussion and voting. Chairman LIN had appointed Independent Director Yu, Shang-Wu to preside in the discussion and voting on behalf of the Chairman.

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without objection.

(5) Date: 2025/12/22

Agenda: To approve the donation to TXC\_FOUNDATION

Directors avoiding conflicts of interest: Chairman Lin, Wan-Shing, Director Lin, Jin-Bao

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act, Chairman Lin, Wan-Shing, Director Lin, Jin-Bao are the TXC\_FOUNDATION's directors. According to the rules of procedure for board meetings, the parties should abstain from discussion and voting. Chairman LIN had appointed Independent Director Yu, Shang-Wu to preside in the discussion and voting on behalf of the Chairman.

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without objection

(6) Date: 2025/12/22

Agenda: 2025 performance bonus amount

Directors avoiding conflicts of interest: Chairman Lin, Wan-Shing, Director Kuo, Ya-Ping

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act, Chairman Lin, Wan-Shing, Director Kuo, Ya-Ping are the Company's managers. According to the rules of procedure for board meetings, the parties should abstain from discussion and voting. Chairman LIN had appointed Independent Director Yu, Shang-Wu to preside in the discussion and voting on behalf of the Chairman.

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without objection.

(7) Date: 2025/12/22

Agenda: To reviewing the appointment of senior executives

Directors avoiding conflicts of interest: Chairman Lin, Wan-Shing

Reasons for the avoidance of conflict of interests and participation in voting: In accordance with Article 206, Paragraph 2 of the Company Act, Chairman Lin is a relative of one of the parties involved in the proposal, According to the rules of procedure for board meetings, he should abstain from discussion and voting. Chairman LIN had appointed Independent Director Yu, Shang-Wu to preside in the discussion and voting on behalf of the Chairman.

Resolutions of the Board of Directors: Except for the above-mentioned directors who avoided conflict of interests, the remaining directors have passed the motions without objection.

3. The interval and period of self-assessment (or peer assessment) made by the Board of Directors of the Company, the assessment scope, method, and content, and the implementation:

| Interval          | Period                        | Scope  | Method  | Content   |
|-------------------|-------------------------------|--|---|---|
| Annually          | January 2025 to December 2025 | Board of Directors, individual members, and functional Committees (inclu. Remuneration Committee, Audit and Risk Committee, Investment Review Committee) | Board, functional committee assessment (inclu. Remuneration Committee, Audit and Risk Committee, Investment Review Committee)and board member self-assessment | <p><b>Board of Directors</b></p> <p>Performance evaluation content includes: the degree of participation in the Company's operations, the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, selection and appointment of directors and continuous education and internal control.</p> <p><b>Individual Director of Board of Directors</b></p> <p>Performance evaluation content includes: mastery of company goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc.</p> <p><b>Functional Committees</b></p> <p>The performance assessment of the Functional Committees and its individual members includes five major aspects: the degree of participation in the Company's operations, the awareness of duties of the Functional Committees, the decision-making quality of the Functional Committees, the composition and election of the Functional Committees, and internal control.</p> <p><b>Assessment Results</b></p> <p>The self-assessment results of the Company's Board of Directors and functional committees (including the Remuneration Committee, the Audit and Risk Committee and the Investment Review Committee) for the fiscal year 2025 all scored above 94 points, and there were no major improvement items. The results were submitted to the Board of Directors on March 9, 2026, and will be used as a reference for the performance, remuneration and nomination for reappointment of the members of the Board of Directors and functional committees.</p> |
| Every three years | January 2025 to December 2025 | Board of Directors   | External professional institution   | Taiwan Institute of Ethical Business, a corporate legal person, evaluates the effectiveness of the board of directors through questionnaires and on-site visits on four major aspects and 24-question indicators including the  |

| Interval | Period | Scope | Method | Content  |
|----------|--------|-------|--------|--|
|          |        |       |        | <p>professional functions of the board of directors, decision-making effectiveness, internal control, and sustainable management in 2025.</p> <p style="text-align: center;">Assessment Results</p> <p>Our company boasts a diverse and youthful board of directors, coupled with a robust internal control and audit oversight system, ensuring sound governance. Simultaneously, the company actively integrates ESG sustainability principles into human rights protection, carbon reduction measures, and forward-looking talent development strategies, effectively driving organizational innovation and long-term competitiveness. On March 9, 2026, the company will report the assessment results to the board of directors. Moving forward, based on the association's recommendations, we will continue to deepen strategic communication and risk assessment mechanisms between the board and the management team, enhance the independence of whistleblowing channels, and plan to establish a nomination committee as needed to ensure the continuous improvement of our governance structure.</p> |

4. The goals of the year and the most recent year on the strengthening of the board of directors' functions (such as establishing an audit committee, improving information transparency, etc.) and performance evaluation:
- (1) The company's board of directors is responsible for guiding the company's strategies, supervising the management and various operations and arrangements of the corporate governance system, being responsible to the company and the shareholders' meeting, and exercising its powers in accordance with the provisions of laws and the company's articles of association or the resolutions of the shareholders' meeting.
  - (2) The Company's first Audit and Risk Committee was duly established on June 19, 2013. It is responsible for reviewing the proper presentation of the Company's financial statements, the selection (dismissal), independence and performance of the Certified Public Accountant, and the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations and the Company's control over existing or potential risks. Since the date the Audit and Risk Committee was established, the Audit and Risk Committee has invited Certified Public Accountant and related personnel to attend each meeting and participate in the discussion. The Audit and Risk Committee has convened 6 meetings in 2025. For details, please refer to the operation status of the audit committee in the annual report or the "Functional Committees" section of the company's website.
  - (3) The Company's first Remuneration Committee was established on December 28, 2011 to be responsible for formulating and periodically reviewing the performance assessment and remuneration policies, system, standards and structure for the directors and managers, regularly evaluating and setting the remuneration of the directors and managers, as well as completing annual assessment before the first quarter of the following year pursuant to the Company's "Performance Assessment Method for the Directors and Managers". There were

3 meetings in 2025, for details, please refer to the annual report on the operation of the salary and remuneration committee or the company's website.

- (4) In order to strengthen the quality of the company's investment decision-making, implement investment review procedures and performance management, and conduct research, review and recommendations on the company's long-term investment strategic planning and major investment decisions, the investment review committee was established by resolution of the board of directors on May 7, 2020. Currently the third investment review committee, was nominated by the chairman of four independent directors, Yu, Shang-Wu, Yen, Hsing-Fu, Chiu, Su-Mei and Chen, Ming-Yi, and three directors, Lin, Jin-Bao, Pan, Ching-Yi and Hsu, Hsing-Hao, as members of the committee. The directors who attended the meeting passed the proposal to elect independent director Yen, Hsing-Fu as the convener without objection. In 2025, 1 meetings were held to review the operation status of the company's reinvestment business and financial investment planning. For details, please refer to the annual report on the operation of investment review committee or the "Functional Committees" section of the company's website.

## (II) Operation of the Audit and Risk Committee

### 1. Operations of the Audit Committee

The first Audit Committee of the Company was formally established on June 19, 2013, consisting of three independent directors, and elected independent director Yu Shangwu as convener. In order to strengthen corporate governance, an independent director seat was added during the shareholders' meeting re-election since 2016, and it was composed of four independent directors. On November 4, 2024, the Audit Committee and the Board of Directors passed a resolution to strengthen the Board of Directors' supervision of the Company's risk matters, and include the review of risk management policies, procedures and structures and the supervision of risk management implementation in the "Audit Committee" powers and responsibilities, and renamed it "Audit and Risk Committee". Meetings are held at least once a quarter. The committee is responsible for reviewing the appropriate presentation of the company's financial statements, the selection (dismissal) and independence and performance of certified public accountants, the effective implementation of the company's internal control, the company's compliance with relevant laws and regulations, and the control of the company's existing or potential risks. Its main duties and responsibilities are as follows:

- (1) To establish or modify the internal control system as prescribed in Article 14 of the Securities and Exchange Act;
- (2) To evaluate the effectiveness of the internal control system;
- (3) To establish or modify the procedures for material financial business behaviors such as acquiring or disposing assets, engaging in derivative commodity transactions, lending capital to others, endorsing or providing guarantees for others as prescribed in Article 36-1 of the Securities and Exchange Act;
- (4) Matters concerning the directors' personal interests;
- (5) Material assets or derivative commodities transactions;
- (6) Material capital lending, endorsement or provision of guarantees;
- (7) Offering, issuance or private placement of equity securities;
- (8) Appointment, dismissal or remuneration of Certified Public Accountant;
- (9) Appointment or dismissal of chief financial officer, chief accounting officer or chief audit executive;
- (10) Annual financial statements and semi-annual financial statements
- (11) Review risk management policies, procedures and structures and monitor the implementation of risk management
- (12) Other matters required by the Company or the competent authority.

In 2025, the Audit and Risk Committee had held 6 meetings (A), the attendance of which as follows:

| Position             | Name          | Attendance in Person (B) | By Proxy | Attendance Rate in Person (%) (B/A) | Note  |
|----------------------|---------------|--------------------------|----------|-------------------------------------|-------|
| Independent Director | Yu, Shang-Wu  | 6                        | 0        | 100                                 |       |
| Independent Director | Yen, Hsing-Fu | 3                        | 0        | 100                                 | Note1 |
| Independent Director | Chiu, Su-Mei  | 3                        | 0        | 100                                 |       |

|                      |                  |   |   |     |       |
|----------------------|------------------|---|---|-----|-------|
| Independent Director | Chen, Ming-Yi    | 3 | 0 | 100 | Note1 |
| Independent Director | Tsai, Song-Qi    | 3 | 0 | 100 | Note2 |
| Independent Director | Su, Yan-Syue     | 2 | 1 | 67  |       |
| Independent Director | Wang, Chuan -Fen | 3 | 0 | 100 |       |

Note1: The directors was appointed on May 27, 2025

Note2: The directors was resigned on May 27, 2025

Other items to be recorded:

1. The date, session, agenda, resolution of the Audit Committee and the Company's means of processing the opinions of the Audit Committee shall be specified if one of the following circumstances occurred in the operation of the Audit Committee:

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

| Meeting date<br>(session)   | Agenda   | Resolutions<br>and opinion of<br>all   |
|---|--|--|
| 2025/03/10<br>(16 <sup>th</sup> meeting of<br>the fourth session) | <ol style="list-style-type: none"> <li>1. Undertaking of Derivative Financial Commodities</li> <li>2. 2024 Business Report and Financial Statements</li> <li>3. 2024 Earnings Distribution</li> <li>4. 2024 Annual Accountant Independence and Performance Evaluation Review Case</li> <li>5. Internal Audit Report</li> <li>6. Accountants' internal control assessment opinions, the company's annual self-assessment report on the effectiveness of the internal control system and the statement of the internal control system</li> <li>7. To revise some of the company's important internal regulations</li> </ol>  | <p>Approved by all independent director; it was sent to the board of directors for resolution without any approval by the audit committee and more than two-thirds of all director</p> |
| 2025/04/14<br>(17 <sup>th</sup> meeting of<br>the fourth session) | <ol style="list-style-type: none"> <li>1. To handle cash capital increase and issuance of common shares through private placement</li> </ol>   |  |
| 2025/05/05<br>(18 <sup>th</sup> meeting of<br>the fourth session) | <ol style="list-style-type: none"> <li>1. Undertaking of bank credit extensions and derivative financial commodities</li> <li>2. Q1 / 2025 financial statements</li> <li>3. To report the Implementation of Risk Management in the First Half of 2025</li> <li>4. Internal Audit Reprot</li> </ol>   |  |
| 2025/08/04<br>(1 <sup>st</sup> meeting of the<br>fifth session)   | <ol style="list-style-type: none"> <li>1. Internal audit Report</li> <li>2. Derivative financial commodities</li> <li>3. Q2/ 2025 financial statements</li> <li>4. 2025 Budget Revision Proposal</li> <li>5. The Company's Proposed Fourth Implementation of the Treasury Share Repurchase System, Purchasing Back Company Shares from the Centralized Securities Exchange and Transferring Them to Employees</li> </ol>   |  |
| 2025/11/03<br>(2 <sup>nd</sup> meeting of<br>the fifth session)   | <ol style="list-style-type: none"> <li>1. Undertaking of bank credit extensions and derivative financial commodities</li> <li>2. Q3 / 2025 financial statements</li> <li>3. TXC's capacity expansion plan</li> <li>4. The Company's Fourth Implementation of Amendments to the "Total Amount of Shares Repurchased" and Certain Clauses of the "Regulations Governing the Transfer of Treasury Shares," and Their Implementation Status</li> <li>5. To report on the Implementation of Risk Management in the Second Half of 2025</li> <li>6. Internal audit report</li> <li>7. To revise the Company's Internal Control and Audit System Implementation Manual</li> </ol> |  |
| 2025/12/22<br>(3 <sup>rd</sup> meeting of the<br>fifth session)   | <ol style="list-style-type: none"> <li>1. TXC's capacity expansion plan</li> <li>2. 2026 annual review on the accountant fees</li> <li>3. To approve the donation to TXC_FOUNDATION</li> <li>4. 2026 annual business plan and annual budget</li> <li>5. Internal audit report</li> <li>6. 2026 annual audit plan</li> </ol>  |  |

- (2) Except for the foregoing, other matters that were not approved by the Audit Committee but were approved by more than two-thirds of all directors: None.

2. Implementation of the independent directors' avoidance of motion with conflict of interests (please specify the independent director's name, content of the motion, reasons for the avoidance of conflict of interests, and participation in voting): None.

3. Communication between the independent directors and chief audit executive and accountant (include major topics, methods and results relating to the Company's financial and business status that shall be communicated) :

- (1) There are channels of direct contact between the independent directors and chief audit executive and the Certified Public Accountant and the communication condition is good;
- (2) The Company convenes the Audit and Risk Committee meeting on regular basis, which will invite accountant, chief auditing executive to attend and invite related supervisors to attend if necessary.
- (3) The chief audit executive submits aggregated auditing report to the Audit and Risk Committee on monthly basis according to the annual audit plan.
- (4) Evaluate the performance and independence of the accountant annually and submit to the Audit and Risk Committee for review. The 2025 annual evaluation on the accountant's performance and independence was approved by the Audit and Risk Committee on March 9, 2026 and submitted to the Board of Directors. Please visit the Company's website for the assessment results.
- (5) Main communication matters in 2025:

a. An excerpt of the communication between the independent directors and the accountants is as follows:

| Date                                     | Independent Director   | Accountant                        | Communication Focus                                       | Communicate Results  |
|--|--|-----------------------------------|---|--|
| 2025/03/10<br>(Audit and Risk Committee) | Yu, Shang-Wu<br>Tsai, Song-Qi<br>Wang, Chuan -Fen              | Peng, Yi-Hua                      | 2024 annual audit conclusion and regulatory update report | After review by the Audit Committee, all independent directors have no objections. |
| 2025/11/03<br>(individual meeting)       | Yu, Shang-Wu<br>Yen, Hsing-Fu<br>Chiu, Su-Mei<br>Chen, Ming-Yi | Hsieh, Ming-Chung<br>Peng, Yi-Hua | 2025 Key Audit Matters and Regulations Update Report      |  |

b. An excerpt of the communication between the independent directors and the Internal Audit supervisor as follows:

| Date                               | Independent Director   | Audit Supervisor  | Communication Focus  | Communicate Results   |
|------------------------------------|--|-------------------|--|---|
| 2025/11/03<br>(individual meeting) | Yu, Shang-Wu<br>Yen, Hsing-Fu<br>Chiu, Su-Mei<br>Chen, Ming-Yi | Huang,<br>Yu-ming | Discussion on the direction of "Annual Audit Plan" formulation | Based on the meeting's discussions, the independent directors agreed to the direction proposed by the audit department.<br><br>Internal Audit Supervisor:<br>Proceed according to the directors' recommendations. |

4. Annual key functions and operations:

(1) Annual Key functions

- a. Communicate results of audit report with the head of internal audit regularly according to the annual audit plan.
- b. Communicate with CPA regularly over financial statement review or audit results in each quarter.
- c. Review financial reports.
- d. Assessment of the effectiveness of internal control system.
- e. Review the hiring, dismissal, compensation and service matters concerning CPAs in advance.
- f. Evaluate the independence of the CPA who provide audit and non-audit services.
- g. Review the Company's operational procedures and material transactions of assets, derivatives, capital lending and endorsement/guarantees.
- h. Review risk management policies, procedures and structures and monitor the implementation of risk management
- i. Legal compliance.

(2) 2025 operations: Proposals of the Audit Committee meetings have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors.

### (III) Composition, duties, and operations of the Remuneration Committee

1. The company's board of directors set up the first Salary and Remuneration Committee and its organizational rules on December 28, 2011 in accordance with the regulations of the competent authority. From the third term, the Board of Directors decided to appoint four independent directors. The sixth Remuneration Committee was composed of independent directors. Director Yu, Shang-wu was re-elected as convener and chairman of the meeting.

## 2. Information on the members of the Remuneration Committee

| Position<br>(Note 1) | Name\ Criteria | Professional qualifications and experience   | Independence situation | Number of Other Public Companies Concurrently Serving as Member of Compensation Committee |
|----------------------|----------------|--|------------------------|---|
| Independent director | Yu, Shang-Wu   | Please refer to the "Directors' Professional Qualifications and Information Disclosure of Independent Directors' Independence" table |                        | 2   |
| Independent director | Yen, Hsing-Fu  |  |                        | 1   |
| Independent director | Chiu, Su-Mei   |  |                        | 0   |
| Independent director | Chen, Ming-Yi  |  |                        | 0   |

## 3. Remuneration Committee Operation Status

(1) The company's remuneration committee has 4 members.

(2) The current term of remuneration committee members is: May 27, 2025 to May 26, 2028. The Committee had held 3 meetings (A) in 2025. The member qualifications and attendance status is as follows:

| Position                           | Name            | Attendance in Person (B) | By Proxy | Attendance Rate in Person (%) (B/A) | Note  |
|------------------------------------|-----------------|--------------------------|----------|-------------------------------------|-------|
| Independent director<br>(Convenor) | Yu, Shang-Wu    | 3                        | 0        | 100                                 |       |
| Independent director               | Yen, Hsing-Fu   | 1                        | 0        | 100                                 | Note1 |
| Independent director               | Chiu, Su-Mei    | 1                        | 0        | 100                                 |       |
| Independent director               | Chen, Ming-Yi   | 1                        | 0        | 100                                 |       |
| Independent director               | Tsai, Song-Qi   | 2                        | 0        | 100                                 | Note2 |
| Independent director               | Su, Yan-Syue    | 1                        | 1        | 50                                  |       |
| Independent director               | Wang, Chuan-Fen | 2                        | 0        | 100                                 |       |

Note1: The directors was appointed on May 27, 2025

Note2: The directors was resigned on May 27, 2025

### Other mentionable items:

(1) If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, the date of the board of directors meeting, term, content of motions, board resolution results and company handling of remuneration committee opinions (if the resolution passed by the board of directors exceeds the recommendations of the remuneration committee, the circumstances and cause of the difference shall be specifically stated): No such circumstances.

(2) If any committee member has an objection or qualified opinion together with a record or written statement regarding a remuneration committee resolution, the remuneration committee date, term, content of motions, all member opinions and how member opinions were handled: No such circumstances.

(3) The discussion of the remuneration committee and the handling of the company's opinions:

| Meeting date (session)                                       | Agenda  | Resolutions and opinion of all members   |
|--|---|--|
| 2025/03/10<br>(8 <sup>th</sup> meeting of the fifth session) | <ol style="list-style-type: none"> <li>1. Performance appraisal of board of directors (including functional committees) and managers in 2024</li> <li>2. 2024 annual employee compensation and report on the distribution of directors' compensation</li> <li>3. To revise the company's key internal regulations</li> <li>4. To review the appointment of senior executives</li> </ol> | The Remuneration Committee Chairman consulted with all the present members and approved them without objection, and then sent them to the Board of Directors for approval. |
| 2025/05/05<br>(9 <sup>th</sup> meeting of the fifth session) | <ol style="list-style-type: none"> <li>1. Review of 2024 employee compensation and directors' compensatio</li> </ol>  |  |
| 2025/12/22<br>(1 <sup>st</sup> meeting of the sixth session) | <ol style="list-style-type: none"> <li>1. 2025 performance bonus payment amount</li> <li>2. To review the appointment of senior managers</li> <li>3. To revise the definition of the scope of frontline employees and incorporate it into the internal control system</li> <li>4. 2026 annual employee compensation and directors' compensation ratio</li> </ol>                        |  |

#### 4. Remuneration Committee duties

In accordance with the charter of the company's remuneration committee, the remuneration committee has the following duties and its recommendations are submitted to the board of directors for discussion:

- (1) Regular review on the charter and submission of amendment recommendations.
- (2) Determine and regular review the policies, system, standards and structure for company director and officer performance evaluations and remuneration.
- (3) Regularly evaluate the remuneration of company directors and officers.

The following principles must be followed before performance of the above remuneration committee duties:

- (1) Ensure the company's remuneration arrangements conform to related laws and are sufficient to attract talent.
- (2) Performance assessments and compensation levels of directors, supervisors and executive officers shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions and the compensation paid to employees holding equivalent positions in recent years. The evaluation should also cover the reasonableness of the correlation between the individual's performance and the company's operational performance and future risk exposure, with respect to the achievement of short and long-term business goals and the financial position of the company.
- (3) There shall be no incentive for directors or executive officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the company.
- (4) The percentage of the bonus to be distributed based on short-term performance and the time for payment of any variable compensation for directors and executive officers shall be determined based on industry characteristics and company business attributes.
- (5) A committee member may not enter into discussions or voting when the committee is deciding on that member's individual remuneration.
- (6) The decision making and handling of director and officer remuneration matters for subsidiaries

is delegated to the subsidiary but requires the ratification of the company's board of directors. The company's remuneration committee is asked to submit recommendation before the matter is submitted to the board of directors for discussion.

Refer to the company website for more detailed information on the company's remuneration committee charter.

**(IV) Composition, duties, and operations of the Investment Review Committee**

1. In order to strengthen the quality of the company's investment decisions, implement investment review procedures and performance management, and conduct research, review and recommendations on the company's long-term investment strategic planning and major investment decisions, the company established the Investment Review Committee through a resolution of the board of directors on May 7, 2020. The committee shall review the operating conditions and financial investment plans of the company's reinvested businesses respectively.

2. Information on the members of the Investment Review Committee

(1) There are 7 members in the Company's Investment Review Committee.

(2) The term of the current Investment Review Committee is from May 27, 2025 to May 26, 2028.

In 2025, the Investment Review Committee had held 1 meetings (A), the attendance of which as follows:

| Position                        | Name           | Attendance in Person (B) | By Proxy | Attendance Rate in Person (%) (B/A) | Note |
|---------------------------------|----------------|--------------------------|----------|-------------------------------------|------|
| Independent Director (Convenor) | Yen, Hsing-Fu  | 1                        | 0        | 100                                 |      |
| Independent Director            | Yu, Shang-Wu   | 1                        | 0        | 100                                 |      |
| Independent Director            | Chiu, Su-Mei   | 1                        | 0        | 100                                 |      |
| Independent Director            | Chen, Ming-Yi  | 1                        | 0        | 100                                 |      |
| Director                        | Lin, Jin-Bao   | 1                        | 0        | 100                                 |      |
| Director                        | Pan, Ching-Yi  | 1                        | 0        | 100                                 |      |
| Director                        | Hsu, Hsing-Hao | 1                        | 0        | 100                                 |      |

### 3. Important resolutions of the Investment Review Committee

| Meeting date (session)                                       | Agenda   | Resolutions and opinion of all  |
|--|--|---|
| 2025/11/03<br>(1 <sup>st</sup> meeting of the third session) | 1. The operating status of the company and its subsidiaries' reinvested businesses | The Investment Review Committee Chairman consulted with all the present members and approved them without objection, and then sent them to the Board of Directors for approval. |

### 4. Investment Review Committee duties

- (1) Review the company and its subsidiaries' external strategic investments, mergers and acquisitions (including mergers, acquisitions and divisions, etc.), and joint venture investment projects with others, and submit recommendations to the board of directors for discussion.
- (2) Review the company's and its subsidiaries' investments in new businesses, mergers and acquisitions (including mergers, acquisitions, divisions, etc.), and joint venture investment projects with others, and submit recommendations to the board of directors for discussion.
- (3) Review the implementation status of existing investment projects every year.
- (4) Execute relevant affairs in accordance with the resolutions of the board of directors, and report the execution results and other related matters to the board of directors.
- (5) The company may purchase real estate not for business use and its right-of-use assets or securities in accordance with the provisions of Article 6, Paragraph 5 of the Procedure for Acquiring or Disposing of Assets, if the individual investment amount does not exceed NT\$50,000,000. If the accumulated balance does not exceed NT\$80,000,000 the convener of the Association shall be notified in advance and shall be reported to the Association afterwards.

Refer to the company website for more detailed information on the company's Investment Review Committee charter.

**(V) Corporate governance and variations with management principles of publicly-listed companies and reasons**

| Assessment Items   | Operation Status |    |  | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|------------------|----|--|---|
|  | Yes              | No | Summary  |   |
| 1. Comply with General Guideline of public-listed companies and disclose company's practical guideline in corporate governance?  | Yes              |    | The company has formulated the Practical Guideline for Corporate Governance, and set up effective regulations governing corporate governance framework, protection of the rights and benefits of shareholders, strengthening the function of the board of directors, bringing up the function of the Auditing Committee, showing respect for the rights and benefits of the stakeholder, and enhancing the transparency of information. The Code of Corporate Governance Practice can be found on the company's website.   | Comply with best-practice principles, no discrepancy                    |
| 2. Company shareholding Structure and shareholders' rights   |                  |    |  |   |
| ( 1 ) Has the Company formulated internal operating procedures for handling proposals, doubts, disputes and litigation of shareholders and follow procedures for implementation. | Yes              |    | The company has a "Corporate Governance Code of Practice" and also has spokespersons, acting spokespersons, investment relations, etc., and the contact information is disclosed on the company's website. Shareholders can express their opinions by phone or email, and the company will follow Relevant work program processing.  | Comply with best-practice principles, no discrepancy                    |
| ( 2 ) Has the Company the list of the major shareholders with de fact control of the Company and the final controllers of the major shareholders?                                | Yes              |    | In accordance with Article 25 of the Securities Trading Act, requires monthly posting of changes in shareholding of the internal staff including directors, managers and shareholders with over 10% equities, on the open information observation website specified by the Securities and Futures Bureau.  | Comply with best-practice principles, no discrepancy                    |
| ( 3 ) Has the Company set up a firewall mechanism for executing risk control of affiliated enterprises?  | Yes              |    | Aside from formulation of various risk control mechanisms, the Company also has formulated relevant operation methods for the operation, business and finance with the affiliated enterprises. For instance, in the subsidiary operation method TXC has formulated decision making and approval for the subsidiaries, the management of trading by the associates, specific companies, associates and group trading operation procedures, aside from counseling internal control for the subsidiaries in writing. Moreover, similar to that of the parent company, the acquisition or disposal of assets handling procedures, endorsement method, operation method for loaning to other persons, handling procedures for trading of derivative financial commodities so as to implement the risk control mechanism for subsidiaries. Subsidiaries have already formulated respective risk control mechanisms, and set up risk control mechanisms and firewalls with the affiliated enterprises according to the relevant operating methods of the Company. | Comply with best-practice principles, no discrepancy                    |

| Assessment items   | Operation status (Note1) |    |  | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|--------------------------|----|--|---|
|  | Yes                      | No | Summary  |   |
| (4) Has the Company formulated internal regulations prohibiting internal staff utilizing information not yet open to the market for trading of securities? | Yes                      |    | <p>The Company formulated the Operating Procedure for Prevention of Insider Trading and "Regulations on whistle-blowing of illegal and unethical or dishonest conduct" to prohibit the internal staff utilizing information not yet open to the market for trading securities. The company conducts educational advocacy on the prevention of insider transaction management operation procedures and related laws and regulations for current directors, managers and employees at least once a year. The human resources unit will give education and announcement during pre-employment training. The relevant directors, managers and employees have been educated on August 4 and November 10, 2025. The content of the course includes laws related to the prevention of insider trading, maintenance of business secrets, etc., and the briefing of the course is placed on internal staff. The education and training system provides reference for those who are not present on the day.</p> <p>Furthermore, on August 8, 2022, the Board of Directors approved the revision of the "Corporate Governance Practice Code," which requires that insiders be prohibited from trading shares before the release of relevant financial results. This code is also promoted at the monthly senior management meeting, the mid-year review meeting (July), and the outlook meeting (January), reminding directors and managers not to trade shares during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report. On January 2, 2025, all insiders were notified by email of the closed period before the announcement of each financial report in 2025, and a reminder was sent again by email one week before the start of the closed period to avoid insiders accidentally violating the regulations. In 2025, a total of four official notices were issued (February 3, 2025, April 15, 2025, July 9, 2025, and October 15, 2025).</p> | Comply with best-practice principles, no discrepancy                    |
| 3. Members and duties of board of directors  |                          |    |  |   |
| (1) Has the Board of Directors drafted policies for a diversified board framework?   | Yes                      |    | Please refer to the company's board of directors' diversity policy for details in the annual report: I. Documents of directors, president, vice presidents, associate vice presidents, and managers of each departments and divisions.   | Comply with best-practice principles, no discrepancy                    |
| (2) Aside from setting up the Remuneration Committee and the Auding Committee according to the law, is it willing to set up other function committees?     | Yes                      |    | 1. Audit and Risk Committee<br>2024.11.04 The Audit Committee and the Board of Directors passed a resolution to strengthen the Board of Directors' supervision of the Company's risk matters, to include the review of risk management policies, procedures and structures, and the supervision of risk  | Comply with best-practice principles, no discrepancy                    |

| Assessment items   | Operation status (Note1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|--------------------------|----|---|---|
|  | Yes                      | No | Summary   |   |
|  |                          |    | <p>management implementation in the responsibilities of the "Audit Committee" and renamed it the "Audit and Risk Committee".</p> <p>2. Investment Review Committee<br/>In addition to establishing a Remuneration Committee and an Audit Committee in accordance with the law, the Company also established an Investment Review Committee by resolution of the Board of Directors in May 2020 to strengthen the quality of the Company's investment decisions, implement investment review procedures and performance management, and conduct research, review and make recommendations on the Company's long-term investment strategy planning and major investment decisions.<br/>For details on the operation of the committees, please refer to the data pages of Annual Report III. Operation of Corporate Governance (II) Operation of Audit and Risk Committee and (IV) Operation of Investment Review Committee.</p>   |   |
| (3) Has the company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal? | Yes                      |    | <p>The Company has formulated the Directors and General Manager Performance Assessment Method. The performance of the board of directors is regularly evaluated (at least once per year), and regularly carry out performance assessment of the board every year and forward to the Remuneration Committee and the Board of Directors for discussion. Director performance evaluations are performed externally at least once every three years.<br/>The company records the evaluation results based on the scoring standards for performance evaluation indicators and submits them to the board of directors, and uses them as a reference for individual directors' salary and remuneration and nomination and renewal. Please refer to the annual report for details of the evaluation results. III. Corporate Governance Operations (1) Board of Directors Operations Information Page.</p>   | Comply with best-practice principles, no discrepancy                    |
| (4) Has the Company regularly assessed the independence of the certified accountant?   | Yes                      |    | <p>In order to strengthen the independence of the CPA and his /her familiarity with company business, an evaluation of CPA independence, competency and performance is performed by the company each year and an assessment is done based on the CPA Evaluation and Performance Assessment Procedure. The results are submitted to the Audit Committee and board of directors for discussion.<br/>Its evaluation items (1) refer to the audit quality index (AQI) information and independence statement provided by the accountants, and evaluate the five major dimensions of professionalism, independence, quality control, supervision, and innovation capabilities; among them, the specific indicators of independence are: accountants have no direct or significant indirect financial interest relationship with the company, accountants and all members of the audit service team are not allowed to hold shares in the company, accountants are not allowed to have money loans with the company and have no improper interest relationship After evaluation, the relevant indicators all meet the company's</p> | Comply with best-practice principles, no discrepancy                    |

| Assessment items | Operation status (Note1) |    |  | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|------------------|--------------------------|----|--|---|
|                  | Yes                      | No | Summary  |   |
|                  |                          |    | <p>independence evaluation standards. (2) Performance Indicator Items: financial report completion date, interaction between accountants and the company, whether accountants have made positive suggestions on company systems and internal control inspections, etc.</p> <p>The company's 2025 accountant performance evaluation has been completed, and the evaluation result is 87 points. It has reached the assessment method standard of more than 80 points and will be renewed. It was reviewed and approved by the Audit and Risk Committee on March 9, 2026 and the Board of Directors on March 9, 2026 to implement corporate governance and improve the Board of Director.</p> <p>If a situation occurs in which the CPA needs to be replaced, the chairman and general manager shall understand the reason for replacement and hold an interview for the replacement CPA. A profile of the CPA and other related information is submitted to the Review Committee for review and then it is passed to the Board of Directors for discussion. Afterward, the CPA may be invited to board of director meetings if necessary.</p> |   |

| Assessment items   | Operation status (Note1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|--------------------------|----|---|---|
|  | Yes                      | No | Summary   |   |
| 4. Have public listed companies established dedicated (ad-hoc) corporate governance units or personnel responsible for corporate governance matters (including but not limited to providing information needed by directors and supervisors to perform their duties, handle matters related to the board of directors meeting and shareholders' meeting, handle company registration and registration of related changes, preparation of the board of directors and shareholders meeting minutes)? | Yes                      |    | <p>The company has set up a corporate governance work team. The General Manager was appointed to serve as convenor, on the board of March 22, 2019, the new company secretary was appointed at the Chief Financial Officer Ms. Hong, Guan -Wen (extension: 3230) as the head of corporate governance, who is responsible for the supervision and planning of corporate governance. Her qualifications meet the requirements of more than three years of experience in the management of the company's finance, stock affairs or deliberations according to the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TWSE/TPEX Listed Companies. The head of corporate governance's duties include: provide directors and Audit Committee with the information required for the implementation and the latest regulations pertaining to the Company's operations, assist directors and Audit Committee in complying with laws and regulations, report regularly to the Corporate Governance Committee and the Board of Directors on corporate governance operations, handle affairs relating to the board and shareholder meetings in accordance with the law, produce the minutes of the Board of Directors and shareholders' meetings, assist directors and members of Audit Committee in their appointments and continuing education, etc., all are performed by the Board's secretary unit.</p> <p>The implementation of the corporate governance in the year of 2025 are as follows:</p> <ol style="list-style-type: none"> <li>1. 7 board meetings, 6 Audit and Risk Committees, 3 Remuneration Committees, and 1 Investment Review Committee were held.</li> <li>2. Hold annual shareholders' meeting</li> <li>3. Board members must complete at least 6 credit hours of continuing education (12 credit hours for new board members).</li> <li>4. Insured liability insurance for directors and key staff and reported to the board of directors</li> <li>5. Conduct performance evaluation of the board of directors and functional committees, the evaluation results both reached 94 points above, and the results were reported to the directors on March 9, 2026.</li> <li>6. The results of the 11<sup>th</sup> corporate governance evaluation are the top 6 ~ 20% of listed companies</li> <li>7. 3 meetings of independent directors and accountants, internal audits, etc.</li> </ol> | Comply with best-practice principles, no discrepancy                    |

| Assessment items  | Operation status (Note1)                |   |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
|---|---|---|---|---|-----------|--------|-------|------------|---------------------------------------|----------------------------|---|------------|---|---|---|------------|---------------------------------------|----------------------------|---|------------|---|---|---|--|
|   | Yes                                     | No  | Summary   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
|   |   |   | <p>In 2025, the training hours for the head of corporate governance totaled 12 hours :</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Organizer</th> <th>Course</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2025/06/18</td> <td>TAIWAN ACADEMY OF BANKING AND FINANCE</td> <td>Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td>2025/08/04</td> <td>Taiwan Corporate Governance Association</td> <td>Analysis of IFRS Sustainable Disclosure Standards and Corporate Response Strategies</td> <td>3</td> </tr> <tr> <td>2025/11/14</td> <td>TAIWAN ACADEMY OF BANKING AND FINANCE</td> <td>Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td>2025/11/10</td> <td>Taiwan Corporate Governance Association</td> <td>The Way of Corporate Sustainability and Resilience Management</td> <td>3</td> </tr> </tbody> </table> | Date  | Organizer | Course | Hours | 2025/06/18 | TAIWAN ACADEMY OF BANKING AND FINANCE | Corporate Governance Forum | 3 | 2025/08/04 | Taiwan Corporate Governance Association | Analysis of IFRS Sustainable Disclosure Standards and Corporate Response Strategies | 3 | 2025/11/14 | TAIWAN ACADEMY OF BANKING AND FINANCE | Corporate Governance Forum | 3 | 2025/11/10 | Taiwan Corporate Governance Association | The Way of Corporate Sustainability and Resilience Management | 3 |  |
| Date  | Organizer                               | Course  | Hours   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 2025/06/18  | TAIWAN ACADEMY OF BANKING AND FINANCE   | Corporate Governance Forum  | 3   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 2025/08/04  | Taiwan Corporate Governance Association | Analysis of IFRS Sustainable Disclosure Standards and Corporate Response Strategies | 3   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 2025/11/14  | TAIWAN ACADEMY OF BANKING AND FINANCE   | Corporate Governance Forum  | 3   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 2025/11/10  | Taiwan Corporate Governance Association | The Way of Corporate Sustainability and Resilience Management                       | 3   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 5. Any communication channel between the Company and the stakeholders? Any special zone on the website for the stakeholders for properly responding to the topic of corporate social responsibility where the stakeholders are concerned? | Yes                                     |   | The company has established a stakeholder communication area, spokesperson system, website and other channels to provide the latest news and corresponding windows for each stakeholder, and respond to issues of concern to stakeholders in a timely manner. In addition, in the stakeholder communication area, if the company's stakeholders have relevant suggestions, doubts or complaints, they can also use the mailbox provided in this area to contact the dedicated window of the audit division. For details, see the company website.   | Comply with best-practice principles, no discrepancy                    |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 6. Any assigned professional stock affairs handling agency for shareholders' affairs?   | Yes                                     |   | The company has appointed Yuanta Securities to serve as the company's stock affairs agent and assist the company in handling matters related to the shareholders' meeting.  | Comply with best-practice principles, no discrepancy                    |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |
| 7. Information Disclosure   |   |   |   |   |           |        |       |            |                                       |                            |   |            |   |   |   |            |                                       |                            |   |            |   |   |   |  |

| Assessment items  | Operation status (Note1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|---|--------------------------|----|---|---|
|   | Yes                      | No | Summary   |   |
| (1) Has the company set up website for disclosing finance, business and corporate governance?   | Yes                      |    | The company and its subsidiaries have actually set up a website to provide financial, business, corporate governance and other information in Chinese and English, and have dedicated personnel responsible for maintaining and updating the information. Please see the company website for details.   | Comply with best-practice principles, no discrepancy                    |
| (2) Are there other ways of information disclosure (such as English website, assign dedicated person for collection and disclosure of company information? Any spokesman system for implementation? Full process of briefing by the legal person posted on the company website)?  | Yes                      |    | In addition to its Chinese language website, the company also provides English and Japanese languages websites. A dedicated person is responsible for collecting information and disclosure of major company information. External communication is handled by a spokesperson. Audio and video files of the company's institutional investor conferences are posted on the company's information disclosure website for general reference. Relevant information is posted on the Market Observation Post System designated by the competent authorities.  | Comply with best-practice principles, no discrepancy                    |
| (3) Has the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and file the first, second and third quarter financial reports and operating conditions of each month as early as possible before the prescribed deadline?   | Yes                      |    | Although the Company did not publish and file its annual consolidated and individual financial statements within two months after the end of the accounting year, it completed the publication and filing before the deadline in accordance with regulations. The financial statements for the first to third quarters and the revenue situation for each month were also published and filed on the public information monitoring station before the prescribed deadline. Furthermore, the Company voluntarily publishes and files monthly self-assessed profit and loss statements and simultaneously uploads relevant information to the Company's website.  | Comply with best-practice principles, no discrepancy                    |
| 8. Are there other important information for helping understand the operation of corporate governance (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, the rights and benefits of the stakeholders, further studies for directors and supervisors, risk control policy, and execution of risk assessment standard, client policy implementation, purchase of liability risk for directors and supervisors, others)? | Yes                      |    | <p>1. Employee rights: Employee rights are handled by the company in accordance with the Labor Standards Act in the company's annual report for information regarding other employee welfare measures, the pension system, continuing education and other related employee rights. The employee rights at our subsidiaries are handled in accordance with their respective national laws and regulations</p> <p>2. Employee concern: In addition to setting up medical offices at the company and its subsidiaries that are staffed with professional medical care providers, a labor safety &amp; health committee has been established for safety and health procedures for specialist personnel and personnel assistance projects including psychology, medical and health. A wide range of channels have been provided for personnel to express their opinions to create excellent two-way communication channels</p> <p>3. Supplier relations and stakeholder rights are handled in accordance with the company and subsidiary work procedures and the contracts with cooperating companies to maintain the legal rights of both parties. No related lawsuits have been brought as of today.</p> <p>4. Investor relations: The company and its subsidiaries are very concerned about investor rights. In addition to posting related information in a timely fashion on the Market Observation Post System and the company website, the company has been awarded an A+</p> | Comply with best-practice principles, no discrepancy                    |

| Assessment items   | Operation status (Note1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|--------------------------|----|---|---|
|  | Yes                      | No | Summary   |   |
|  |                          |    | <p>information disclosure assessment rating for the fourth straight year, named a transparent voluntary information disclosure company for eight straight years and received an A++ rating for four straight years, ranked within the top 20% of public listed companies in the 1st corporate governance assessment and within the top 5% of listed companies in the 2nd ~4th assessments. The 5-11<sup>th</sup> was ranked the top 6-20% of the listed company.</p> <p>5. Stakeholder rights: In holding the beliefs of integrity and honesty, the company is committed to building long-term relationships with stakeholders based on transparency and sincerity. Related information please refer to the company's annual report and website for information regarding stakeholder communication.</p> <p>6. The company's directors attend financial, business and professional knowledge continuing education courses on an irregular basis. Refer to the director and supervisor education and training table in the company's annual report.</p> <p>7. Implementation of the company's risk management policy and risk measurement standard: In the company's annual report for information regarding the risk management policy, organization structure and related risk control work of the company and its subsidiaries. In addition, the company and its subsidiaries analyze, track and respond to possible high risk events caused by operation targets to establish a sound risk management system.</p> <p>8. Protecting consumers or customer policy implementation: Our 'customer first, mission focused' philosophy demonstrates our determination and commitment to our customers, our dedication to quality and hard work to earn customer approval over the years. The company has been given best supplier awards from a number of companies as a form of encouragement.</p> <p>9. The company purchases liability insurance for directors and managers every year. Since August 2021, the insurance amount has been increased from US\$5 million to US\$10 million. When the contract expires, the renewal period, insurance amount, coverage and premium rate of director and supervisor liability insurance will be reported to the board of directors, and the minutes of the board meeting will be submitted to the board of directors. See the company website for details. The board of directors and board meeting minutes are detailed on the company website.</p> |   |
| 9. Succession Plan and Operations of Members of the Board of Directors and Key Managerial Officers | Yes                      |    | <p>The composition of the Company's Board of Directors takes into account its own operations, operating patterns and development needs to formulate appropriate diversification policies. In order to respond to future strategic development and transformation plans, the Company considers the professional knowledge, skills and experience required by the Company's directors, regularly reviews the number of directors and the qualifications they should meet, and plans the succession plan and candidates for directors. New management team members were added during the last two shareholders' meetings to make the directors younger and</p>   | Comply with best-practice principles, no discrepancy                    |

| Assessment items | Operation status (Note1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|------------------|--------------------------|----|---|---|
|                  | Yes                      | No | Summary   |   |
|                  |                          |    | <p>familiarize themselves with the operation of the Board of Directors in advance to assist in the company's strategic planning.</p> <p>The associate level and above colleagues of the company are important management level. In addition to having professional functions and leadership, their values must be consistent with the company's corporate culture and business philosophy. They must identify with the company's mission and vision and be jointly responsible for the company's operations and development. They must also have forward-looking planning, business management skills and thinking, and perfect execution capabilities.</p> <p>Each management level has a designated proxy. To cultivate key management personnel and their proxies, in addition to enhancing professional and managerial skills through practical training courses, the company also fosters talent through job rotation, one-on-one experience transfer and mentorship, implementing a proxy system, and participation in senior management meetings.</p> <p>The company values its succession planning and actively cultivates senior managers. In 2024, it assigned senior executives to participate in the two-year "MISA Third Fellowship Program" to learn business management wisdom and promote resource integration and network expansion. In the first half of 2025, the Ministry of Economic Affairs' Industrial Development Agency implemented a 15-hour online course, "Manufacturing AI Upgrade Engine," with 445 people, including managers at all levels, obtaining certifications. This initiative aims to align with technological trends, cultivate internal AI talent, improve overall operational efficiency and market advantages, and strengthen competitiveness. Additionally, management courses such as "Practical Training in Employee Care and Counseling Skills" and "Practical Interviewing and Selection of Personnel" are offered, along with online courses on the CommonWealth Innovation Academy platform for managers at all levels. Management courses are offered to cultivate managerial thinking and enhance leadership and management skills. On the other hand, the Group CEO and General Manager hold regular monthly operational meetings to communicate with management. These meetings include management reports, review of key operational issues, sharing of health concepts and strategic management books, and communication of operational philosophy and development plans. This aims to improve operational management capabilities and thinking, systematically strengthen the future management team, and align with the company's strategy for sustainable growth and sustainable operation. The company also assigns key management personnel to the boards of directors of the company or its invested businesses, ensuring their familiarity with board operations and participation in the planning of the</p> |   |

| Assessment items   | Operation status (Note1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|--------------------------|----|---|---|
|  | Yes                      | No | Summary   |   |
|  |                          |    | company's or its invested businesses' long-term strategic direction and vision.   |   |
| 10. Please provide information on the status of improvement regarding the results of corporate governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements not yet implemented, state the areas and policies the Company has set as priority for improvement | Yes                      |    | <p>The company has obtained the top 20% of the companies in first corporate governance evaluation, the top 5% of the listed companies from 2<sup>nd</sup> to 4<sup>th</sup> evaluations, and the top 6 to 20% of the listed companies from the 5<sup>th</sup> to 11<sup>th</sup> evaluation. The efforts in implementing corporate governance have been recognized. The unscored items are explained as follows:</p> <p>1 The Company will increase the number of female directors during the 2025 re-election, aiming to gradually achieve the goal of having one-third of the directors of any gender.</p> <p>2. Voluntary disclosure of individual remuneration (directors, general manager, and deputy general manager) in the annual report: Due to personal data protection, this will not be disclosed at this time, but will be assessed for disclosure in the future.</p> <p>3. Company and employee collective agreements: The Company has not yet established a professional union and is not currently required to sign a collective agreement under the Collective Agreements Act. If a union is established, it will be implemented in accordance with the law.</p> | Comply with best-practice principles, no discrepancy                    |

**(VI) Fulfillment of Corporate Social Responsibility and variations with management principles of publicly-listed companies and reasons**

1. Discrepancy with best-practice principles of TWSE/GTSM listed companies

| Assessment items   | Operation Status (Note 1) |    |  | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|--|---------------------------|----|--|---|
|  | Yes                       | No | Summary  |   |
| 1. Has the Company established exclusively (or concurrently) dedicated units to implement CSR, and has the board of directors appointed executive-level positions with responsibility for CSR, and to report the status of the handling to the board of directors? | Yes                       |    | <p>Our company is committed to corporate growth and sustainable operation. In 2009, we established the "Corporate Social Responsibility Management Committee," which was reorganized into the "Sustainability Development Committee" on December 23, 2021, to continuously strengthen the company's promotion and governance in environmental, social, and corporate governance aspects. To enhance the level of sustainable governance, the Board of Directors adopted the "Organizational Regulations of the Sustainability Development Committee" on August 4, 2025, establishing a Sustainability Development Committee at the Board of Directors level as a dedicated unit responsible for overseeing the Board's sustainability policies, objectives, and implementation.</p> <p>The current Sustainability Committee consists of four members, including one director and one independent director, who elect a convener to coordinate operations. The committee is responsible for reviewing sustainability policies, annual plans, and major sustainability issues, and continuously monitoring their implementation. At the management level, the Sustainability Committee has established dedicated (part-time) sustainability promotion units, and appoints a senior manager as the company's Chief Sustainer to coordinate sustainability-related matters and cross-departmental implementation. Overall, the committee is responsible for collaborating with various departments to develop medium- and long-term sustainability plans and jointly promote all sustainability-related matters. Please refer to the company website for its organizational structure. The Company has established four cross-departmental working groups focusing on corporate governance, environmental sustainability, social responsibility, and sustainability information disclosure. These groups conduct stakeholder analysis, materiality assessment, implementation, follow-up, and resource integration based on the sustainability strategy and annual plan, and regularly report results and progress to the Sustainability Committee and the Board of Directors. Overseas subsidiaries have established separate social responsibility management systems to promote and verify sustainability activities in accordance with local laws.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|------------------|---------------------------|----|---|---|
|                  | Yes                       | No | Summary   |   |
|                  |                           |    | <p>The Sustainable Development Committee will report to the Board of Directors at least twice a year on the system's operational results and future work plans. In 2025, it will report to the Board of Directors on August 4, 2025 and November 3, 2025 on the communication status with various stakeholders. On November 3, 2025, it will report to the Board of Directors on the specific operation and implementation results of sustainable development (ESG). It will also report the implementation status and resource needs to the Chairman and General Manager from time to time to keep track of progress and respond to current events and emergencies to adjust the implementation strategy and direction. The report includes: (1) the status of communication with stakeholders and issues of concern; (2) the identification of sustainability issues requiring attention, the definition of major themes and the proposal of corresponding action plans; (3) the goals and operational cycle review and policy revision of sustainability-related issues; (4) the monitoring of the implementation of sustainability matters and the evaluation of the implementation status; (5) greenhouse gas inventory, carbon reduction plan and progress review; and (6) an explanation of sustainability performance results, on which the Sustainability Committee proposes company strategies.</p> |   |

| Assessment items   | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|--|---------------------------|----|---|---|
|  | Yes                       | No | Summary   |   |
| 2. Does the company conduct risk assessment on environmental, social and corporate governance issues related to the company's operation in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2) | Yes                       |    | <p>In response to major global economic, social and environmental risks, establish systematic risk response policies and procedures in accordance with the principle of materiality and in accordance with ISO 31000 risk management principles and guidelines. The company has set up a risk response organization, with the general manager of the company as the convener, coordinating and directing the promotion and operation of the risk management plan, and responsible for reviewing the company's risk identification operations. Review the situation from an angle, including financial and non-financial risks, and seek opportunities for risk response in addition to mitigation responses. In 2019, the risk identification matrix, the operational risk checklist, and the assessment of intellectual property risks were added.</p> <p>The risk identification process takes into account the frequency of occurrence, the degree of impact and the degree of control for quantitative assessment, covering 1. Business/laws/regulations/standards 2. Political environment changes 3. Economic/financial environment changes 4. Natural disasters (climate change) 5. Technology and information 6. Competitive environment 7. Facilities/equipment 8. Business/market operation 9. Supply chain related 10. Financial operations 11. Community/environmental security 12. Personnel, etc., a total of 92 types of risks are identified and prioritized using matrix analysis.</p> <p>The "Sustainable Development Committee" analyzes the materiality principle of the Sustainability Report, collects issues of concern to various stakeholders, identifies the three major aspects of environment, society and corporate governance, and holds an internal senior executive meeting to discuss and evaluate The extent to which the company's operations have a positive or negative impact on various sustainable management issues, in order to evaluate the material ESG issues, and continue to develop action countermeasures to reduce the impact of related risks.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items  | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|---|---------------------------|----|---|---|
|   | Yes                       | No | Summary   |   |
|   |                           |    | <p>In terms of environment, in terms of the possible risks and impacts of climate change on operations, formulate plans for carbon reduction, energy and water conservation, and solar renewable energy creation; in terms of society, treat employees well with people-oriented, strive to build a friendly workplace, and continuously strengthen quality improvement, education and training, etc. The preventive mechanism enhances the company's value and exceeds customer expectations; in terms of corporate governance, formulates "key operational risk management measures" for risk management and implementation.</p> <p>The Company held its regular risk management meetings on April 7, 2025 and October 1, 2025. Based on the risk control mechanism, the following risks were identified: US-China trade restrictions and technology conflict, the Russia-Ukraine war and cross-strait tensions, demand uncertainty and inventory management, ESG promotion, and the development of China's independent IC industry, among others. Internally, the Company actively researched and developed mitigation and response strategies and plans to eliminate, reduce, transfer, and accept risks, as well as operational sustainability plans; strengthened early warning and monitoring capabilities; and promoted risk identification and control to foster a risk-management-oriented business model, achieving operational objectives and enhancing value for shareholders and internal and external stakeholders. The Board of Directors will deliver reports on the implementation of the 114th year of operation risk management at its meetings on May 5, 2025 and November 3, 2025, respectively. For details, please refer to the "Assessment of Risks" section of the Company's annual report and its website.</p> |   |
| 3. Environmental issues   |                           |    |   |   |
| ( 1 ) Does the company establish appropriate environmental management system according to its industrial characteristics? | Yes                       |    | The company establishes an environmental management system in accordance with ISO 14001 and has passed third-party verification. In addition, it conducts annual greenhouse gas inventory in accordance with ISO14064-1 specifications, and tracks emission reduction results and discloses it in the sustainability report and the company's website.  | Comply with the best-practice principles, no discrepancy              |

| Assessment items   | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|--|---------------------------|----|---|---|
|  | Yes                       | No | Summary   |   |
| (2) Is the company committed to improving the utilization efficiency of energy and using recycled materials with low impact on environmental load? | Yes                       |    | <p>Our company and subsidiaries continue to actively promote various energy-saving and carbon-reduction initiatives, aiming to achieve an energy saving rate of over 1% compared to the previous year, and approximately 1.26% by 2025. This includes continuously promoting the construction and self-use of a solar power generation system within the plant, the use of energy-saving lighting fixtures throughout the plant, adjusting the timing of public lighting in the plant area according to sunrise/sunset times, adjusting air conditioning start/stop times based on weather and temperature, replacing heat pump equipment in living areas, regulating hot water supply temperature, and improving process control. We recycle and reuse concentrated water, and recycle scrap products and waste materials to qualified waste metal recycling companies to extract the residual value of precious metals such as gold and silver. We also promote the recovery and reuse of process waste heat and the installation of new heat pump systems for energy saving. Our factory equipment energy efficiency improvement projects include replacing two heat pumps and two electric boilers in the dormitory living area, replacing one high-efficiency chiller unit in Building H, and implementing kitchen hot water supply temperature control and ISO50001 energy management system certification. Our company continuously builds and promotes environmental knowledge and concepts among employees to fulfill our responsibility and effort in protecting the planet. Please see the company website for details; for energy usage information, please refer to the sustainability report.</p> <p>Based on relevant international regulations and the green product requirements of our key clients, our company has formulated the most stringent requirements into the "Environmentally Controlled Substances Management Regulations" for compliance. We also require our suppliers to adhere to these regulations and regularly collect their hazardous substance information to confirm compliance. In addition to obtaining IECQ QC 080000 Hazardous Substance Process Management System certification, we use green procurement activities as the foundation for continuously providing green products to users. Our goal is to ensure that from product design to manufacturing and shipment, products are designed to be unused, uncontaminated, and free from pollution, thereby reducing the environmental impact of our products and services. To strengthen supply chain management of green products, we encourage suppliers to not only possess a basic ISO 9001 quality system but also to implement IECQ QC. The 080000 Hazardous Substance Process Management System is used to implement environmental management activities and reduce harm to the environment.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items   | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|--|---------------------------|----|---|---|
|  | Yes                       | No | Summary   |   |
| (3) Does the company assess the potential risks and opportunities of climate change for the enterprise now and in the future, and take measures to deal with climate related issues? | Yes                       |    | <p>Under the important issue of climate change, the company continues to actively promote relevant activities. In addition to grasping the company's carbon emissions through "Greenhouse Gas Verification" (ISO 14064-1), it also discloses carbon, water, forests through CDP questionnaires., and other relevant data related to natural capital management, and understand the relevant risks and opportunities according to the scoring results, which will be used as measurement factors for subsequent decision-making on related activities and investment choices. In addition, through the ISO14001 management review meeting, the company reviews the actual carbon reduction implementation measures of the previous year and examines the implementation results, actively facing various carbon reduction measures. Inventory the risks and opportunities derived from climate change, including direct or indirect physical impacts, the impact of transformation due to regulations, technology or market demand... and other risks and opportunities on the company's operating activities, and strengthen the company's corporate identity through the identification of relevant units Climate change governance to reduce risks and seize business opportunities.</p> <p>The Sustainable Development Committee and the functional group, according to the TCFD disclosure framework, incorporate climate-related risks and opportunities into assessment and identification, and propose response measures, plans and goals through the four aspects of governance, strategy, risk management, indicators and goals, focus on (1) Issues with increasing stakeholder concerns and negative feedback (2) Two major risks of sustained high temperatures; opportunity focus: use of low-carbon energy. Proposed countermeasures: Continue to conduct greenhouse gas inventory and verification and expand to product carbon footprints, purchase renewable energy, and eliminate high-energy-consuming equipment. Regularly disclose climate governance-related information, improve information transparency, promote sustainable operations, and report to the board of directors for review progress and rolling adjustments. The details are publicly disclosed in the ESG report.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items   | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|--|---------------------------|----|---|---|
|  | Yes                       | No | Summary   |   |
| (4) Does the company make statistics of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management? | Yes                       |    | <p>The company through the ISO 14001 system, strengthens self-management, continuously improves environmental performance, and maintains the overall operation effectively and properly. The company complies with the relevant requirements of government laws and regulations and other applicable international regulations. For the control of pollution prevention and control, we have obtained the "fixed pollution source operation permit", "water pollution prevention and control permit", and "business waste disposal plan" according to law " and "Toxic Chemical Substances Operation Permit Document", etc., and regularly carry out inspections, maintenance, reporting and testing in accordance with its regulations. See the company's website for details on greenhouse gas emissions, water consumption and total waste weight.</p> <p>The company and its subsidiaries have been promoting carbon management related operations for some time, and regularly conduct "greenhouse gas verification" (ISO 14064-1). To determine improvement measures in order to achieve the goal of reducing carbon dioxide emissions (at least 1% per year), to demonstrate the company's determination to protect the environment.</p> <p>The company has been concerned about water resources energy conservation and environmental protection issues for many years. In terms of water conservation plans, it starts with the full implementation of the daily water consumption, and maximizes the benefits of the available resources. Over the years, it has been committed to the recycling of water resources, and collects the RO concentrated water generated in the process of manufacturing pure water and it is expected that the water intensity of tap water in the plant area will be reduced by 20% in 2028 (based on 2020).</p> <p>The company is committed to environmental protection and formulates various reduction plans, and takes "zero waste in the process" as the ultimate goal of waste management. In recent years, we have continued to reduce the use of raw materials and the generation of waste through process improvement, recycling of waste solvents and measures to reduce people's livelihood to reduce the use of disposable tableware, reduce the amount of kitchen waste, and improve the resource recovery rate. We hope that the factory will be abandoned in 2026 and the production rate can be reduced by 20% (based on 2020)</p> | Comply with the best-practice principles, no discrepancy              |
| 4 Social issues  |                           |    |   |   |

| Assessment items  | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|---|---------------------------|----|---|---|
|   | Yes                       | No | Summary   |   |
| (1) Does the company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions? | Yes                       |    | <p>I. Human Rights Management Policy<br/> Policy Content: To protect workers' rights, our company has formulated a "Human Rights Policy" in accordance with the Universal Declaration of Human Rights (UDHR), the United Nations Global Covenant (UNGC), the United Nations Guiding Principles for Business and Human Rights (UNGPs), the core labor standards of the International Labour Organization (ILO), and the Responsible Business Alliance Code of Conduct (RBA Code of Conduct). We strictly adhere to the relevant laws and regulations of the locations where our operations are situated to ensure that all employees receive fair, respectful, and equal treatment.</p> <p>Detailed human rights policies are publicly available in the ESG section of our company website. <a href="https://esg.txccorp.com/esg/31_1/144/">https://esg.txccorp.com/esg/31_1/144/</a> Scope of Application: This policy applies to all employees and all operating locations of the Company, and suppliers, contractors, and partners are expected to adhere to the same standards.</p> <p>Responsible Unit: The Company's "Sustainability Committee" has established a dedicated (part-time) Sustainability Promotion Unit, and appoints a senior manager as the Company's Chief Sustainer to coordinate and implement sustainability-related matters across departments. The dedicated (part-time) Sustainability Promotion Unit has four cross-departmental working groups: "Corporate Governance," "Environmental Sustainability," "Social Responsibility," and "Sustainability Disclosure." Human rights governance is covered by the "Social Responsibility" group, which systematically and effectively promotes human rights management practices. At least one management review is held annually to report on progress to the Sustainable Development Committee, reporting on human rights management practices and implementation results, while a social responsibility risk assessment is conducted quarterly.</p> <p>Our company also uses corporate social responsibility (CSR) courses and human rights policy promotion to help employees understand their own rights and the company's CSR policies and practices. A total of 3,624 people completed the training in 2025.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items | Operation Status (Note 1) |    |  | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|------------------|---------------------------|----|--|---|
|                  | Yes                       | No | Summary  |   |
|                  |                           |    | <p>II. Human Rights Due Diligence Process and its Implementation Our company has established a human rights risk management mechanism based on the Universal Declaration of Human Rights (UDHR), the United Nations Global Covenant (UNGC), the United Nations Guiding Principles for Business and Human Rights (UNGPs), the International Labour Organization (ILO) core labor standards, and the Responsible Business Alliance Code of Conduct (RBA Code of Conduct) to continuously identify, prevent, and reduce potential human rights risks in our operations.</p> <p>Human Rights Due Diligence Process:</p> <p>1. Identify Human Rights Issues<br/>Identify potential human rights risks through methods such as proactively monitoring major social issues, quarterly labor-management meetings, employee opinion surveys, and holding two-way communication forums at all levels.</p> <p>↓</p> <p>2. Assessment and Prioritization<br/>Conduct risk assessments on human rights issues based on the frequency and severity of hazard occurrence, and identify priority management items.</p> <p>↓</p> <p>3. Plan Improvement and Management Measures<br/>Develop mitigation and improvement plans based on the risk assessment results, covering internal systems, training, etc.</p> <p>↓</p> <p>4. Tracking and Communication<br/>Continuously monitor the effectiveness of implementation and disclose information to stakeholders through internal labor-management meetings, communication channels, and the company website.</p> <p>Based on the above human rights due diligence process, the Company has identified the three highest priority human rights issues for employees in its 2025 assessment: "Diverse Recruitment and Anti-Discrimination", "Occupational Health and Safety" and "Freedom of Choice of Employment". The Company has proposed the following mitigation and remedial management measures and practices to continuously maintain a low risk of human rights violations.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items                                | Operation Status (Note 1)  |   |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |                                |                   |   |  |   |                                |   |   |                              |   |  |  |
|---|--|---|---|---|--------------------------------|-------------------|---|--|---|--------------------------------|---|---|------------------------------|---|--|--|
|   | Yes  | No  | Summary   |   |                                |                   |   |  |   |                                |   |   |                              |   |  |  |
|   |  |   | <table border="1"> <thead> <tr> <th>Issues</th> <th>Mitigation Management Measures</th> <th>Practical Actions</th> </tr> </thead> <tbody> <tr> <td>Diversified Recruitment and Anti-Discrimination</td> <td>Recruit domestic and foreign employees through diverse recruitment channels such as job banks, campus recruitment, R&amp;D alternative service, and internal referrals.<br/>The company's recruitment and employment policies and practices, such as job advertisements, job descriptions, and performance/evaluation policies and practices, must not contain any form of discrimination or prejudice.<br/>Establish "Workplace Harassment and Abuse Prevention Measures, Complaint and Disciplinary Measures," set up complaint channels, publicly display relevant information in prominent places in the workplace, and regularly conduct education and training to strengthen employees' awareness of prevention measures and complaint channels.</td> <td>Total employees: 913; 41.5% male, 58.5% female; 80.1% local employees, 19.9% foreign employees.<br/>Number of employees with disabilities exceeds legal standards.<br/>No complaints of discrimination, harassment, bullying, or abuse.</td> </tr> <tr> <td>Occupational Health and Safety</td> <td>Certified with Occupational Safety and Health Management Systems (ISO 45001, CNS 45001), effectively implementing management practices.<br/>Risk mitigation is achieved through quarterly Occupational Safety and Health Committee meetings, strengthening employee safety awareness, and implementing emergency response systems, among other specific occupational safety measures.<br/>Annual health and special health examinations are conducted for employees.<br/>A fully equipped medical clinic is provided, with resident doctors and dedicated nurses offering professional health management.<br/>A breast milk collection room is provided, offering a suitable place for breastfeeding women to collect their milk.</td> <td>No serious occupational injury incidents occurred.<br/>1,764 participants participated in emergency response drills during the year, achieving 100% coverage.<br/>Total occupational safety education and training hours for the year totaled 6,946 hours.<br/>Disability injury frequency (FR): 0.51 (significantly lower than the industry average reported by the government). Source: Note 1: Occupational Safety and Health Administration, Ministry of Labor - Total Injury Index for All Industries in the Previous Three Years <a href="https://pse.is/8p2pzt">https://pse.is/8p2pzt</a><br/>Awarded the Silver Award for "Outstanding Healthy Workplace Benchmark" by the Health Development Administration.</td> </tr> <tr> <td>Freedom to choose employment</td> <td>The Social Responsibility Manual includes a commitment to "prohibit forced labor."<br/>* It prohibits unreasonable restrictions on employees' access to the company workplace, and should not unreasonably restrict their freedom of movement within the workplace.<br/>It establishes a "zero-fee policy" for recruitment, meaning employees do not need to pay recruitment or employment-related costs.<br/>It establishes a "Resignation (Leave Without Pay) Management Regulations," allowing employees to freely terminate their employment relationship by giving reasonable notice to the company in accordance with the law.</td> <td>No cases of forced labor have occurred.<br/>All foreign employment contracts were explained and signed in a language that employees could understand.<br/>Employees did not pay any recruitment or employment-related fees.<br/>Employees who resigned all notified the company within a reasonable timeframe as required by law.</td> </tr> </tbody> </table> | Issues  | Mitigation Management Measures | Practical Actions | Diversified Recruitment and Anti-Discrimination | Recruit domestic and foreign employees through diverse recruitment channels such as job banks, campus recruitment, R&D alternative service, and internal referrals.<br>The company's recruitment and employment policies and practices, such as job advertisements, job descriptions, and performance/evaluation policies and practices, must not contain any form of discrimination or prejudice.<br>Establish "Workplace Harassment and Abuse Prevention Measures, Complaint and Disciplinary Measures," set up complaint channels, publicly display relevant information in prominent places in the workplace, and regularly conduct education and training to strengthen employees' awareness of prevention measures and complaint channels. | Total employees: 913; 41.5% male, 58.5% female; 80.1% local employees, 19.9% foreign employees.<br>Number of employees with disabilities exceeds legal standards.<br>No complaints of discrimination, harassment, bullying, or abuse. | Occupational Health and Safety | Certified with Occupational Safety and Health Management Systems (ISO 45001, CNS 45001), effectively implementing management practices.<br>Risk mitigation is achieved through quarterly Occupational Safety and Health Committee meetings, strengthening employee safety awareness, and implementing emergency response systems, among other specific occupational safety measures.<br>Annual health and special health examinations are conducted for employees.<br>A fully equipped medical clinic is provided, with resident doctors and dedicated nurses offering professional health management.<br>A breast milk collection room is provided, offering a suitable place for breastfeeding women to collect their milk. | No serious occupational injury incidents occurred.<br>1,764 participants participated in emergency response drills during the year, achieving 100% coverage.<br>Total occupational safety education and training hours for the year totaled 6,946 hours.<br>Disability injury frequency (FR): 0.51 (significantly lower than the industry average reported by the government). Source: Note 1: Occupational Safety and Health Administration, Ministry of Labor - Total Injury Index for All Industries in the Previous Three Years <a href="https://pse.is/8p2pzt">https://pse.is/8p2pzt</a><br>Awarded the Silver Award for "Outstanding Healthy Workplace Benchmark" by the Health Development Administration. | Freedom to choose employment | The Social Responsibility Manual includes a commitment to "prohibit forced labor."<br>* It prohibits unreasonable restrictions on employees' access to the company workplace, and should not unreasonably restrict their freedom of movement within the workplace.<br>It establishes a "zero-fee policy" for recruitment, meaning employees do not need to pay recruitment or employment-related costs.<br>It establishes a "Resignation (Leave Without Pay) Management Regulations," allowing employees to freely terminate their employment relationship by giving reasonable notice to the company in accordance with the law. | No cases of forced labor have occurred.<br>All foreign employment contracts were explained and signed in a language that employees could understand.<br>Employees did not pay any recruitment or employment-related fees.<br>Employees who resigned all notified the company within a reasonable timeframe as required by law. |  |
| Issues  | Mitigation Management Measures   | Practical Actions   |   |   |                                |                   |   |  |   |                                |   |   |                              |   |  |  |
| Diversified Recruitment and Anti-Discrimination | Recruit domestic and foreign employees through diverse recruitment channels such as job banks, campus recruitment, R&D alternative service, and internal referrals.<br>The company's recruitment and employment policies and practices, such as job advertisements, job descriptions, and performance/evaluation policies and practices, must not contain any form of discrimination or prejudice.<br>Establish "Workplace Harassment and Abuse Prevention Measures, Complaint and Disciplinary Measures," set up complaint channels, publicly display relevant information in prominent places in the workplace, and regularly conduct education and training to strengthen employees' awareness of prevention measures and complaint channels. | Total employees: 913; 41.5% male, 58.5% female; 80.1% local employees, 19.9% foreign employees.<br>Number of employees with disabilities exceeds legal standards.<br>No complaints of discrimination, harassment, bullying, or abuse.   |   |   |                                |                   |   |  |   |                                |   |   |                              |   |  |  |
| Occupational Health and Safety                  | Certified with Occupational Safety and Health Management Systems (ISO 45001, CNS 45001), effectively implementing management practices.<br>Risk mitigation is achieved through quarterly Occupational Safety and Health Committee meetings, strengthening employee safety awareness, and implementing emergency response systems, among other specific occupational safety measures.<br>Annual health and special health examinations are conducted for employees.<br>A fully equipped medical clinic is provided, with resident doctors and dedicated nurses offering professional health management.<br>A breast milk collection room is provided, offering a suitable place for breastfeeding women to collect their milk.                    | No serious occupational injury incidents occurred.<br>1,764 participants participated in emergency response drills during the year, achieving 100% coverage.<br>Total occupational safety education and training hours for the year totaled 6,946 hours.<br>Disability injury frequency (FR): 0.51 (significantly lower than the industry average reported by the government). Source: Note 1: Occupational Safety and Health Administration, Ministry of Labor - Total Injury Index for All Industries in the Previous Three Years <a href="https://pse.is/8p2pzt">https://pse.is/8p2pzt</a><br>Awarded the Silver Award for "Outstanding Healthy Workplace Benchmark" by the Health Development Administration. |   |   |                                |                   |   |  |   |                                |   |   |                              |   |  |  |
| Freedom to choose employment                    | The Social Responsibility Manual includes a commitment to "prohibit forced labor."<br>* It prohibits unreasonable restrictions on employees' access to the company workplace, and should not unreasonably restrict their freedom of movement within the workplace.<br>It establishes a "zero-fee policy" for recruitment, meaning employees do not need to pay recruitment or employment-related costs.<br>It establishes a "Resignation (Leave Without Pay) Management Regulations," allowing employees to freely terminate their employment relationship by giving reasonable notice to the company in accordance with the law.  | No cases of forced labor have occurred.<br>All foreign employment contracts were explained and signed in a language that employees could understand.<br>Employees did not pay any recruitment or employment-related fees.<br>Employees who resigned all notified the company within a reasonable timeframe as required by law.  |   |   |                                |                   |   |  |   |                                |   |   |                              |   |  |  |
|   |  |   | <p>The Company will continue to monitor various human rights issues and regularly review and improve relevant management measures to ensure human rights protection.</p> <p>For more information on human rights policies and implementation, please refer to the relevant disclosures on the Company's Human Rights Website.<br/><a href="https://esg.txccorp.com/esg/8/205/">https://esg.txccorp.com/esg/8/205/</a></p>   |   |                                |                   |   |  |   |                                |   |   |                              |   |  |  |

| Assessment items   | Operation Status (Note 1) |    |  | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|--|---------------------------|----|--|---|
|  | Yes                       | No | Summary  |   |
| (2) Does the company establish and implement reasonable employee welfare measures (including compensation, vacation and other benefits), and properly reflect the operating performance or results in employee compensation? | Yes                       |    | <p>The Company and its subsidiaries establish salary grades and scales based on the relative contribution of each position. In line with the operational development strategy, salary adjustments and bonuses are based on individual employee performance, future development potential, and operational status, in order to motivate employees to make positive efforts and achieve outstanding performance, thus achieving "internal fairness" and "individual fairness" in compensation. In addition to the bonus amount allocated based on the pre-tax net profit in the annual operating budget, if the Company makes a profit in the current year, the Board of Directors shall, in accordance with the Company's Articles of Association, decide to allocate no less than 3% as employee remuneration. Of the aforementioned employee remuneration, no less than 35% shall be allocated as remuneration for grassroots employees. In fiscal year 2025, the Company will allocate 9% of its pre-tax profits to employee compensation, of which 47% is expected to be allocated to frontline employees. The Compensation Committee regularly reviews the rationality of various salary and benefits systems to maintain high-level employee welfare and attract outstanding talent. The Company has established employee stock ownership trusts and various bonus systems, along with a flexible compensation adjustment system, to foster employee cohesion and long-term retention. In fiscal year 2025, 183 high-performing employees were promoted, with an average salary increase of 5.26%, to recognize and encourage their expertise and potential, thereby retaining and developing talent.</p> <p>Our company established the Labor Retirement Regulations (old system) in accordance with the Labor Standards Act, contributing 9% of monthly wages to a labor retirement reserve fund deposited into a dedicated bank account. The Labor Retirement Reserve Fund Oversight Committee was responsible for its management and use. In December 2025, advance payments of old-system retirement pensions were made to employees who maintained or retained the old system. From July 1, 2005, in accordance with the "Labor Retirement Pension Act," 6% of monthly wages was contributed to a labor retirement pension fund (new system) deposited into a dedicated individual labor retirement pension account established by the Labor Insurance Bureau. In January 2007, the Employee Retirement Fund Management Committee was established, contributing 8% of monthly wages to an employee retirement pension fund to ensure the retirement planning of appointed managers.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items | Operation Status (Note 1) |    |  | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|------------------|---------------------------|----|--|---|
|                  | Yes                       | No | Summary  |   |
|                  |                           |    | <p>In 2009, our company established an "Employee Stock Ownership Trust" to assist employees in long-term investment and financial management, as well as comprehensive retirement planning, through a company-allocated incentive mechanism. By 2025, a total of 4,621 employees will benefit from this trust. Since 2021, to assist employees with family care and alleviate childcare burdens, in response to the government's low birth rate policy, we have implemented a childcare allowance for employees (0-5 years old) and created a safe and friendly workplace environment, enabling employees to balance family care and career development. These measures include flexible working hours, guaranteeing return to work after the maternity leave period, and providing dedicated parking spaces and breastfeeding rooms for pregnant women. In 2025, childcare allowances were distributed to 770 employees, totaling NT\$2,420,000.</p> <p>Our company values and is committed to creating a friendly workplace that promotes equality and diversity. In 2025, the average percentage of female employees in the Group was 55.7%, and the average percentage of female managers was 36.5%. We proactively provide job opportunities for people with disabilities, achieving our goal of 100% employment for people with disabilities. We uphold empathy and inclusivity in our cultural activities for expatriate employees, providing special programs in festivals, catering, and accommodation.</p> <p>A range of excellent benefits are offered, including wedding gifts, maternity gifts, birthday gifts, holiday gifts, and employee travel subsidies. The company also provides comprehensive care for employees, including regular free health checkups, group insurance, and employee welfare payments. Furthermore, a paid "birthday leave" program will be launched in January 2024 to encourage employees to celebrate their special day. The company also has an Employee Welfare Committee that promotes diverse benefits and activities based on the concept of "work/life balance." Various clubs are established to promote a workplace culture that achieves work-life balance. Regular activities promoting physical and mental well-being are held. The "Performance Appraisal Management Regulations" stipulate that supervisors may provide appropriate rewards in performance appraisals based on employees' participation and cooperation in corporate social responsibility activities.</p> |   |

| Assessment items  | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|---|---------------------------|----|---|---|
|   | Yes                       | No | Summary   |   |
| (3) Does the company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them? | Yes                       |    | <p>Our company adheres to the Occupational Safety and Health Act and formulates policies with consideration for stakeholder expectations, aiming for zero accidents in our Occupational Safety and Health management.</p> <p>Our company has established an Occupational Safety and Health Committee, which regularly discusses and addresses occupational safety and health-related issues quarterly to ensure a safe and hygienic working environment. We also utilize the ISO 45001 Occupational Safety and Health Management System to continuously improve safety and health technologies in our factory, reduce overall operational risks, and minimize operating losses. Our ISO 45001 and TOSHMS certifications are valid until October 27, 2028.</p> <p>Our company revises and implements various safety and health management measures annually in accordance with the Occupational Safety and Health Management Plan, requiring all relevant employees to comply. We conduct occupational safety and health training for new employees and staff at all levels in accordance with relevant laws and regulations, ensuring all employees obtain the necessary certifications. We also regularly send personnel to participate in seminars or briefings organized by government agencies or academic institutions. In addition to regular legal testing of the factory's working environment, we maintain the safety of the factory environment, facilities, and equipment through various inspections and checks. For any accidents occurring within the factory premises, we conduct investigations, implement corrective measures, and report to the relevant authorities in accordance with regulations. Regarding fire safety management, we have appointed a fire safety manager in accordance with regulations. The company manages its facilities and conducts annual fire equipment inspections and reports in accordance with regulations. In addition to maintaining equipment with abnormalities, it also reviews whether additional fire safety facilities are needed in each area. Currently, the factory is equipped with a fire alarm control switchboard, automatic fire alarm system, fire detectors, fire pumps, automatic fire extinguishing system, fire extinguishers, emergency escape lighting, and other necessary fire safety equipment. Fire safety training and drills are conducted every six months to enhance employees' fire safety awareness and emergency rescue experience. A medical clinic is also provided, with on-site physicians and healthcare professionals offering consultations and health management measures. Health information seminars (including disease prevention) are held periodically. Please refer to the company website for related health management activities.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|------------------|---------------------------|----|---|---|
|                  | Yes                       | No | Summary   |   |
|                  |                           |    | <p>In 2025, our company experienced one occupational accident, affecting one employee. This occupational accident affected 0.11% of the total workforce. No fire incidents occurred. We have implemented improvements to relevant management measures and provided training to address the occupational accident and prevent similar incidents from recurring.</p> <p>The company's Ningbo plant and Chongqing plant have respectively set up an environmental health and safety committee and a safety production management committee, which hold a monthly review of the work progress and discuss environmental safety and hygiene issues. A number of new human health education and publicity courses are held regularly every year, and healthy life is promoted to all colleagues by email every month. The company also provides health information from time to time on the company's internal website and e-mail to strengthen the health knowledge of employees and their families.</p> |   |

| Assessment items   | Operation Status (Note 1)  |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |             |                                     |   |  |  |  |
|--|--|----|---|---|-------------|-------------------------------------|---|--|--|--|
|  | Yes  | No | Summary   |   |             |                                     |   |  |  |  |
| (4) Does the company establish an effective career development training program for its employees? | Yes  |    | <p>Our company and subsidiaries plan employee career training courses based on job grade/rank systems, actual needs, and forward-looking development to enhance employees' professional knowledge, skills, and expertise, thereby improving their capabilities and performance. Training courses include new employee training, professional training, management training, general knowledge training, and self-growth and inspiration training. In 2025, a total of 73,399 employees completed training, totaling 129,141 hours. The 2025 Training and Development Priority Plan is explained as follows:</p> <p>The 2025 training and development focus plan is as follows:<br/>1. Management training:</p> <table border="1" data-bbox="853 628 1886 1241"> <thead> <tr> <th>Key Project<br/>&lt;Target Audience&gt;</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>MISA Program<br/>&lt;Senior Executives&gt;</td> <td>The company values its succession planning and actively cultivates internal managers. In 2024, senior executives were assigned to participate in the two-year "Third MISA Fellowship Program" to learn business management wisdom and promote resource integration and network expansion.</td> </tr> <tr> <td>Management Courses<br/>&lt;For Managers at All Levels&gt;</td> <td>To cultivate managers' management thinking and strengthen their leadership and management skills, in 2025, courses titled "Practical Training in Employee Care and Counseling Skills" and "Practical Interviewing and Selection of Personnel" were offered to junior managers. A total of 50 people completed the training. These courses were also offered online through the Commonwealth Innovation Academy platform for managers at all levels to learn management skills.</td> </tr> </tbody> </table> | Key Project<br><Target Audience>                                      | Description | MISA Program<br><Senior Executives> | The company values its succession planning and actively cultivates internal managers. In 2024, senior executives were assigned to participate in the two-year "Third MISA Fellowship Program" to learn business management wisdom and promote resource integration and network expansion. | Management Courses<br><For Managers at All Levels> | To cultivate managers' management thinking and strengthen their leadership and management skills, in 2025, courses titled "Practical Training in Employee Care and Counseling Skills" and "Practical Interviewing and Selection of Personnel" were offered to junior managers. A total of 50 people completed the training. These courses were also offered online through the Commonwealth Innovation Academy platform for managers at all levels to learn management skills. | Comply with the best-practice principles, no discrepancy |
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| Assessment items  | Operation Status (Note 1)   |    |  | Discrepancy with best-practice principles of TWSE/GTSM list companies |             |  |   |   |   |                                  |             |   |   |  |
|---|---|----|--|---|-------------|--|---|---|---|----------------------------------|-------------|---|---|--|
|   | Yes   | No | Summary  |   |             |  |   |   |   |                                  |             |   |   |  |
|   |   |    | <p>2. Professional training:</p> <table border="1"> <thead> <tr> <th>Key Project<br/>&lt;Target Audience&gt;</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Artificial Intelligence Program<br/>&lt;Indirect Colleagues&gt;</td> <td>To align with technological trends, cultivate internal AI talent, improve overall operational efficiency and market competitiveness, and enhance competitiveness, in the first half of 2025, all indirect colleagues received certification through the Ministry of Economic Affairs' Industrial Development Administration's 15-hour online course, "Manufacturing AI Upgrade Engine," with a total of 445 people obtaining certification. Additionally, four generative artificial intelligence &amp; machine learning courses were offered, training a total of 191 people, allowing colleagues to learn the application of different AI tools; in the second half of the year, a 15-hour course, "LLM Principles and Practice," was offered, with 103 people completing the training.</td> </tr> <tr> <td>Intellectual Property Training<br/>&lt;Indirect Colleagues&gt;</td> <td>To effectively establish intellectual property rights awareness among supervisors, and combining internal and external resources with the prosecutors who handled the TSMC leak case, a total of 4 TIPS-related courses were offered to deepen intellectual property rights awareness, totaling 6 hours, with 238 participants completing the training.</td> </tr> </tbody> </table> <p>3. Implementing the Tianxia Innovation Academy Platform:</p> <table border="1"> <thead> <tr> <th>Key Project<br/>&lt;Target Audience&gt;</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Implementing the CWLC Academy Platform<br/>&lt;Indirect Colleagues&gt;</td> <td>The CWLC Academy platform was officially implemented in August 2025, providing all indirect colleagues with nearly 3,000 modules of self-study courses covering eight core functions. A total of 3,707 participants have received training, demonstrating strong learning motivation.</td> </tr> </tbody> </table> <p>4. Personal Development Plan:<br/>Every year, supervisors and subordinates communicate and discuss together to formulate clear and specific personal development plans, and continuously track and evaluate them.</p> | Key Project<br><Target Audience>                                      | Description | Artificial Intelligence Program<br><Indirect Colleagues> | To align with technological trends, cultivate internal AI talent, improve overall operational efficiency and market competitiveness, and enhance competitiveness, in the first half of 2025, all indirect colleagues received certification through the Ministry of Economic Affairs' Industrial Development Administration's 15-hour online course, "Manufacturing AI Upgrade Engine," with a total of 445 people obtaining certification. Additionally, four generative artificial intelligence & machine learning courses were offered, training a total of 191 people, allowing colleagues to learn the application of different AI tools; in the second half of the year, a 15-hour course, "LLM Principles and Practice," was offered, with 103 people completing the training. | Intellectual Property Training<br><Indirect Colleagues> | To effectively establish intellectual property rights awareness among supervisors, and combining internal and external resources with the prosecutors who handled the TSMC leak case, a total of 4 TIPS-related courses were offered to deepen intellectual property rights awareness, totaling 6 hours, with 238 participants completing the training. | Key Project<br><Target Audience> | Description | Implementing the CWLC Academy Platform<br><Indirect Colleagues> | The CWLC Academy platform was officially implemented in August 2025, providing all indirect colleagues with nearly 3,000 modules of self-study courses covering eight core functions. A total of 3,707 participants have received training, demonstrating strong learning motivation. |  |
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| Assessment items  | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|---|---------------------------|----|---|---|
|   | Yes                       | No | Summary   |   |
| (5) Does the company comply with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures to protect the rights and interests of consumers or customers? | Yes                       |    | <p>The company adheres to the core value of "customer-centricity" and formulates and discloses consumer rights protection policies for customer health and safety, marketing, labeling, etc. to ensure the compliance and transparency of products and services, and is committed to protecting the rights of consumers and customers. The specific policies and measures are as follows:</p> <p><b>I. Consumer Rights Protection Policy</b></p> <ul style="list-style-type: none"> <li>• Product safety and environmental compliance: All products comply with international safety and environmental regulations (such as RoHS, REACH), strictly control hazardous substances, and reduce potential risks to consumer health.</li> <li>• Reliability and durability verification: Implement high-standard reliability tests (such as high temperature and high humidity, and drop tests) on electronic products to ensure product durability and safety of use.</li> <li>• Correct product labeling: Product labeling complies with the Consumer Protection Act, the Fair Trade Act and international standards (such as ISO, IEC), and fully discloses specifications, usage warnings, warranty content and other information to protect consumers' right to know.</li> <li>• Principle of honest marketing: All marketing activities must comply with local laws and regulations and the principle of honest advertising to ensure that information is true, clear, not exaggerated or misleading, and respects consumers' decision-making power.</li> </ul> <p><b>II. Complaint Channels and Handling Procedures</b></p> <ul style="list-style-type: none"> <li>• Multiple complaint channels: The Company provides multiple channels such as dedicated customer service, online customer service platform and email, so that consumers can reflect their opinions and problems immediately. Email: whistleblower@txc.com.tw</li> <li>• Return and Repair Policy (RMA): Establish clear return and repair procedures to quickly handle defective products and protect consumers' after-sales rights.</li> <li>• Major Complaints Handling Mechanism (CAPA): For major consumer complaints, the "Corrective and Preventive Action" mechanism is activated to analyze the root causes and develop effective improvement measures to prevent the problem from recurring.</li> <li>• Response and improvement mechanism: All complaint cases will be tracked and responded to by a dedicated team, and will serve as the basis for internal quality and service optimization.</li> <li>• The Company will continue to strengthen its consumer protection policies and complaint handling procedures, and conduct regular reviews and improvements to ensure that consumers and customers can choose the Company's products and services with confidence and establish long-term trusting relationships.</li> </ul> | Comply with the best-practice principles, no discrepancy              |

| Assessment items  | Operation Status (Note 1) |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|---|---------------------------|----|---|---|
|   | Yes                       | No | Summary   |   |
| (6) Does the company have a supplier management policy that requires suppliers to follow relevant specifications and their implementation in environmental protection, occupational safety and health, labor rights and other issues? | Yes                       |    | <p>To ensure that our commitment to corporate sustainability is implemented with our supplier partners, we have established a "Sustainability Management Manual," "Supplier Management Regulations," "Supplier Code of Conduct," "Sustainability Commitment," and "Supplier Audit Operating Procedures." These documents cover areas such as organizational governance, human rights, labor practices, environmental protection, fair operating practices, customer issues (product responsibility), and community involvement and development. Simultaneously, we actively promote sustainable procurement management, have implemented ISO 20400 sustainable procurement standards, and obtained BSI certification to strengthen our supply chain's sustainable governance capabilities.</p> <p>Furthermore, our company highly values human rights issues and adheres to a human rights due diligence mechanism, regularly conducting human rights risk identification and assessment. We proactively identify, prevent, and mitigate potential human rights risks in our operations and supply chain to fulfill our corporate social responsibility. The relevant implementation details are as follows:</p> <p>I. Scope and Process of Due Diligence: Our human rights due diligence covers the supplier level. Based on the company's human rights policy and supplier code of conduct, we require suppliers to sign a sustainable development commitment and periodically re-sign integrity commitments, environmental and occupational safety and health questionnaires, industry compliance commitments, green product statements, and non-contradictory metal declarations, etc.</p> <p>Risk assessments are conducted through self-assessment forms, written reviews, and supplier evaluation mechanisms. The Sustainable Procurement Committee identifies human rights and working conditions risks, classifies suppliers based on assessment results, strengthens controls over high-risk suppliers, and continuously promotes relevant regulations through the annual supplier conference.</p> <p>II. Major Human Rights Issues: The 2025 audit focused on prohibiting forced labor, prohibiting child labor, and implementing responsible procurement policies for conflict minerals to avoid using minerals from conflict zones. The assessment covers human rights, social responsibility, environmental, and corporate governance aspects, identifying major issues based on risk and compliance status. Suppliers must comply with core human rights guidelines and conflict minerals management policies to reduce potential human rights and environmental risks.</p> <p>III. Supplier Assessment and Mitigation Measures: Conduct on-site visits and audits of suppliers, performing due diligence in accordance with RBA standards and relevant management systems; require non-compliant suppliers to submit and complete improvement plans within a specified timeframe, and verify effectiveness through follow-up and follow-up reviews to strengthen supply chain management and implement sustainability requirements.</p> | Comply with the best-practice principles, no discrepancy              |

| Assessment items  | Operation Status (Note 1) |                 |  | Discrepancy with best-practice principles of TWSE/GTSM list companies |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
|---|---------------------------|-----------------|--|---|-------------------------|-----------------|---|--|----|----|-----|---------------------|-------------------------|-----------------|---|------------------------------------|----|----|----|---|----|----|----|---|----|----|----|--|----|----|----|---|----|---|----|------------------------------------|----|---|----|--|
|   | Yes                       | No              | Summary  |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
|   |                           |                 | <p>Our company regularly conducts supplier evaluations and on-site visits to ensure that suppliers meet the company's medium- and long-term sustainable development plans and international standards, and to maintain long-term, high-quality partnerships. The details of the 2025 audit visit are as follows, and relevant information is publicly disclosed on the sustainability section of our official website.</p> <table border="1"> <thead> <tr> <th>Visit verification</th> <th>Number of investigators</th> <th>Number of match</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Responsible Business Alliance Guidelines</td> <td>41</td> <td>41</td> <td>100</td> </tr> <tr> <th>System verification</th> <th>Number of investigators</th> <th>Number of match</th> <th>%</th> </tr> <tr> <td>ISO 9001 Quality management system</td> <td>41</td> <td>39</td> <td>95</td> </tr> <tr> <td>ISO 14001 Environmental Management System</td> <td>41</td> <td>34</td> <td>83</td> </tr> <tr> <td>ISO 28000 Secure Supply Chain Management System</td> <td>41</td> <td>18</td> <td>44</td> </tr> <tr> <td>ISO 45001 Occupational Safety and Health Management System</td> <td>41</td> <td>13</td> <td>32</td> </tr> <tr> <td>IECQ/QC080000 Hazardous Substance Process Management System</td> <td>41</td> <td>4</td> <td>10</td> </tr> <tr> <td>ISO 14064 Greenhouse Gas Inventory</td> <td>41</td> <td>8</td> <td>20</td> </tr> </tbody> </table> | Visit verification  | Number of investigators | Number of match | % | Responsible Business Alliance Guidelines | 41 | 41 | 100 | System verification | Number of investigators | Number of match | % | ISO 9001 Quality management system | 41 | 39 | 95 | ISO 14001 Environmental Management System | 41 | 34 | 83 | ISO 28000 Secure Supply Chain Management System | 41 | 18 | 44 | ISO 45001 Occupational Safety and Health Management System | 41 | 13 | 32 | IECQ/QC080000 Hazardous Substance Process Management System | 41 | 4 | 10 | ISO 14064 Greenhouse Gas Inventory | 41 | 8 | 20 |  |
| Visit verification  | Number of investigators   | Number of match | %  |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| Responsible Business Alliance Guidelines                    | 41                        | 41              | 100  |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| System verification   | Number of investigators   | Number of match | %  |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| ISO 9001 Quality management system                          | 41                        | 39              | 95   |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| ISO 14001 Environmental Management System                   | 41                        | 34              | 83   |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| ISO 28000 Secure Supply Chain Management System             | 41                        | 18              | 44   |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| ISO 45001 Occupational Safety and Health Management System  | 41                        | 13              | 32   |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| IECQ/QC080000 Hazardous Substance Process Management System | 41                        | 4               | 10   |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |
| ISO 14064 Greenhouse Gas Inventory                          | 41                        | 8               | 20   |   |                         |                 |   |  |    |    |     |                     |                         |                 |   |                                    |    |    |    |   |    |    |    |   |    |    |    |  |    |    |    |   |    |   |    |                                    |    |   |    |  |

| Assessment items  | Operation Status (Note 1)   |    |   | Discrepancy with best-practice principles of TWSE/GTSM list companies |
|---|---|----|---|---|
|   | Yes   | No | Summary   |   |
| 5. Does the company prepare corporate social responsibility reports and other reports that disclose the company's non-financial information in accordance with the international reporting standards or guidelines? Is the disclosure report confirmed or guaranteed by a third party certification unit? | Yes   |    | <p>The company has issued the corporate social responsibility report since 2009, and changed its name to the sustainability report in 2021. In order to fully disclose the practices and achievements in the three aspects of corporate social welfare, corporate operation governance, and environmental safety and health, we have based on the global sustainability report over the years. Development Report Guidance (GRI) and AA1000 Standard Compilation Report, written in accordance with the new version of GRI Standards (GRI Standards) since 2017, using the latest published standards as the basis for continuous improvement of the three aspects of social responsibility, 2023 Annual Sustainability Report In addition to the above-mentioned standard framework, the book also incorporates the content of the TCFD and SASB frameworks to strengthen corporate governance of climate-related risks and opportunities. And entrusted the third-party verification unit "British Standards Institution" (BSI), according to the AA1000 assurance standard and "The Core option" (The Core option) of the GRI standard, after the inspection, it complies with the inclusiveness, materiality and responsiveness of the information disclosure, and issued The independent guarantee statement is an appendix to the 2023 Annual Sustainability Report. The 2025 sustainability report is expected to be submitted and published on the company website before August 28, 2026.</p> <p>All the data disclosed in the report conform to the corresponding management system specifications, and the financial related results are calculated in NT dollars and have been verified by accountants from Qinye Zhongxin United Accounting Firm; the management system of the environment, safety and sanitation is not completed regularly In addition to internal audits, it also accepts external audits of ISO 14001 and ISO 45001 every year. Greenhouse gas emission data is calculated using the coefficient used in the "Greenhouse Gas Emission Coefficient Management Table (Version 6.0.4)" provided by the Environmental Protection Agency, and the carbon dioxide emission data of the product carbon footprint is based on the DoITPro: 2013 database of the Industrial Technology Research Institute It is derived from the coefficients and calculation rules provided.</p> | Comply with the best-practice principles, no discrepancy              |
| 6. If a company has its own corporate social responsibility code in accordance with the code of practice for corporate social responsibility of listed and OTC companies, please state the difference between its operation and the code :  | <p>The company prepares a corporate social responsibility report every year. The report content and related operations are consistent with the corporate social responsibility code of practice for listed and OTC companies, and there is no significant difference. It is disclosed at the public information observatory and the company website. Please refer to the company website.</p> |    |   |   |
| 7. Other important information to understand the operation of CSR :   | <p>For information about corporate social responsibility of the company and its subsidiaries, such as corporate governance, environmental safety and health, and social welfare, please refer to the company website.</p>   |    |   |   |

Note 1: If "yes" is checked in the operation, please indicate the important policies, strategies, measures and implementation; if "no" is checked in the operation, please explain the reasons and explain the plans for adopting relevant policies, strategies and measures in the future. However, regarding promotion projects 1 and 2, listed OTC companies should describe the governance and supervision structure of sustainable development, including but not limited to management guidelines, strategy and goal formulation, review measures, etc. It also describes the company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.

Note 2: Materiality principle refers to those issues related to environment, society and corporate governance that have a significant impact on the company's investors and other stakeholders.

## 2. Climate related information

### (1) Implementation of climate-related information

| Item  | Implementation   |  |  |                   |                            |                    |          |  |   |                                   |   |  |  |                                    |                     |                              |  |
|---|--|--|--|-------------------|----------------------------|--------------------|----------|--|---|-----------------------------------|---|--|--|------------------------------------|---------------------|------------------------------|--|
| <p>1. Describe the board and management's oversight and governance of climate-related risks and opportunities</p> <p>2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term)</p> <p>3. Describe the financial impact of extreme climate events and transition actions</p> <p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained</p> <p>6. 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</p> | <p>The company follows TCFD as a methodology for mitigating climate change actions. The board of directors and senior managers' direct operational strategies, promote measures to respond to identified climate change risks and opportunities, and regularly track and supervise through targets; at the same time, we increase the transparency of information related to climate governance. , regularly disclosed in the sustainability report to actively respond to and look forward to mutual exchanges from all walks of life to promote sustainable management. Based on the identification results, the company impact degree and occurrence possibility of each issue were confirmed, and the risk issues of "increasing greenhouse gas emission pricing", "average temperature rise", and "using low-carbon energy" opportunity issues were identified, and corresponding measures were formulated respectively.</p> <p><b>1. TXC's Weather Management :</b></p> <p>In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a related management system has been established, featuring a three-tier governance structure. Each level is assigned distinct responsibilities, with top-down leadership and supervision to guide direction and monitor effectiveness, and bottom-up implementation to carry out actions and report progress and challenges. This structure enables a management cycle of continuous improvement.</p> <table border="1" data-bbox="501 819 1506 1352"> <thead> <tr> <th>Organization</th> <th>Chair/Convener</th> <th>Meeting Frequency</th> <th>Role in Climate Governance</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>Chairman</td> <td>At least once per quarter<br/>Additional meetings may be held as needed</td> <td>The highest decision-making body for climate governance, which bears ultimate responsibility for climate risk management.</td> </tr> <tr> <td>Sustainable Development Committee</td> <td>Chairperson of the Sustainability Committee</td> <td>At least once per quarter<br/>Additional meetings may be held as needed</td> <td>The core unit responsible for promoting and implementing the corporate sustainability strategy, regularly tracking the execution of climate risk projects, and reporting to the Chairman and the Board of Directors.</td> </tr> <tr> <td>Sustainable Development Task Force</td> <td>Executive Secretary</td> <td>Regularly scheduled meetings</td> <td>Responsible for the Company's climate change, environmental protection, energy management, and greenhouse gas emissions. This task force gathers information on climate and environmental trends from the government, customers, industry peers, and international sources, the utilizes the Company's risk management and performance evaluation mechanisms to review the identified climate change risks and opportunities across departments, manage the progress and challenges of response measures, and assesses performance outcomes.</td> </tr> </tbody> </table> <p><b>Board of Directors</b><br/>The Board of Directors is the highest governing body. Recognizing climate change as a significant risk and an opportunity for future business development, the Board has integrated it into the Company's risk management framework. The Board regularly reviews climate action strategies and risk management measures, confirms the content of reports, addresses implementation challenges, and evaluates performance outcomes to effectively oversee progress and resource allocation. For example, in the case of greenhouse gas emissions, the Board receives quarterly progress reports and performance outcomes, demonstrating effective oversight and control.</p> <p><b>Sustainable Development Committee</b><br/>Meetings are convened regularly by the Chairperson of the Committee, with members consisting of the heads of major departments. A designated coordinator is also appointed to consolidate and oversee climate-related matters. The Committee reviews, formulates, and promotes climate action strategies and risk management measures based on climate trends and the results of issue identification by each unit. It confirms short-, medium-, and long-term plans, manages performance evaluation results, and prepares the necessary information for subsequent reporting to the Chairperson and the Board of Directors.</p> <p><b>Sustainable Development Task Force</b><br/>Under the Sustainable Development Committee, the Sustainable Development Task Force is responsible for the Company's climate change, environmental protection, energy management, and greenhouse gas emissions. This task force gathers climate and environmental trend topics from the government, customers, industry peers, and international sources. By utilizing the Company's risk management and performance evaluation mechanisms, it reviews the results of identified climate change risks and opportunities from each department, manages the progress and challenges of response measures, and evaluates performance outcomes. The Executive Secretary regularly convenes meetings to discuss and plan the impact of these consolidated climate change topics on the Company's business, providing a basis for climate change action strategies or decision-making.</p> | Organization   | Chair/Convener   | Meeting Frequency | Role in Climate Governance | Board of Directors | Chairman | At least once per quarter<br>Additional meetings may be held as needed | The highest decision-making body for climate governance, which bears ultimate responsibility for climate risk management. | Sustainable Development Committee | Chairperson of the Sustainability Committee | At least once per quarter<br>Additional meetings may be held as needed | The core unit responsible for promoting and implementing the corporate sustainability strategy, regularly tracking the execution of climate risk projects, and reporting to the Chairman and the Board of Directors. | Sustainable Development Task Force | Executive Secretary | Regularly scheduled meetings | Responsible for the Company's climate change, environmental protection, energy management, and greenhouse gas emissions. This task force gathers information on climate and environmental trends from the government, customers, industry peers, and international sources, the utilizes the Company's risk management and performance evaluation mechanisms to review the identified climate change risks and opportunities across departments, manage the progress and challenges of response measures, and assesses performance outcomes. |
| Organization  | Chair/Convener   | Meeting Frequency  | Role in Climate Governance   |                   |                            |                    |          |  |   |                                   |   |  |  |                                    |                     |                              |  |
| Board of Directors  | Chairman   | At least once per quarter<br>Additional meetings may be held as needed | The highest decision-making body for climate governance, which bears ultimate responsibility for climate risk management.  |                   |                            |                    |          |  |   |                                   |   |  |  |                                    |                     |                              |  |
| Sustainable Development Committee   | Chairperson of the Sustainability Committee  | At least once per quarter<br>Additional meetings may be held as needed | The core unit responsible for promoting and implementing the corporate sustainability strategy, regularly tracking the execution of climate risk projects, and reporting to the Chairman and the Board of Directors.   |                   |                            |                    |          |  |   |                                   |   |  |  |                                    |                     |                              |  |
| Sustainable Development Task Force  | Executive Secretary  | Regularly scheduled meetings   | Responsible for the Company's climate change, environmental protection, energy management, and greenhouse gas emissions. This task force gathers information on climate and environmental trends from the government, customers, industry peers, and international sources, the utilizes the Company's risk management and performance evaluation mechanisms to review the identified climate change risks and opportunities across departments, manage the progress and challenges of response measures, and assesses performance outcomes. |                   |                            |                    |          |  |   |                                   |   |  |  |                                    |                     |                              |  |

| Item   | Implementation  |   |   |                  |            |                    |  |                  |  |                       |  |                    |   |                         |   |  |   |             |   |                                   |   |        |                             |                                  |                      |  |   |
|--|---|---|---|------------------|------------|--------------------|--|------------------|--|-----------------------|--|--------------------|---|-------------------------|---|--|---|-------------|---|-----------------------------------|---|--------|-----------------------------|----------------------------------|----------------------|--|---|
| <p>risks and transformation risks</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated</p> <p>8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed</p> <p>9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans</p> | <p><b>2 TXC's strategy and style management:</b></p> <p>This company's consideration of climate change related financial information (TCFD), introduction of climate change related financial information structure, policy different climate related climate types and characteristics, consideration national zero emission policy, development of industry characteristics, green financial action plan Driving important points, recommendations from external advisors, general company business development, company restructuring, financial activity impact, past year review results, periodic identification of climate trends and machinery, simultaneous review of standard trends, and different analysis of company finances.</p> <p>(1) Climate change strategy</p> <div data-bbox="496 539 1501 1070"> <p><b>Climate Scenario Context</b></p> <p>For transition risk analysis, the climate scenarios are estimated based on the "NPS Long-term Scenario for Central Banks and Supervisors (November 2024)" as follows:</p> <table border="1"> <thead> <tr> <th>Scenario Category</th> <th>Description</th> <th>Climate Scenario</th> <th>Assumption</th> </tr> </thead> <tbody> <tr> <td>Orderly Transition</td> <td>This category assumes that climate policies are introduced early and consistent measures are implemented over time. In such scenarios, both physical and transition risks are moderate to low.</td> <td>Net Zero by 2050</td> <td>Through stringent climate policies and technological innovation, global warming is kept below 2°C, and global net-zero emissions are achieved around 2050.</td> </tr> <tr> <td>Disorderly Transition</td> <td>This category assumes delayed climate policy implementation or discrepancies among countries and industries. Scenarios under this category carry relatively higher transition risks.</td> <td>Delayed Transition</td> <td>Assumes significant behavioral changes that reduce energy demand to reduce the carbon pricing rate. However, this scenario assumes global net-zero emissions to be reached around 2050.</td> </tr> <tr> <td>Net Zero Slippery Slope</td> <td>Assumes that some regions have begun implementing climate policies, but global efforts are insufficient to prevent severe global warming. These scenarios involve greater physical risks, such as irreversible impacts like sea level rise.</td> <td>Delayed Transition<br/>Current Policies</td> <td>This includes all committed targets, even if they are not yet locked by effective policy support.<br/>Assumes only currently implemented policies continue, with no further transition measures, resulting in higher physical risks.</td> </tr> <tr> <td>No Net Zero</td> <td>This category assumes that climate transition is delayed or not implemented, ultimately leading to effectively mitigate physical risks.</td> <td>Delayed Transition<br/>No Net Zero</td> <td>Assumes delayed and fragmented climate policies across countries. Both physical and transition risks are elevated. Countries with net-zero targets achieve only 50% of their goal, while others maintain existing policies.</td> </tr> </tbody> </table> <p><b>Physical Risk Assessment Based on IPCC AR6 Report</b></p> <p>Future emissions scenarios for physical risks are estimated using the Shared Socioeconomic Pathways (SSPs) from the IPCC AR6 Assessment Report.</p> <ul style="list-style-type: none"> <li><b>(SSP1) Physical Risk - SSP1-2.6</b> <ul style="list-style-type: none"> <li>This represents a low-forcing pathway. Simulations show a multi-model average temperature increase below 2°C by 2100. SSP1 was chosen for its aggressive land-use changes (e.g., increased global forest coverage), representing a combination of low vulnerability, low mitigation pressure, and low radiative forcing.</li> <li>Low GHG emissions, achieving net-zero of CO<sub>2</sub> emissions around 2035.</li> </ul> </li> <li><b>(SSP2) Physical Risk - SSP2-4.5</b> <ul style="list-style-type: none"> <li>This represents a middle-of-the-road pathway. SSP2 was chosen because its land use and parcel trajectories are relatively moderate compared to other SSPs, reflecting medium social vulnerability and medium radiative forcing.</li> <li>Medium GHG emissions. CO<sub>2</sub> emissions start to decline mid-century but do not achieve net-zero before 2050.</li> </ul> </li> <li><b>(SSP3) Physical Risk - SSP3-7.0</b> <ul style="list-style-type: none"> <li>This represents a medium-to-high forcing pathway. SSP3 contains relatively high social vulnerability and radiative forcing. In AR6, the no-climate-policy scenario, heavily relied on SSP3.5. The introduction of SSP3-7.0 offers an alternative medium-high emission pathway. Unlike SSP3-5.5, SSP3-7.0 features significant land-use changes and high emissions of GHGs.</li> <li>High GHG emissions. CO<sub>2</sub> emissions double by around 2100.</li> </ul> </li> <li><b>(SSP4) Physical Risk - SSP4-6.0</b> <ul style="list-style-type: none"> <li>This represents a high-forcing pathway. SSP4 is the only scenario with emissions high enough to produce 3.2 W/m<sup>2</sup> of radiative forcing by 2100.</li> <li>Extremely high GHG emissions. CO<sub>2</sub> emissions double by around 2050.</li> </ul> </li> </ul> <p>Reference: Taiwan Climate Change Projection and Information Platform (TCPIP)</p> </div> <p><b>Transition Risk – Rising Prices of Greenhouse Gas Emissions</b></p> <table border="1"> <thead> <tr> <th>Period</th> <th>Potential financial impacts</th> <th>Response strategies and measures</th> </tr> </thead> <tbody> <tr> <td>Short to Medium Term</td> <td> <p>Financial impacts due to increased operating costs based on the following factors:</p> <ul style="list-style-type: none"> <li>Greenhouse gas emissions from transportation are impacted by carbon fees expenditures and the replacement of low-carbon transportation equipment, causing the increasing cost of raw material transportation.</li> <li>Greenhouse gas emissions from products and processes lead to carbon footprint calculations, which in turn affect environmental taxes, equipment replacement, adoption of clean technologies, and the push toward low-carbon materials—all impacting operational costs.</li> <li>In line with net-zero emissions trends, regulations continue to introduce strict energy-saving and carbon-reduction requirements, such as mandates for low-carbon product standards or carbon footprint labeling. These developments will continue to affect raw material costs, low-carbon technology R&amp;D, and expose the Company to regulatory and market displacement risks.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Continue engaging third-party verification agencies to conduct greenhouse gas emission verifications in accordance with ISO 14064-1, fully consolidating the organization's GHG emissions profile.</li> <li>Establish internal carbon fees and emission quotas, and develop internal carbon pricing strategies; concurrently assess GHG reduction programs and actively pursue policy incentives.</li> <li>Procure competitively priced renewable energy; for emissions that cannot be reduced, purchase carbon credits as a compensatory measure.</li> <li>Allocate budget or implement process improvement projects to continuously replace high-energy-consuming equipment and enhance operational efficiency.</li> </ul> </td> </tr> </tbody> </table> <p>Note: Period definitions – Short-term is defined as before 2025; medium-term refers to 2026 to 2030; and long-term covers the period from 2031 to 2050.</p> | Scenario Category   | Description   | Climate Scenario | Assumption | Orderly Transition | This category assumes that climate policies are introduced early and consistent measures are implemented over time. In such scenarios, both physical and transition risks are moderate to low. | Net Zero by 2050 | Through stringent climate policies and technological innovation, global warming is kept below 2°C, and global net-zero emissions are achieved around 2050. | Disorderly Transition | This category assumes delayed climate policy implementation or discrepancies among countries and industries. Scenarios under this category carry relatively higher transition risks. | Delayed Transition | Assumes significant behavioral changes that reduce energy demand to reduce the carbon pricing rate. However, this scenario assumes global net-zero emissions to be reached around 2050. | Net Zero Slippery Slope | Assumes that some regions have begun implementing climate policies, but global efforts are insufficient to prevent severe global warming. These scenarios involve greater physical risks, such as irreversible impacts like sea level rise. | Delayed Transition<br>Current Policies | This includes all committed targets, even if they are not yet locked by effective policy support.<br>Assumes only currently implemented policies continue, with no further transition measures, resulting in higher physical risks. | No Net Zero | This category assumes that climate transition is delayed or not implemented, ultimately leading to effectively mitigate physical risks. | Delayed Transition<br>No Net Zero | Assumes delayed and fragmented climate policies across countries. Both physical and transition risks are elevated. Countries with net-zero targets achieve only 50% of their goal, while others maintain existing policies. | Period | Potential financial impacts | Response strategies and measures | Short to Medium Term | <p>Financial impacts due to increased operating costs based on the following factors:</p> <ul style="list-style-type: none"> <li>Greenhouse gas emissions from transportation are impacted by carbon fees expenditures and the replacement of low-carbon transportation equipment, causing the increasing cost of raw material transportation.</li> <li>Greenhouse gas emissions from products and processes lead to carbon footprint calculations, which in turn affect environmental taxes, equipment replacement, adoption of clean technologies, and the push toward low-carbon materials—all impacting operational costs.</li> <li>In line with net-zero emissions trends, regulations continue to introduce strict energy-saving and carbon-reduction requirements, such as mandates for low-carbon product standards or carbon footprint labeling. 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| Scenario Category  | Description   | Climate Scenario  | Assumption  |                  |            |                    |  |                  |  |                       |  |                    |   |                         |   |  |   |             |   |                                   |   |        |                             |                                  |                      |  |   |
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| Period   | Potential financial impacts   | Response strategies and measures  |   |                  |            |                    |  |                  |  |                       |  |                    |   |                         |   |  |   |             |   |                                   |   |        |                             |                                  |                      |  |   |
| Short to Medium Term   | <p>Financial impacts due to increased operating costs based on the following factors:</p> <ul style="list-style-type: none"> <li>Greenhouse gas emissions from transportation are impacted by carbon fees expenditures and the replacement of low-carbon transportation equipment, causing the increasing cost of raw material transportation.</li> <li>Greenhouse gas emissions from products and processes lead to carbon footprint calculations, which in turn affect environmental taxes, equipment replacement, adoption of clean technologies, and the push toward low-carbon materials—all impacting operational costs.</li> <li>In line with net-zero emissions trends, regulations continue to introduce strict energy-saving and carbon-reduction requirements, such as mandates for low-carbon product standards or carbon footprint labeling. These developments will continue to affect raw material costs, low-carbon technology R&amp;D, and expose the Company to regulatory and market displacement risks.</li> </ul>  | <ul style="list-style-type: none"> <li>Continue engaging third-party verification agencies to conduct greenhouse gas emission verifications in accordance with ISO 14064-1, fully consolidating the organization's GHG emissions profile.</li> <li>Establish internal carbon fees and emission quotas, and develop internal carbon pricing strategies; concurrently assess GHG reduction programs and actively pursue policy incentives.</li> <li>Procure competitively priced renewable energy; for emissions that cannot be reduced, purchase carbon credits as a compensatory measure.</li> <li>Allocate budget or implement process improvement projects to continuously replace high-energy-consuming equipment and enhance operational efficiency.</li> </ul> |   |                  |            |                    |  |                  |  |                       |  |                    |   |                         |   |  |   |             |   |                                   |   |        |                             |                                  |                      |  |   |

| Item  | Implementation   |  |   |                 |  |  |                   |                 |   |                            |  |   |          |  |  |   |                            |   |                                      |          |                                      |                                      |
|---|--|--|---|-----------------|--|--|-------------------|-----------------|---|----------------------------|--|---|----------|--|--|---|----------------------------|---|--------------------------------------|----------|--------------------------------------|--------------------------------------|
|   | <p data-bbox="491 203 927 230">3. Climate change indicators and targets</p> <p data-bbox="491 232 1516 472">In order to change the environment, the opportunity to change the product strategy, the introduction of green color into the current market, the regulation of energy saving and environmental protection, the active collection of low-quality raw material materials and technical materials, and the independent cooperative research. At the same time, the design and production process of the lowering of the mound, the reduction of the atmosphere, the change of the flow of the pressure, the starting of the movement of the moulding, the continuous accumulation of practical experience, the introduction of combination tools, and the method of making the moulding.</p> <p data-bbox="491 506 1516 819">TXC Corporation reputation and situation analysis results and supply chain Impact, the table below shows short, medium and long-term planning goals, due to changes in the wind and machinery, as well as the above-mentioned adjustments, strategies and management measures, achievement of the company's indicators and goals; dynamic adjustment mechanism, permanent continuity committee and functional organization. 、Performance periodic performance review 、Delivery climate change trend and machine items 、Review climate change behavior strategy and climate management measures 、與 Improvement of short, medium and long-term plans; follow-up reports on meeting performance results, encouragement of company-wide achievements, change of plans and long-term continuity goals.</p> <table border="1" data-bbox="501 862 1506 1211"> <thead> <tr> <th data-bbox="501 862 730 927">Climate Risk</th> <th data-bbox="730 862 890 927">Climate Opportunity</th> <th data-bbox="890 862 1050 927">Target</th> <th data-bbox="1050 862 1161 927">2025</th> <th data-bbox="1161 862 1273 927">Progress Status</th> <th data-bbox="1273 862 1401 927">2028(Medium-Term)</th> <th data-bbox="1401 862 1506 927">2030(Long-Term)</th> </tr> </thead> <tbody> <tr> <td data-bbox="501 927 730 1061">"Rising prices of greenhouse gas emissions", "Persistent high temperatures"</td> <td data-bbox="730 927 890 1061">"Use of low-carbon energy"</td> <td data-bbox="890 927 1050 1061">Greenhouse gas management at TXC's Pingcheng Plant (Base year: 2024)</td> <td data-bbox="1050 927 1161 1061">5% Reduction in Carbon Emission Intensity</td> <td data-bbox="1161 927 1273 1061">Achieved</td> <td data-bbox="1273 927 1401 1061">10% Reduction in Carbon Emission Intensity</td> <td data-bbox="1401 927 1506 1061">15% Reduction in Carbon Emission Intensity</td> </tr> <tr> <td data-bbox="501 1061 730 1211">"Rising prices of greenhouse gas emissions", "Persistent high temperatures"</td> <td data-bbox="730 1061 890 1211">"Use of low-carbon energy"</td> <td data-bbox="890 1061 1050 1211">Use of renewable energy at TXC's Pingzhen Plant</td> <td data-bbox="1050 1061 1161 1211">Total Green Energy Usage Reaches 10%</td> <td data-bbox="1161 1061 1273 1211">Achieved</td> <td data-bbox="1273 1061 1401 1211">Total Green Energy Usage Reaches 15%</td> <td data-bbox="1401 1061 1506 1211">Total Green Energy Usage Reaches 30%</td> </tr> </tbody> </table> | Climate Risk   | Climate Opportunity                       | Target          | 2025                                       | Progress Status                            | 2028(Medium-Term) | 2030(Long-Term) | "Rising prices of greenhouse gas emissions", "Persistent high temperatures" | "Use of low-carbon energy" | Greenhouse gas management at TXC's Pingcheng Plant (Base year: 2024) | 5% Reduction in Carbon Emission Intensity | Achieved | 10% Reduction in Carbon Emission Intensity | 15% Reduction in Carbon Emission Intensity | "Rising prices of greenhouse gas emissions", "Persistent high temperatures" | "Use of low-carbon energy" | Use of renewable energy at TXC's Pingzhen Plant | Total Green Energy Usage Reaches 10% | Achieved | Total Green Energy Usage Reaches 15% | Total Green Energy Usage Reaches 30% |
| Climate Risk  | Climate Opportunity  | Target   | 2025                                      | Progress Status | 2028(Medium-Term)                          | 2030(Long-Term)                            |                   |                 |   |                            |  |   |          |  |  |   |                            |   |                                      |          |                                      |                                      |
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| "Rising prices of greenhouse gas emissions", "Persistent high temperatures" | "Use of low-carbon energy"   | Use of renewable energy at TXC's Pingzhen Plant                      | Total Green Energy Usage Reaches 10%      | Achieved        | Total Green Energy Usage Reaches 15%       | Total Green Energy Usage Reaches 30%       |                   |                 |   |                            |  |   |          |  |  |   |                            |   |                                      |          |                                      |                                      |

(2) Company greenhouse gas inventory and confirmation status in the last two years

**Greenhouse gas inventory information**

|   |
|---|
| Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/million yuan) and data coverage of greenhouse gases in the past two years.   |
| TXC Corporation follows the ISO 14064-1 international standard to conduct a greenhouse gas inventory of all greenhouse gas emissions generated within the organization. The inventory items are Category 1 (direct emission sources), Category 2 (indirect energy emission sources), and Category 3 (transportation indirect Emission source - employee business trip transportation), Category 4 (service indirect emission source - waste disposal emission). The emissions in 2023 are 27,611 metric tons of CO <sub>2</sub> e, and the intensity is 3.14 metric tons of CO <sub>2</sub> e/million; the emissions in 2024 are 25,572 metric tons of CO <sub>2</sub> e, and the intensity is 2.60 metric tons of CO <sub>2</sub> e/million; the emission in 2025 inventories, complete information will be disclosed in the ESG report. |

**Greenhouse Gas Confirmation Information**

|  |
|--|
| Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.   |
| From 2023 to 2024, we will follow the ISO 14064-1 international standard and entrust the British Standards Institute (BSI) to conduct greenhouse gas verification. The inventory emission boundaries are No. 4, Gongye 6th Road, Pingzhen District, Taoyuan City and No. 7, Hangxiang Road, Dayuan District, Taoyuan City. Floor, verification statement are all published on the company's official website. During the 2025 inspection, complete information will be disclosed in the sustainability report. |

**Greenhouse gas reduction goals, strategies and specific action plans**

|   |
|---|
| Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.  |
| The greenhouse gas base year of Taiwan Crystal Technology is set in 2022. Following the ISO 14064-1 international standard, a greenhouse gas inventory was conducted on all greenhouse gas emissions produced within the organization. The inventory resulted in emissions of 27,516 metric tons of CO <sub>2</sub> e. Taiwan Crystal Technology follows the ISO 50001 energy management system and uses the P-D-C-A cycle management methodology to conduct systematic inventory, risk assessment and review, confirm business activities, equipment, operating procedures, services and product aspects, and collect the location and extent of energy. and time and activity trends, etc., through data analysis to formulate action plans to effectively reduce energy consumption, especially usage habits, energy recycling, energy-saving replacement and improvement measures for factory facilities, process equipment and transportation, such as: replace high-efficiency lighting fixtures, improve hot water boilers, optimize process parameters, etc. to cope with future greenhouse gas emission reporting obligations and carbon fee payment risks. GHG reduction target: 2030 budget reduction of 15%, 2023 emissions 27,611 public CO <sub>2</sub> e; 2024 emissions 25,572 public CO <sub>2</sub> e; 2025 plan in progress, complete financial report permanent report. |

### 3. Organizational Structure of the Sustainability Committee



This organizational chart has been revised in accordance with the Charter of the Sustainability Development Committee and was approved by the Board of Directors in August 2025. The relevant job responsibilities are explained below:

**Sustainable Development Committee:** Develops sustainability policies, plans annual goals, and oversees and reviews various matters.

**Chief Sustainability Officer (CSO):** Promotes cross-departmental implementation of sustainability policies and Sustainability Committee resolutions.

**Corporate Governance Task Force, Environmental Sustainability Task Force, Social Responsibility Task Force, and Sustainability Information Disclosure Task Force:** These cross-departmental working groups implement various sustainability initiatives.

### 4. Sustainable Development Strategies and Policies

TXC Corporation adheres to the founding spirit of "integrity, pragmatism, innovation, and service" and its organizational management culture of "harmony, unity, and high efficiency". The two are compatible and integrated to form core values.

Internally, externally, with people or things, honesty is the first priority. In particular, sustainable development strategies should be disclosed honestly. We should fulfill every commitment on environmental protection, social responsibility and corporate governance with mutual trust, responsibility and truthfulness, and look to the future. Steadily promote the company's sustainable development, continue to improve and strive for excellence, pursue sustainable development and innovation with an open mind, gain the trust of all stakeholders, and maintain long-term harmonious relationships.

Through the actions of discipline, communication, respect, efficiency and unity, and the same values, we will face various environmental, social and corporate governance challenges in the future and move towards the corporate vision of excellent performance and sustainable operation.

As TXC Corporation strives to pursue corporate growth and sustainable management, it has always committed itself to being a good corporate citizen, and has adopted "integrity" as its operating principle for upstream and downstream manufacturers. It has also consistently strengthened corporate social welfare and environmental protection activities. . In recent years, based on the belief and mission of society and environmental protection, the company has actively promoted green product design and promotion of various environmental protection activities within the company, so as to protect the environment and achieve sustainable development.

Based on the above, the company promises to proceed from the three aspects of "corporate social welfare", "corporate operational governance" and "environmental safety and health". For details, please refer to the ESG report and the company website.

5. Fulfill sustainable development situation

. Composition of the four-rank committee of the permanent development committee (including first-rank director and first-rank independent director), joint confirmation company permanent continuity development strategy and action plan, Management policies, short-term, medium- and long-term goals, periodic guidance and reporting, long-term development results, long-term continuous reports, and company website.

Under the Permanent Development and Development Committee, the Permanent Development and Development Department (concurrently) is appointed as the permanent manager of the company, responsible for the management of the company, and is in charge of the permanent continuity and development related affairs and cross-divisional coordination execution. A four-department work group including company management, environmental sustainability, social responsibility, and continuous capital investment; at the same time, each department is responsible for the ongoing development and development of each department. Its organizational structure construction company network.

**(VII) Implementation of Ethical Corporate Management and variations with management principles of publicly-listed companies and reasons**

The company's "integrity operation code" has been adopted by the board of directors and submitted to the general meeting of shareholders on June 19, 2013 and the "integrity operation procedure and code of conduct" adopted by the board of directors on April 24, 2017. Meanwhile, the "internal control system and internal audit implementation rules for integrity" have been formulated, which will be included in the actual audit project. The company will follow this "code of conduct for integrity" in the future. In order to improve the effect of the company's integrity operation, and to implement the integrity operation principle more effectively, the company shall establish an integrity operation corporate culture and sound development, pay attention to the development of relevant domestic and foreign integrity operation norms at any time, and encourage directors, independent directors, managers and employees to put forward suggestions, so as to review and improve the integrity operation rules formulated by the company, and at the end of each year the company's performance of corporate social responsibility shall be reported to the board of directors.

1. Performance of integrity operation and the difference between integrity operation rules of listed and OTC companies and the reasons

| Assessment items  | Operation Status |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|---|------------------|----|---|---|
|   | Yes              | No | Summary   |   |
| 1. Establish integrity business policies and plans  |                  |    |   |   |
| (1) Does the company have an integrity operation policy approved by the board of directors, and clearly state the integrity operation policy and practice in the regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?  | Yes              |    | The "Integrity Management Code" and "Integrity Management Operating Procedures and Behavior Guidelines" disclosed on our company's website are the highest guiding policy and specific regulations for integrity management approved by the board of directors. Based on this, the company has also established the "Code of Ethics for Directors and Managers" and the "Code of Ethics for Employees". Directors, managers and all colleagues of the company must read and understand them carefully and sign them separately, jointly committing to upholding the contents of the Code of Ethics for honest business operations. In addition, the highest executive of the company's management center, who is also the executive secretary of the Sustainability Committee, shall report the implementation of integrity management to the board of directors at least once a year, and publicly disclose the integrity management results of the year through the company's website, annual report and sustainability report. | Comply with the best-practice principles, no discrepancy                |
| (2) Does the company establish an evaluation mechanism for the risk of dishonest behavior, regularly analyze and evaluate the business activities with high dishonest behavior risk within the business scope, and formulate a plan for preventing dishonest behavior based on it, and at least cover the preventive measures for the behaviors in Article 7, paragraph 2, of the code of | Yes              |    | The Company has established a risk assessment mechanism for dishonest behavior and has set out preventive measures for dishonest behavior in the "Integrity Management Code" and "Integrity Management Operating Procedures and Behavior Guidelines": 1. Bribery and bribery 2. Providing illegal political donations 3. Improper charitable donations or sponsorships 4. Providing or accepting unreasonable gifts, entertainment or other improper benefits 5. Infringement of trade secrets, trademark rights, patents, copyrights and other intellectual property rights 6. Engaging in unfair competition 7. Directly or indirectly damaging the rights, health and safety of consumers or other stakeholders during the development, procurement, manufacturing, provision or sale of   | Comply with the best-practice principles, no discrepancy                |

| Assessment items  | Operation Status |    |  | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|---|------------------|----|--|---|
|   | Yes              | No | Summary  |   |
| honest operation for listed and OTC companies?  |                  |    | <p>products and services. In addition, preventive measures are formulated in the "Information Security Management Regulations", "Document Confidentiality Management Regulations" and "Employment Contract" to protect the company's intellectual property and trade secrets.</p> <p>The Company regularly analyzes and evaluates business activities with a higher risk of dishonest behavior within its scope of operation, and organizes promotional or training courses and pushes relevant information in communication groups to provide relevant education and promotion to current directors, managers and employees. The course content includes legal knowledge such as laws and regulations on preventing insider trading, protecting trade secrets and intellectual property rights, and placing course briefings in the internal employee education and training system for reference by those who did not attend that day, so that they can comply with the necessary regulations when handling related business at work.</p>  |   |
| (3) Does the company specify operating procedures, conduct guidelines, disciplinary and grievance systems for violations in the prevention of dishonest conduct plan, implement them, and regularly review and amend the aforementioned scheme? | Yes              |    | <p>The Company has established relevant documents such as the "Integrity Management Operating Procedures and Behavior Guidelines", "Code of Ethics for Directors and Managers", "Procedures for Preventing Insider Trading Management" and "Code of Ethics for Employees", etc., to encourage employees or anyone else to report to independent directors, internal audit supervisors, integrity management unit supervisors or other appropriate personnel when they suspect or discover any violation of laws, regulations or the Company's integrity management code of conduct. In order to encourage and protect employees to report illegal activities safely, the company has formulated "Procedures for Reporting Illegal, Immoral or Dishonest Behavior Cases" and related process mechanisms to let employees know that the company will do its utmost to protect the safety of whistleblowers and prevent them from retaliation. If a director, manager or any employee violates the above-mentioned circumstances, the company shall handle the violation in accordance with the disciplinary measures stipulated in the above-mentioned relevant regulations and documents, and shall impose penalties such as but not limited to warnings, demerits, transfers, demotions, dismissals, cancellation of bonuses, termination of employment or legal sanctions according to the severity of the circumstances, and shall immediately disclose the title, name, date of violation, reason for violation, violation of the code of conduct and the handling of the violation on the public information observation station. The Company reports the implementation of integrity management to the Board of Directors every year and regularly reviews and amends the above-mentioned plans to meet the needs of the times.</p> | Comply with the best-practice principles, no discrepancy                |
| 2. Implement integrity operation  |                  |    |  |   |
| (1) Does the company assess the integrity records of its counterparties and specify the integrity terms in the contracts it enters into with them?  | Yes              |    | <p>The company will conduct credit rating for all suppliers, customers and agents it cooperates with, and require suppliers to sign the following documents related to honest business operations in accordance with the "Supplier Audit Operation Specifications" to fulfill the contracts of commercial</p>  | Comply with the best-practice principles, no discrepancy                |

| Assessment items   | Operation Status |    |  | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|------------------|----|--|---|
|  | Yes              | No | Summary  |   |
|  |                  |    | <p>activities in a fair and ethical manner and in strict compliance with relevant laws, regulations and contract terms. If there is any dishonest behavior involved, the terms of the contract may be terminated or rescinded at any time.</p> <ul style="list-style-type: none"> <li>▪ Suppliers' commitment to comply with the company's social responsibility policy.</li> <li>▪ Supplier's commitment to comply with industry practices.</li> <li>▪ Supplier's commitment to comply with SA8000 standard requirements.</li> <li>▪ Fair dealing and integrity undertaking.</li> </ul> <p>Suppliers adhere to the Responsible Sourcing of Minerals Commitment.</p>   |   |
| (2) Does the company set up a dedicated unit under the board of directors to promote the integrity operation of the enterprise, and regularly (at least once a year) report to the board of directors its integrity operation policies, plans to prevent dishonest behavior and supervision of implementation? | Yes              |    | <p>In order to implement the integrity management policy and improve the management of integrity management, the company has set up a corporate governance team under the Corporate Sustainability Committee of the Board of Directors to promote integrity management. The Executive Secretary of the Sustainability Committee, who is also the highest executive of the Company's Management Center, is responsible for the formulation, revision and supervision of the implementation of integrity management policies, anti-corruption, anti-bribery, discipline, appeals and other legal compliance management matters and preventive measures. He shall report the implementation of integrity management to the Board of Directors at least once a year. The implementation status was reported to the Board of Directors on November 4, 2025. For details, please refer to the Company's website.</p> <p>To implement the integrity management policy, the company promotes its commitment to honest transactions at the annual supplier conference and uses the Responsible Business Alliance (RBA) third-party audit system to verify whether suppliers meet the standards. When new employees report for work, the company's relevant regulations and integrity and ethical requirements are also explained in detail, and the company's integrity and business conduct standards are clearly stated in the "Employment Contract". At the same time, the company continues to promote corporate integrity policies and explain the importance of honest management in routine department meetings, management meetings and lectures. In 2025, 382 promotional and training sessions were held, reaching a total of 14,800 participants. Directors and senior management were also required to sign a declaration committing to adhere to the company's integrity management policy and ethical conduct. Please refer to the company's website for updates on the implementation of integrity management practices.</p> | Comply with the best-practice principles, no discrepancy                |
| (3) Does the company have a conflict of interest prevention policy, provide appropriate presentation channels and implement them?  | Yes              |    | <p>The Company has established the "Corporate Governance Code of Practice", "Integrity Management Code", "Director and Manager Ethical Conduct Code", "Article 15 of the Board of Directors' Meeting Rules", "Employee Ethical Conduct Code" and "Integrity Management Operating Procedures and Behavior Guidelines", all of which clearly regulate conflict of interest policies. If there is a conflict of interest that requires avoidance, the employee shall avoid it on his own or report it in advance. If a director or manager violates the Code of Ethical Conduct, the</p>  | Comply with the best-practice principles, no discrepancy                |

| Assessment items  | Operation Status |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|---|------------------|----|---|---|
|   | Yes              | No | Summary   |   |
|   |                  |    | company shall handle the violation in accordance with the disciplinary measures stipulated in the above-mentioned relevant documents and promptly disclose information such as the person who violated the code, date, reason, relevant code and handling status on the public information observation station.   |   |
| (4) Has the company established an effective accounting system and internal control system for the implementation of integrity operation, and the internal audit unit shall, according to the assessment results of the risk of dishonest behavior, draw up relevant audit plans, and according to the compliance of the plan for preventing dishonest behavior, or entrust an accountant to carry out the audit? | Yes              |    | The company has established an "internal control system" that sets up an internal audit office and simultaneously entrusts external accountants to conduct audits. The Audit Office regularly assesses risks and formulates audit plans, and performs relevant audits according to the plans to ensure that the internal control system is continuously and effectively implemented. Regularly report audit results to the Audit and Risk Committee and the Board of Directors to allow management to understand the implementation of the company's internal control and achieve effective management. Over the years, our company has not had any dishonest conduct.  | Comply with the best-practice principles, no discrepancy                |
| (5) Does the company regularly conduct internal and external education and training for integrity operation?  | Yes              |    | The Company requires directors, managers, all current employees and new employees to participate in corporate integrity-related education and training courses to provide relevant education and promotion on the recognition and prevention of dishonest behavior. Before the release of each quarter's operating results, the Company provides education and promotion to internal managers, supervisors in specific positions, and colleagues regarding the provisions of Article 157-1 of the Securities and Exchange Act to specifically implement prevention of insider trading. The company provides training to each new employee when they join the company, informing them that they must strictly abide by the "Employee Code of Ethics and Conduct", and holds training on the Code of Ethics and Conduct for company employees from time to time. In 2025, the company held 382 publicity and training sessions on integrity management, involving a total of 14,800 participants. | Comply with the best-practice principles, no discrepancy                |
| <b>3. Operation of the company's whistleblowing system</b>  |                  |    |   |   |
| (1) Does the company have a specific reporting and reward system, establish a convenient reporting channel, and assign appropriate personnel to the reported object?  | Yes              |    | Our company has established "Regulations for Handling Reports of Illegal, Immoral or Dishonest Behavior Cases", which can be found on our company website. When conducting business, if relevant persons in the company find any violation of the integrity of business ethics, they can report it through the following channels: <ul style="list-style-type: none"> <li>▪ Company management unit: accept reports sent to the employee opinion mailbox.</li> <li>▪ Company spokesperson: accept reports from shareholders, investors and other stakeholders.</li> <li>▪ Company Audit Unit: accepts reports from internal colleagues, customers, suppliers, contractors, etc.</li> <li>▪ Independent directors or the audit and risk committee of the company: accept reports against management executives.</li> </ul> Our company's website also has an email communication channel. All stakeholders can   | Comply with the best-practice principles, no discrepancy                |

| Assessment items   | Operation Status |    |   | Discrepancy with best-practice principles of TWSE/GTSM listed companies |
|--|------------------|----|---|---|
|  | Yes              | No | Summary   |   |
|  |                  |    | communicate and file complaints with the company via email at any time, thus keeping the communication and complaint channels between the company and all stakeholders open. All stakeholders of the company may report any matter at any time through the above channels or by email to the company's stakeholder mailbox. The company will be responsible for maintaining complete confidentiality and will investigate and deal with it in accordance with the law.  |   |
| (2) Does the company establish the standard operating procedures for investigation of reported matters, follow-up measures to be taken after investigation and relevant confidentiality mechanisms?  | Yes              |    | The company has established reporting, investigation, confidentiality mechanisms and follow-up measures such as the "Social Responsibility Manual", "Employee Handbook", "Employee Grievance (Complaint/Reporting) Control Procedure", "Procedures for Reporting Illegal, Immoral or Dishonest Cases", "Employee Ethical Code of Conduct" and "Industrial Safety and Health Consultation and Communication Operation Standards".  | Comply with the best-practice principles, no discrepancy                |
| (3) Does the company take measures to protect whistleblowers from improper handling due to whistleblowing?   | Yes              |    | The company has established "Employee Handbook", "Employee Appeal (Complaint/Report) Control Procedure", "Procedure for Handling Reports of Illegal, Immoral or Dishonest Cases", and "Employee Ethical Code of Conduct" documents with clear definitions: During the entire complaint/reporting process, relevant personnel should keep confidentiality. If there is a leak, they will be punished according to relevant regulations; if there is any retaliation against the complainant/reporter, they will be punished more severely according to relevant regulations.   | Comply with the best-practice principles, no discrepancy                |
| 4. Enhance information disclosure<br>Does the company disclose the content and promotion effect of its code of conduct for integrity operation on its website and public information observatory?  | Yes              |    | The company's "Integrity Management Code" is disclosed on the company website, and the implementation results of integrity management promotion are regularly updated every year. Our company website also provides financial information related to corporate governance, stock price and dividend information, organizational structure and company operating results, etc., which are fully disclosed in quarterly reports, annual reports and company websites, and quickly and truthfully reflect various types of business information, so that stakeholders can grasp the company's business dynamics in a timely manner. Please refer to the company's website for details on corporate governance. | Comply with the best-practice principles, no discrepancy                |
| 5. If a company has its own code of conduct for integrity in accordance with the code of conduct for listed and OTC companies, please state the difference between its operation and the code: The Company and its subsidiaries have established the "Integrity Management Code" and continue to promote and cooperate with various publicity activities in accordance with this code to strengthen the awareness of colleagues at the management level. The content and related operations are not significantly different from the "Integrity Management Code for Listed Companies". |                  |    |   |   |
| 6. Other important information helpful to understand the company's operation integrity: (such as the company's review and amendment of the integrity operation rules, etc.)<br>The Company and its subsidiaries negotiate and perform contracts with customers with integrity and honesty, and strive for, negotiate and perform all contracts in a fair and ethical manner.   |                  |    |   |   |

**(VIII) Other important information which is sufficient to understand corporate governance operation status must also be disclosed**

1. In order to improve corporate governance, accountants, independent directors, auditors, and financial supervisors communicate from time to time. Please refer to the company's website for communication status.
2. On May 7, 2020, the Board of Directors resolved to establish an Investment Review Committee to strengthen the quality of the company's investment decisions, implement investment review procedures and performance management, and conduct research, review and recommendations on the company's long-term investment strategic planning and major investment decisions. , please refer to the "Functional Committee" section of our company's website for details.
3. On November 4, 2024, the Audit Committee and the Board of Directors passed a resolution to include reviewing risk management policies, procedures and structures, and supervising the implementation of risk management in the responsibilities of the "Audit Committee" in order to strengthen the Board of Directors' supervision of the Company's risk matters, and renamed it the "Audit and Risk Committee".
4. In order to strengthen corporate governance, the company attaches special importance to information disclosure and disclosure. It regularly and irregularly discloses information on the public information observatory. It also discloses financial and other related information on the company's website so that investors and stakeholders can obtain it in real time. For important company information, please refer to our website.
5. The company's hard work and achievements in corporate governance and information disclosure over the years have been highly recognized. For information related to corporate governance evaluation, please refer to the company's website.

**(IX) Statement on Internal Control**

1. Internal Control Statement: Please refer to the Public Information Observatory for information reporting [<https://mops.twse.com.tw> Single Company>Corporate Governance>Corporate Regulations/Internal Control>Internal Control Statement Announcement]
2. Those who entrust a certified public accountant to conduct a special audit of the internal control system shall disclose the certified public accountant's audit report: None.

**(X) Important resolutions of the shareholders' meeting and the Board of Directors during the most recent year and until the publication date of the annual report**

1. Important resolutions of the annual shareholders meeting

| Date                                      | Important resolution  | Resolution result  |
|---|---|--|
| 2025/05/27<br>Annual Shareholders Meeting | 1. To accept 2024 Business Report and Financial Statements  | 1. Resolution passed.  |
|   | 2. To accept the proposal of distribution of 2024 earnings  | 2. Resolution passed.  |
|   | 3. To Revise the "Articles of Incorporation"  | 3. Resolution passed. The change of registration was completed on June 30, 2025 (Letter No. 11430082510, issued by the State Administration for Market Regulation).  |
|   | 4. To Revise the "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement & Guarantee", "Procedures for Acquisition or Disposal of Assets", "Procedures for Financial Derivatives Transactions" | 4. Resolution passed. Announced on the public information monitoring station and the company website.  |
|   | 5. To issue common shares for cash capital increase through private placement   | 5. Resolution passed. The Board of Directors' resolution of March 9, 2026, was terminated, and the issuance of ordinary shares in this private placement was no longer permitted.  |
|   | 6. To elect eleven directors (including four independent directors)   | 6. Resolution passed. The elected directors are as follows: Lin, Wan-Shing, Lin, Jin-Bao, Kuo, Ya-Ping, Pan, Ching-Yi, Hsu, Hsing-Hao, Chen Chueh, Shang-Hsin, and Huang, Hsiang-Lin; independent directors Yu, Shang wu, Yen, Hsing-Fu, Chiu, Su-Mei, and Chen, Ming-Yi; and the change of registration was completed on June 30, 2025(Letter No. 11430082510, issued by the State Administration for Industry and Commerce). |
|   | 7. To remove the restriction of non-compete agreement of newly elected directors  | 7. Resolution passed.  |

## 2. Important resolutions of the board of directors

| Date       | Board meeting | Important resolution   |
|------------|---------------|--|
| 2025/03/10 | Board meeting | <ol style="list-style-type: none"> <li>1. Accountants' internal control evaluation opinions, the company's annual internal control effectiveness self-assessment report and internal control statement</li> <li>2. Undertaking of derivative financial product</li> <li>3. 2024 the distribution of employees' compensation and directors' compensation</li> <li>4. 2024 annual business report and financial statements</li> <li>5. 2024 annual earnings distribution</li> <li>6. 2024 annual accountant independence and performance evaluation review</li> <li>7. To host 2025 annual general shareholders meeting</li> <li>8. Proposal for a complete re-election of directors.</li> <li>9. Proposal regarding the acceptance of shareholder proposals at the Annual General Meeting</li> <li>10. Proposal regarding whether shareholder nominations should be included in the candidate list</li> <li>11. Proposed amendment to the Company's Articles of Association</li> <li>12. Proposed amendment to certain important internal regulations of the Company</li> <li>13. Review of the appointment of senior executives</li> <li>14. Proposed change of the legal representative of the mainland subsidiary</li> </ol> |
| 2025/04/14 | Board meeting | <ol style="list-style-type: none"> <li>1. The Board of Directors of the Company proposes to nominate candidates for the 15th Board of Directors (including independent directors)</li> <li>2. To remove the restriction of non-compete agreement of newly elected directors</li> <li>3. To handle cash capital increase and issuance of common shares through private placement</li> <li>4. The amendment to the agenda of the 2025 annual shareholders' meeting</li> </ol>  |
| 2025/05/05 | Board meeting | <ol style="list-style-type: none"> <li>1. Undertaking of bank credit extensions and derivative financial commodities</li> <li>2. Q1 / 2025 financial statements</li> <li>3. Remittance of earnings of china subsidiaries</li> <li>4. Reviewed the 2024 employee remuneration and director remuneration payment case</li> </ol>   |
| 2025/05/27 | Board meeting | <ol style="list-style-type: none"> <li>1. Proposal to elect a new Chairman of the Board.</li> <li>2. Proposed reappointment of the Company's Chief Executive Officer and President.</li> <li>3. Proposal to appoint members of the Remuneration Committee, Audit and Risk Committee, and to elect their conveners.</li> <li>4. Proposal to appoint members of the Third Investment Review Committee.</li> </ol>  |
| 2025/08/04 | Board meeting | <ol style="list-style-type: none"> <li>1. The Company's 2024 Sustainable Development Report.</li> <li>2. Proposed formulation of the Company's "Anti-Corruption, Anti-Bribery, and Anti-Money Laundering Management Policy" and "Sustainable Development Committee Organizational Regulations," along with revisions to the "Sustainable Development Practice Code" management documents.</li> <li>3. Undertaking of derivative financial products.</li> <li>4. Q2 / 2025 Financial Statement and Profit Distribution.</li> <li>5. 2025 Budget Revision.</li> <li>6. Proposed formulation of the Company's Corporate Value Enhancement Plan.</li> <li>7. The Company's proposed fourth implementation of the treasury stock buyback program, repurchasing Company shares from the centralized securities exchange and transferring them to employees.</li> </ol>   |
| 2025/11/03 | Board meeting | <ol style="list-style-type: none"> <li>1. Extension of bank credit period and undertaking of derivative financial products</li> <li>2. Q3 / 2025 financial statements</li> <li>3. The Company's Fourth Implementation of Amendments to the "Maximum Amount of Shares Repurchased" and Certain Provisions of the "Regulations for the Transfer of Treasury Shares," and their Implementation Status.</li> <li>4. Amendments to the Company's Internal Control and Audit System Implementation Manual.</li> <li>5. TXC's capacity expansion plan</li> </ol>  |
| 2025/12/22 | Board meeting | <ol style="list-style-type: none"> <li>1. 2026 annual audit plan</li> <li>2. TXC's capacity expansion plan</li> <li>3. 2026 annual review on the accountant fees</li> <li>4. To approve the donation to TXC_FOUNDATION</li> <li>5. 2026 annual business plan and annual budget</li> <li>6. Review the appointment of senior executives.</li> <li>7. Revise the definition of the company's frontline employees and incorporate it into the internal control system.</li> <li>8. Prepare the employee compensation and director remuneration allocation ratios for the 2026 budget.</li> <li>9. 2026 business plan and annual budget.</li> </ol>  |
| 2026/02/09 | Board meeting | <ol style="list-style-type: none"> <li>1. The Company's proposed acquisition of common shares of YI SHENG INVESTMENT CORPORATION</li> <li>2. The Company's proposed share swap with YI SHENG INVESTMENT CORPORATION through its investment in Tai-Shing Electronics Components Corporation, resulting in the disposal of its securities holdings.</li> </ol>   |

| Date       | Board meeting | Important resolution  |
|------------|---------------|---|
| 2026/03/09 | Board meeting | <ol style="list-style-type: none"> <li>1. Auditor's internal control assessment opinion, the company's annual self-assessment report on the effectiveness of its internal control system, and the internal control system statement.</li> <li>2. Bank credit line extension and derivative financial product undertaking.</li> <li>3. Report on the distribution of employee and director remuneration for 2025.</li> <li>4. 2025 business report and financial statements.</li> <li>5. 2025 profit distribution.</li> <li>6. 2025 auditor's independence and performance evaluation audit.</li> <li>7. Proposed amendments to the company's "Articles of Association".</li> <li>8. To remove the non-compete restrictions on directors.</li> <li>9. The 2025 private placement of common stock will not be processed within the stipulated period.</li> <li>10. Proposed private placement of common stock through cash issuance.</li> <li>11. Matters related to convening the 2026 Annual General Meeting of Shareholders.</li> <li>12. Matters related to the right of shareholders to submit proposals at the Annual General Meeting of Shareholders.</li> </ol> |

**(XI) Main content of recorded or written statements of dissenting opinions filed by directors or supervisors in connection with important resolutions passed by the board of directors in recent years up to the publication date of the annual reports: None.**

**(XII) The financial people obtained the relevant license specified by the competent authority**

| Name of the License  | Number of people |
|--|------------------|
| The Institute of Internal Auditors-Internal Auditors                   | 1                |
| Ministry of Examination-Accountant                                     | 1                |
| Ministry of Examination -bookkeeper                                    | 2                |
| PMI-PMP Project Manager  | 3                |
| Securities & Futures Institute -Stock Affairs Staff                    | 1                |
| Securities & Futures Institute -Securities Salesperson                 | 1                |
| Securities & Futures Institute -Futures Merchant Salesperson           | 2                |
| Securities & Futures Institute -Junior Associate                       | 1                |
| Securities & Futures Institute-Corporate Governance Basic Ability Test | 2                |

#### IV. Information on CPA fees

Unit : NT\$1,000

| Accounting Firm   | Accountant                        | Audit Period                           | Auditing Fees | Non-Auditing Fees (Note1) | Total | Remark |
|-------------------|-----------------------------------|--|---------------|---------------------------|-------|--------|
| Deloitte & Touche | Hsieh, Ming-Chung<br>Peng, Yi-Hua | January 1, 2025 ~<br>December 31, 2025 | 3,870         | 652                       | 4,522 |        |

Note 1: The non- auditing fees include project consulting at NT\$200,000 , tax visa at NT\$450,000 , and business registration at NT\$2,000.

- (I) **The amount, ratio and reasons for the decrease in auditing fees shall be disclosed if there is a change in accounting firm and the auditing fees in the year of such change is less than the auditing fees in the previous year:** None.
- (II) **The amount, ratio and reasons for the decrease in auditing fees shall be disclosed if the auditing fees was decrease by more than 10% comparing to that of in the previous year:** None.

**V. Information on change of accountant's information:** None.

**VI. Where the company's chairman, general manager or any officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of is CPA or at an affiliated enterprise of the accounting, the name and position of the person and the period during which the position was held, shall be disclosed:** None.

**VII. Any transfer of shareholdings and changed equity pledge from the directors, managers and shareholder(s) holding more than 10% of the shares during the most recent year and as of the publication date of the annual report:**

**(I) Changes in the equity of directors, managers and major shareholders:**

Please refer to the information reported by the Public Information Observatory

【<https://mops.twse.com.tw> Single Company> Equity Change/Securities Issuance> Equity

Transfer Information Inquiry> Post-event Report Form for Insider Shareholding Change】

**(II) Information on equity transfer:** None.

**(III) Information on equity pledge where the counterparty of the pledge is a related party:**

None.

## VIII. Information of relationships between TOP 10 shareholders are related parties:

March 29, 2026 Unit: shares

| Name  | Own held shares |            | Shares held by spouse, children under twenty (20) years of age |            | Shareholding in the name of others |            | Where the relationship among the top 10 shareholders is a related party, spouse, and/or a relative by blood or marriage within second degree of kinship or relationship, please specify the name and relationship |              | Remark |
|---|-----------------|------------|--|------------|------------------------------------|------------|---|--------------|--------|
|   | Shares          | Shares (%) | Shares   | Shares (%) | Shares                             | Shares (%) | Name  | Relationship |        |
| WALSIN TECHNOLOGY CORPORATION<br>Representative:<br>Chiao, Yu-Heng  | 34,242,000      | 9.98       | 0  | 0          | 0                                  | 0          | INPAQ TECHNOLOGY CO., LTD.  | Note         |        |
| INPAQ TECHNOLOGY CO., LTD.<br>Representative:<br>Chiao, Yu-Heng   | 9,970,000       | 2.91       | 0  | 0          | 0                                  | 0          | WALSIN TECHNOLOGY CORPORATION   | Note         |        |
| Hua Nan Commercial Bank is the entrusted custodian of the Yuanta Taiwan Value High Yield ETF Securities Investment Trust Fund Account | 8,948,000       | 2.61       | 0  | 0          | 0                                  | 0          | None  | None         |        |
| Chunghwa Post Co., Ltd.<br>Representative:<br>Wang, Kwo-Tsai  | 7,640,000       | 2.63       | 0  | 0          | 0                                  | 0          | None  | None         |        |
| KGI Life Insurance Company Limited<br>Representative: Wang, Ming-Yang   | 7,537,000       | 2.20       | 0  | 0          | 0                                  | 0          | None  | None         |        |
| Nan Shan Life Insurance Co., Ltd.<br>Representative:<br>Yin, Chung-Yao  | 6,000,000       | 1.75       | 0  | 0          | 0                                  | 0          | None  | None         |        |
| Cathay Life Insurance fully entrusted Cathay Securities Investment Trust Investment Account (Taiwan Stock B)                          | 6,000,000       | 1.75       | 0  | 0          | 0                                  | 0          | None  | None         |        |
| Lin, Jin-Bao  | 5,827,263       | 1.70       | 163  | 0          | 0                                  | 0          | Lin, Wan-Shing  | Brother      |        |
| Taipei Fubon Commercial Bank entrusted trust asset account.   | 5,064,025       | 1.48       | 0  | 0          | 0                                  | 0          | None  | None         |        |
| Lin, Wan-Shing  | 5,030,722       | 1.47       | 75,991   | 0.02       | 0                                  | 0          | Lin, Jin-Bao  | Brother      |        |

Note : INPAQ TECHNOLOGY CO., LTD. is a subsidiary of WALSIN TECHNOLOGY CORPORATION that uses the equity method for valuation.

| Top 10 Shareholder   | Major Shareholders of the Juristic Person   |
|--|---|
| <b>WALSIN TECHNOLOGY CORPORATION</b><br>Representative: Chiao, Yu-Heng<br>(As of 2025/04/19)     | Walsin Lihwa Corporation (18.30%), HannStar Board Corp. (8.71%), Global brands manufacture ltd. (4.36%), Walton advanced engineering,inc. (2.75%), Chiao Yu-Heng (2.65%), Kim Eng Securities Private Co., Ltd. Investment account under the custody of Citibank Taiwan Ltd (2.33%), Giga Investment Co (1.37%), Chin-Xin Investment Co.,Ltd. (1.28%), TSAI YI CORPORATION (1.11%), Winbond Electronics Corporation(1.09%) |
| <b>INPAQ TECHNOLOGY CO., LTD.</b><br>Representative: Chiao, Yu-Heng<br>(As of 2025/04/22)        | Walsin Technology Corp. (37.89%), Tai Feng Shi Co., Ltd. (4.06%), Inpaq Technology Co., Ltd. (0.74%), Dun-Ren Cheng (0.68%), Jin-Chi Chen (0.56%), Standard Chartered Bank International Commercial Banking Division, Custodian of Mizuho Securities Co., Ltd. Investment Account (0.55%), Guan-Chou Lai (0.46%), Rong Cheng (0.41%), Wei-Chieh Hsu (0.41%), Hongtai Life Insurance Co., Ltd (0.39%)                      |
| <b>Chunghwa Post Co., Ltd.</b><br>Representative: Wang, Kwo-Tsai                                 | Ministry of Transportation and Communications (100%)  |
| <b>KGI Life Insurance Company Limited</b><br>Representative: Wang, Ming-Yang                     | KGI Financial Holdings Co., Ltd. (100%)   |
| <b>Nan Shan Life Insurance Co., Ltd.</b><br>Representative: Yin, Chung-Yao<br>(As of 2026/02/28) | Runcheng Investment Holdings (89.55%), Runhua Dyeing & Textile Factory (1.34%), Du Yingzong (1.16%), Runtaixing (0.97%), Runtai Innovation International (0.23%), Runtai Global (0.21%), Yuanxin Investment (0.16%), Runtai Leasing (0.12%), Jipin Investment (0.11%), Pengcheng (0.09%)  |

**IX. The number of shares held by the company, the company's directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same joint venture, and the combined shareholding percentage**

December 31, 2025 Unit: shares, %

| Investees  | Investments of the Company |           | Investments of the directors, supervisors, managers and their investment in business which they have direct or indirect control of. |           | Comprehensive investements |           |
|--|----------------------------|-----------|---|-----------|----------------------------|-----------|
|  | Shares                     | Share (%) | Shares  | Share (%) | Shares                     | Share (%) |
| TAIWAN CRYSTAL TECHNOLOGY INTERNATIONAL LIMITED                                    | 42,835,294                 | 100       | -   | -         | 42,835,294                 | 100       |
| TXC TECHNOLOGY, INC.   | 300,000                    | 100       | -   | -         | 300,000                    | 100       |
| TXC JAPAN CORPORATION  | 2,100                      | 100       | -   | -         | 2,100                      | 100       |
| TAIWAN CRYSTAL TECHNOLOGY (HK) LIMITED   | 80,000                     | 100       | -   | -         | 80,000                     | 100       |
| TXC EUROPE GMBH  | 50,000                     | 100       | -   | -         | 50,000                     | 100       |
| TAI SHING ELECTRONICS COMPONENTS CORP.   | 8,802,000                  | 33.34     | 3,203,500   | 12.14     | 12,005,500                 | 45.48     |
| TXC (NINGBO) CORPORATION   | -                          | -         | 77,241,343  | 100       | 77,241,343                 | 100       |
| TXC (CHONGQING) CORPORATION  | -                          | -         | 247,876,609   | 100       | 247,876,609                | 100       |
| Chongqing All Suns Company Limited   | -                          | -         | 150,000,000   | 100       | 150,000,000                | 100       |
| Ningbo Beilun Jingyu Trading Corporation   | -                          | -         | 2,500,000   | 100       | 2,500,000                  | 100       |
| Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited | -                          | -         | 35,050,000  | 100       | 35,050,000                 | 100       |
| TETC CORP. NINGBO  | -                          | -         | 150,000,000   | 100       | 150,000,000                | 100       |
| PT TXC TECHNOLOGY INDONESIA  | -                          | -         | 1,600,000   | 80        | 1,600,000                  | 80        |
| ChongQing Dingsen Commercial Management Co.,Ltd                                    | -                          | -         | 1,000,000   | 100       | 1,000,000                  | 100       |
| Shanghai JCH Co.,Ltd   | -                          | -         | 500,000   | 100       | 500,000                    | 100       |
| Ningbo Longying Semiconductor Co., Ltd   | -                          | -         | 2,400,000   | 29.37     | 2,400,000                  | 29.37     |

Note: Equity investments of the Company.

## Chapter 3 Capital Overview

### I. Capital and Shares

#### (I) Source of Capital

##### 1. Capitalization

March 29, 2026 Unit: Shares, NTS

| Year/<br>Month | Issue<br>Price | Authorized Share Capital |               | Paid-In Capital |               | Remark  |  |  |
|----------------|----------------|--------------------------|---------------|-----------------|---------------|---|--|--|
|                |                | Shares                   | Amount        | Shares          | Amount        | Source of Capital   | Capital Increase by Assets Other Than Cash | Other (Approval document no.)                    |
| 1983.12        | 10             | 310,000                  | 3,100,000     | 310,000         | 3,100,000     | Registered capital  | Nil  | -  |
| 1984.03        | 10             | 3,315,200                | 33,152,000    | 3,315,200       | 33,152,000    | Capital increase by cash                                  | Nil  | -  |
| 1989.03        | 10             | 8,500,000                | 85,000,000    | 8,500,000       | 85,000,000    | Capital increase by cash                                  | Nil  | -  |
| 1989.10        | 10             | 18,000,000               | 180,000,000   | 18,000,000      | 180,000,000   | Capital increase by cash                                  | Nil  | -  |
| 1990.07        | 10             | 21,060,000               | 210,600,000   | 21,060,000      | 210,600,000   | Capital increase by cash, by capital surplus              | Nil  | 07/10/1990 (79) Tai-Tsai-Cheng(1) no. 01530      |
| 1991.08        | 10             | 60,000,000               | 600,000,000   | 31,590,000      | 315,900,000   | Capital increase by cash, by earnings, by capital surplus | Nil  | 08/01/1991 (80) Tai-Tsai-Cheng(1) no. 02111      |
| 1992.07        | 10             | 60,000,000               | 600,000,000   | 41,067,000      | 410,670,000   | Capital increase by earnings, by capital surplus          | Nil  | 07/07/1992 (81) Tai-Tsai-Cheng(1) no. 01518      |
| 1993.07        | 10             | 60,000,000               | 600,000,000   | 47,300,000      | 473,000,000   | Capital increase by earnings                              | Nil  | 07/14/1993 (82) Tai-Tsai-Cheng(1) no. 30047      |
| 1994.07        | 10             | 60,000,000               | 600,000,000   | 51,557,000      | 515,570,000   | Capital increase by earnings, by capital surplus          | Nil  | 07/07/1994 (83) Tai-Tsai-Cheng(1) no. 31774      |
| 1995.06        | 10             | 60,000,000               | 600,000,000   | 55,681,560      | 556,815,600   | Capital increase by earnings                              | Nil  | 06/22/1995 (84) Tai-Tsai-Cheng(1) no. 36958      |
| 1996.09        | 10             | 100,000,000              | 1,000,000,000 | 75,681,560      | 756,815,600   | Capital increase by cash                                  | Nil  | 09/05/1996 (85) Tai-Tsai-Cheng(1) no. 53631      |
| 2000.09        | 10             | 100,000,000              | 1,000,000,000 | 82,201,820      | 822,018,200   | Capital increase by earnings                              | Nil  | 09/06/2000 (89) Tai-Tsai-Cheng(1) no.5237        |
| 2001.07        | 10             | 260,000,000              | 2,600,000,000 | 110,348,515     | 1,103,485,150 | Capital increase by earnings                              | Nil  | 05/14/2001 (90) Tai-Tsai-Cheng(1) no. 129296     |
| 2001.08        | 10             | 260,000,000              | 2,600,000,000 | 120,348,515     | 1,203,485,150 | Capital increase by cash                                  | Nil  | 06/12/2001 (90) Tai-Tsai-Cheng(1) no.135132      |
| 2002.09        | 10             | 260,000,000              | 2,600,000,000 | 137,673,100     | 1,376,731,000 | Capital increase by earnings, by capital increase         | Nil  | 08/21/2002 (91) Tai-Tsai-Cheng(1) no. 0910146351 |
| 2003.08        | 10             | 260,000,000              | 2,600,000,000 | 144,140,534     | 1,441,405,340 | Capital increase by earnings                              | Nil  | 08/12/2003 Tai-Tsai-Cheng(1) no. 0920136359      |
| 2004.08        | 10             | 260,000,000              | 2,600,000,000 | 151,810,534     | 1,518,105,340 | Convertible bonds, exercise of employee stock options     | Nil  | 08/18/2004 Ching-Shou-Shang-Zi no. 09301157450   |
| 2004.10        | 10             | 260,000,000              | 2,600,000,000 | 160,779,678     | 1,607,796,780 | Capital increase by earnings                              | Nil  | 10/13/2004 Ching-Shou-Shang-Zi no.09301188710    |
| 2004.10        | 10             | 260,000,000              | 2,600,000,000 | 160,784,678     | 1,607,846,780 | Convertible bonds   | Nil  | 10/19/2004 Ching-Shou-Shang-Zi no. 09301199790   |

| Year/<br>Month | Issue<br>Price | Authorized Share Capital |               | Paid-In Capital |               | Remark  |  |  |
|----------------|----------------|--------------------------|---------------|-----------------|---------------|---|--|--|
|                |                | Shares                   | Amount        | Shares          | Amount        | Source of Capital                                     | Capital Increase by Assets Other Than Cash | Other (Approval document no.)                        |
| 2005.05        | 10             | 260,000,000              | 2,600,000,000 | 163,133,882     | 1,631,338,820 | Convertible bonds                                     | Nil  | 05/03/2005<br>Ching-Shou-Shang-Zi<br>no. 09401077580 |
| 2005.07        | 10             | 260,000,000              | 2,600,000,000 | 168,068,138     | 1,680,681,380 | Convertible bonds, exercise of employee stock options | Nil  | 07/25/2005<br>Ching-Shou-Shang-Zi<br>no. 09401135020 |
| 2005.09        | 10             | 260,000,000              | 2,600,000,000 | 178,181,410     | 1,781,814,100 | Capital increase by earnings                          | Nil  | 09/23/2005<br>Ching-Shou-Shang-Zi<br>no. 09401185020 |
| 2005.10        | 10             | 260,000,000              | 2,600,000,000 | 181,557,883     | 1,815,578,830 | Convertible bonds, exercise of employee stock options | Nil  | 10/20/2005<br>Ching-Shou-Shang-Zi<br>no. 09401207340 |
| 2006.01        | 10             | 260,000,000              | 2,600,000,000 | 186,198,661     | 1,861,986,610 | Convertible bonds, exercise of employee stock options | Nil  | 01/23/2006<br>Ching-Shou-Shang-Zi<br>no. 09501010180 |
| 2006.03        | 10             | 260,000,000              | 2,600,000,000 | 188,908,827     | 1,889,088,270 | Convertible bonds, exercise of employee stock options | Nil  | 04/17/2006<br>Ching-Shou-Shang-Zi<br>no. 09501068450 |
| 2006.07        | 10             | 260,000,000              | 2,600,000,000 | 188,942,532     | 1,889,425,320 | Convertible bonds                                     | Nil  | 07/20/2006<br>Ching-Shou-Shang-Zi<br>no. 09501152420 |
| 2006.09        | 10             | 300,000,000              | 3,000,000,000 | 203,711,768     | 2,037,117,680 | Capital increase by earnings                          | Nil  | 09/04/2006<br>Ching-Shou-Shang-Zi<br>no. 09501198120 |
| 2006.10        | 10             | 300,000,000              | 3,000,000,000 | 204,815,282     | 2,048,152,820 | Convertible bonds, exercise of employee stock options | Nil  | 10/16/2006<br>Ching-Shou-Shang-Zi<br>no.09501232600  |
| 2007.01        | 10             | 300,000,000              | 3,000,000,000 | 205,698,282     | 2,056,982,820 | Exercise of employee stock options                    | Nil  | 01/16/2007<br>Ching-Shou-Shang-Zi<br>no. 09601010470 |
| 2007.04        | 10             | 300,000,000              | 3,000,000,000 | 206,032,282     | 2,060,322,280 | Exercise of employee stock options                    | Nil  | 04/14/2007<br>Ching-Shou-Shang-Zi<br>no. 09601078450 |
| 2007.07        | 10             | 300,000,000              | 3,000,000,000 | 206,624,577     | 2,066,245,770 | Convertible bonds                                     | Nil  | 07/27/2007<br>Ching-Shou-Shang-Zi<br>no. 09601180970 |
| 2007.08        | 10             | 300,000,000              | 3,000,000,000 | 230,739,719     | 2,307,397,190 | Capital increase by earnings                          | Nil  | 08/28/2007<br>Ching-Shou-Shang-Zi<br>no.09601210120  |
| 2007.10        | 10             | 300,000,000              | 3,000,000,000 | 240,243,456     | 2,402,434,560 | Convertible bonds                                     | Nil  | 10/22/2007<br>Ching-Shou-Shang-Zi<br>no. 09601258520 |
| 2008.01        | 10             | 300,000,000              | 3,000,000,000 | 241,552,590     | 2,415,525,900 | Convertible bonds                                     | Nil  | 01/29/2008<br>Ching-Shou-Shang-Zi<br>no. 09701022010 |
| 2008.01        | 10             | 300,000,000              | 3,000,000,000 | 241,552,590     | 2,415,525,900 | Convertible bonds                                     | Nil  | 01/29/2008<br>Ching-Shou-Shang-Zi<br>no. 09701022010 |
| 2008.04        | 10             | 300,000,000              | 3,000,000,000 | 241,627,148     | 2,416,271,480 | Convertible bonds                                     | Nil  | 04/11/2008<br>Ching-Shou-Shang-Zi<br>no. 09701087040 |
| 2008.08        | 10             | 300,000,000              | 3,000,000,000 | 242,464,833     | 2,424,648,330 | Convertible bonds                                     | Nil  | 08/05/2008<br>Ching-Shou-Shang-Zi<br>no.09701191720  |
| 2008.08        | 10             | 350,000,000              | 3,500,000,000 | 270,395,056     | 2,703,950,560 | Capital increase by earnings                          | Nil  | 08/28/2008<br>Ching-Shou-Shang-Zi<br>no. 09701819210 |
| 2008.11        | 10             | 350,000,000              | 3,500,000,000 | 271,698,090     | 2,716,980,900 | convertible bonds                                     | Nil  | 11/17/2008<br>Ching-Shou-Shang-Zi<br>no. 09701293960 |
| 2009.09        | 10             | 400,000,000              | 4,000,000,000 | 287,312,523     | 2,873,125,230 | Capital increase by earnings                          | Nil  | 09/11/2009<br>Ching-Shou-Shang-Zi                    |

| Year/<br>Month | Issue<br>Price | Authorized Share Capital |               | Paid-In Capital |               | Remark  |  |   |
|----------------|----------------|--------------------------|---------------|-----------------|---------------|---|--|---|
|                |                | Shares                   | Amount        | Shares          | Amount        | Source of Capital                             | Capital Increase by Assets Other Than Cash | Other (Approval document no.)                         |
|                |                |                          |               |                 |               |   |  | no. 0980120690  |
| 2009.11        | 10             | 400,000,000              | 4,000,000,000 | 287,340,930     | 2,873,409,300 | Convertible bonds                             | Nil  | 11/11/2009<br>Ching-Shou-Shang-Zi<br>no. 09801260380  |
| 2010.01        | 10             | 400,000,000              | 4,000,000,000 | 288,727,249     | 2,887,272,490 | Convertible bonds                             | Nil  | 01/26/2010<br>Ching-Shou-Shang-Zi<br>no. 09901016750  |
| 2010.04        | 10             | 400,000,000              | 4,000,000,000 | 290,907,037     | 2,909,070,370 | Employee stock options and convertible bonds  | Nil  | 04/21/2010<br>Ching-Shou-Shang-Zi<br>no. 09901078530  |
| 2010.09        | 10             | 400,000,000              | 4,000,000,000 | 296,665,178     | 2,966,651,780 | Capital increase by earnings                  | Nil  | 09/02/2010<br>Ching-Shou-Shang-Zi<br>no.09901199850   |
| 2010.11        | 10             | 400,000,000              | 4,000,000,000 | 297,183,178     | 2,971,831,780 | Employee stock options                        | Nil  | 11/18/2010<br>Ching-Shou-Shang-Zi<br>no. 099001257750 |
| 2011.04        | 10             | 400,000,000              | 4,000,000,000 | 296,305,178     | 2,963,051,780 | Employee stock options treasury stock retired | Nil  | 4/15/2011<br>Ching-Shou-Shang-Zi<br>no. 100001075170  |
| 2011.07        | 10             | 400,000,000              | 4,000,000,000 | 296,316,207     | 2,963,162,070 | Convertible bonds                             | Nil  | 7/26/2011<br>Ching-Shou-Shang-Zi<br>no. 100001171400  |
| 2011.08        | 10             | 400,000,000              | 4,000,000,000 | 302,242,310     | 3,022,423,100 | Capital increase by earnings                  | Nil  | 8/25/2011<br>Ching-Shou-Shang-Zi<br>no.100001197910   |
| 2013.01        | 10             | 400,000,000              | 4,000,000,000 | 309,757,040     | 3,097,570,400 | Employee stock options and convertible bonds  | Nil  | 1/17/2013<br>Ching-Shou-Shang-Zi<br>no.10201011600    |
| 2024.04        | 10             | 500,000,000              | 5,000,000,000 | 309,757,920     | 3,097,579,200 | Convertible bonds                             | Nil  | 4/9/2024<br>Ching-Shou-Shang-Zi<br>no.11330043530     |
| 2024.05        | 10             | 500,000,000              | 5,000,000,000 | 309,767,602     | 3,097,676,020 | Convertible bonds                             | Nil  | 5/8/2024<br>Ching-Shou-Shang-Zi<br>no.11330070610     |
| 2024.08        | 10             | 500,000,000              | 5,000,000,000 | 334,767,602     | 3,347,676,020 | Private Placement                             | Nil  | 8/26/2024<br>Ching-Shou-Shang-Zi<br>no.11330126290    |
| 2024.09        | 10             | 500,000,000              | 5,000,000,000 | 342,992,971     | 3,429,929,710 | Convertible bonds                             | Nil  | 9/6/2024<br>Ching-Shou-Shang-Zi<br>no.11330154360     |

## 2. Types of Stock

March 29, 2026 Unit: Share

| Type of Stock | Authorized Share Capital |             |             | Remarks |
|---------------|--------------------------|-------------|-------------|---------|
|               | Listed (Note)            | Unlisted    | Total       |         |
| Common Stock  | 342,992,971              | 157,007,029 | 500,000,000 |         |

Note : The above includes 25,000,000 privately common shares and 3,000,000 treasury shares, as of the closing transfer date of March 29, 2026.

## 3. Shelf Registration Related Information: N/A.

## (II) List of Major Shareholders

Name(s), amount and proportion of shares held by shareholder(s) with shareholding ratios that accounted for more than 5% of the equity ratio or accounted for the top ten shareholders:

March 29, 2026 Unit: Person/Share/%

| Major Shareholders  | Shares | Shares     | Shares (%) |
|---|--------|------------|------------|
| 1、WALSIN TECHNOLOGY CORPORATION   |        | 34,242,000 | 9.98       |
| 2、INPAQ TECHNOLOGY CO., LTD.  |        | 9,970,000  | 2.91       |
| 3、Hua Nan Commercial Bank is the entrusted custodian of the Yuanta Taiwan Value High Yield ETF Securities Investment Trust Fund Account |        | 8,948,000  | 2.61       |
| 4、Chunghwa Post Co., Ltd.   |        | 7,640,000  | 2.23       |
| 5、KGI Life Insurance Company Limited  |        | 7,537,000  | 2.20       |
| 6、Nan Shan Life Insurance Co., Ltd.   |        | 6,000,000  | 1.75       |
| 、Cathay Life Insurance fully entrusted Cathay Securities Investment Trust Investment Account (Taiwan Stock B)                           |        | 6,000,000  | 1.75       |
| 8、Lin, Jin-Bao  |        | 5,827,263  | 1.70       |
| 9、Taipei Fubon Commercial Bank entrusted trust asset account.   |        | 5,064,025  | 1.48       |
| 10、Lin, Wan-Shing   |        | 5,030,722  | 1.47       |

## (III) Company's dividend policy and its current implementation status

### 1. Dividend policy as defined in the articles of incorporation :

#### Article 19

If the Company is profitable in a given year, the Board of Directors shall resolve to allocate no less than 3% as employee remuneration and no more than 2% as director remuneration. However, if the Company has accumulated losses, a reserve amount shall be set aside in advance to cover them, and this shall be reported to the Shareholders' Meeting.

Of the aforementioned employee remuneration, no less than 35% shall be allocated to grassroots employees, and this distribution may be in the form of shares or cash. The recipients include employees of subsidiary companies who meet certain conditions.

The aforementioned director remuneration may only be paid in cash.

Article 20 The Company's distribution of profits or appropriation of losses shall be made after the end of each semi-annual fiscal year. The Board of Directors shall draft a relevant proposal and, in accordance with laws and the procedures and principles stipulated in these Articles of Association, report it to the Shareholders' Meeting or submit it for a resolution.

When distributing profits, the Company shall first estimate and reserve taxes payable, legally cover losses, and set aside 10% as statutory surplus reserve; however, this restriction does not apply if the accumulated statutory surplus reserve has reached the Company's paid-in capital. The Company may, in accordance with laws and regulations or as needed for business operations, allocate or reverse special surplus reserve.

In accordance with Article 240, Paragraph 5 of the Company Law, the Company authorizes its Board of Directors to, with the attendance of at least two-thirds of the directors and a resolution passed by a

majority of the attending directors, distribute dividends and bonuses, or, as stipulated in Article 241, Paragraph 1 of the Company Law, allocate all or part of the statutory surplus reserve and capital reserve in cash, and report this to the shareholders' meeting.

The Company's dividend distribution policy must consider factors such as the Company's current and future investment environment, capital needs, and domestic and international competition, and capital budget, taking into account both shareholder interests and the Company's long-term financial planning. Annually, the Company may distribute dividends and bonuses from its profits to shareholders. Shareholder dividends and bonuses may be distributed in cash or shares, with cash dividends not less than 50% of the total dividends.

Although the Company's Articles of Association do not specify the distribution ratio of shareholder dividends, the distribution ratio of the aforementioned surplus may be adjusted at the discretion of the Company based on relevant factors such as the actual pre-tax profit, capital budget and cash position for the year.

Estimated dividend distribution policy for the next three years

- (1) Employee bonus is 9%~12%
- (2) Directors' compensation is 1%~2%
- (3) The total amount of dividends shall be based on 60% or more of the current year's profit (excluding statutory surplus reserve) or not less than 30% of the total distributable surplus, and the cash dividend shall not be less than 50% of the total cash dividends and stock dividends.

## 2. Dividend Distribution Status

The Company's Articles of Association authorize the Board of Directors to resolve, after the end of each semi-annual fiscal year, to distribute a cash dividend from the interim profit and report to the Shareholders' Meeting. The profit distribution and dividend per share for 2025 are set out below.

| 2025        | Date of Board Resolution<br>(YYYY/MM/DD) | Payment Date<br>(YYYY/MM/DD) | Cash Dividend from Earnings<br>(NT\$) | Cash Dividend from Capital Reserve<br>(NT\$) | Cash Dividend Per Share<br>(NT\$) | Cash Dividend Total Amount<br>(NT\$) |
|-------------|--|------------------------------|---------------------------------------|--|-----------------------------------|--------------------------------------|
| First Half  | 2025/08/04                               | Not applicable               | 0                                     | Not applicable                               | 0                                 | 0                                    |
| Second Half | 2026/03/09                               | Not decided                  | 4.3                                   | 0.5  | 4.8                               | 1,631,966,261                        |

**(IV) The effect of the shareholder's proposed stock grants on the Company's business performance and earnings per share:** N/A (The Company did not offer stock grants this time).

**(V) Employee bonus and rewards for directors and auditors**

1. The principle of surplus distribution in accordance with company regulations:  
If the Company is profitable in a given year, the Board of Directors shall resolve to allocate no less than 3% as employee compensation and no more than 2% as directors' compensation. However, if the Company has accumulated losses, a reserve amount shall be set aside in advance to cover them, and this shall be reported to the Shareholders' Meeting.  
Of the aforementioned employee compensation, no less than 35% shall be allocated to grassroots employees, which may be distributed in stock or cash, and the recipients include employees of subsidiaries who meet certain conditions.  
The aforementioned directors' compensation shall be paid only in cash.
2. Cash remuneration payable to employees and directors is estimated at a certain percentage based on the profit situation of the year. If there is a difference between the estimated amount and the actual amount paid, it shall be handled according to the accounting estimate change and adjusted and recorded in the year of payment.
3. Proposal by the Board of Directors for surplus distribution in 2025:  
As proposed by the Board of Directors on March 9, 2026 surplus distribution for employee bonus and directors' compensation are as follows:
  - (1) Propose to allocate employee bonus in cash amounting to NT\$ 201,896,543 and directors' compensation to NT\$33,649,424. There is no difference between the planned allocation amount from expense for employee bonus and surplus in the 2025 financial statement. So, no adjustment for income and loss is required.
  - (2) The proposed distribution of employee compensation (stocks) and its share of the net profit after tax and total employee compensation for the current period: N/A.
  - (3) Propose to allocate employee bonus and directors' compensation in accordance with par value setting earnings per share at: NT\$5.28.
4. The Company Board of Directors on surplus allocation in 2024:  
The actual employee compensation and director compensation distributed in 2024 were NT\$241,279,192 and NT\$40,213,199 respectively. The actual distribution was the same as the original recognition and there was no difference.

**(VI) Buyback of Common Stock:**

|   |                                     |
|---|-------------------------------------|
| Buyback Explanation                       | Fourth repurchase of treasury stock |
| Purpose of Buyback                        | Transfer of shares to employees     |
| Planned Buyback Period                    | August 5, 2025 ~ October 4, 2025    |
| Planned Buyback Price Range               | NT\$61.0 ~ NT\$127.5                |
| Type and Quantity of Shares to be Buyback | Common Stock 3,000,000 shares       |

|   |                                    |
|---|------------------------------------|
| Actual Buyback Period                                       | August 6, 2025~ September 23, 2025 |
| Type and Quantity of Shares Buyback                         | Common Stock 3,000,000 shares      |
| Amount of Shares Buyback                                    | NT\$264,017,335                    |
| Average Buyback Price per Share                             | NT\$88.01                          |
| Number of Shares Transferred                                | 0 shares                           |
| Cumulative Number of Shares Held                            | 3,000,000 shares                   |
| Percentage of Cumulative Shares Held to Total Issued Shares | 0.87%                              |

## **II. Convertible Corporate Bond**

- (I) Corporate bond handling status: None.
- (II) Information on convertible corporate bonds: None.
- (III) Exchange of corporate bond information: None.
- (IV) Summary of the application for issuance of corporate bonds: None.
- (V) Information on corporate bonds with warrants: None.

## **III. Preferred Shares : None**

## **IV. Issuance of Oversea Depositary Shares : None**

## **V. Status of Employee Stock Option Plan : None**

## **VI. Status of Employee Restricted Stock : None**

## **VII. Status of New Share Issuance in Connection with Mergers and Acquisitions: None**

## VIII. Financing Plans and Implementation

### (I) 2024 Private Placement Common Stock

1. Project Content

- (1) In order to introduce strategic partners to support long-term operational development, enrich working capital and strengthen financial structure, and taking into account the cost of raising funds and the timeliness and convenience of the introduction, the Company's shareholders' meeting on May 28, 2024, passed a resolution to conduct a private placement of common shares within a quota of no more than 25,000,000 shares in installments (a maximum of two installments) within one year from the date of the shareholders' meeting resolution.
- (2) Contents of all previous change plans, reasons for the change, benefits before and after the change, and the date the change plans were submitted to the shareholders' meeting: Not applicable.
- (3) Sources and use of funds: Fund application plan, estimated progress and possible benefits:
  - A. Funding source

Unit : 1000 shares/NT thousand

| Subscriber                    | Payment Completion Date | Subscribed Shares (1000 shares) | Subscribed Price (NT\$/share) | Total Subscription Amount (NT\$ thousand) |
|-------------------------------|-------------------------|---------------------------------|-------------------------------|---|
| WALSIN TECHNOLOGY CORPORATION | July 2, 2024            | 20,800                          | 93.50                         | 1,944,800                                 |
| INPAQ TECHNOLOGY CO., LTD.    | July 2, 2024            | 4,200                           | 93.50                         | 392,700                                   |
| Total                         |                         | 25,000                          | -                             | 2,337,500                                 |

B. Projects and estimated use of funds

The additional capital will be used to replenish working capital and repay bank loans.

C. Enter the public information observation station date

- a. Within two days from the date of the board resolution: April 15, 2024
  - b. Within two days of the actual pricing date: June 20, 2024
  - c. Within 15 days after the payment of share capital or price is completed: July 2, 2024
3. Implementation:  
The funds raised were NT\$2,337,500,000, which were used to replenish working capital and repay bank loans, and were fully executed in the third quarter of 2024.
4. Expected benefits to be achieved:  
The private placement funds will be used to replenish working capital and repay bank loans, enhance the company's competitiveness, improve operational efficiency and strengthen the effectiveness of the financial structure, which will have a positive impact on shareholders' equity. For financial structure analysis, please refer to Annual Report V, Financial Status and Financial Performance Review and Analysis, and Risk Issues.

### (II) The previous cash capital increase plan and its implementation: None

# Chapter 4 Business Information

## I. Business Contents

### (I) Business Scope

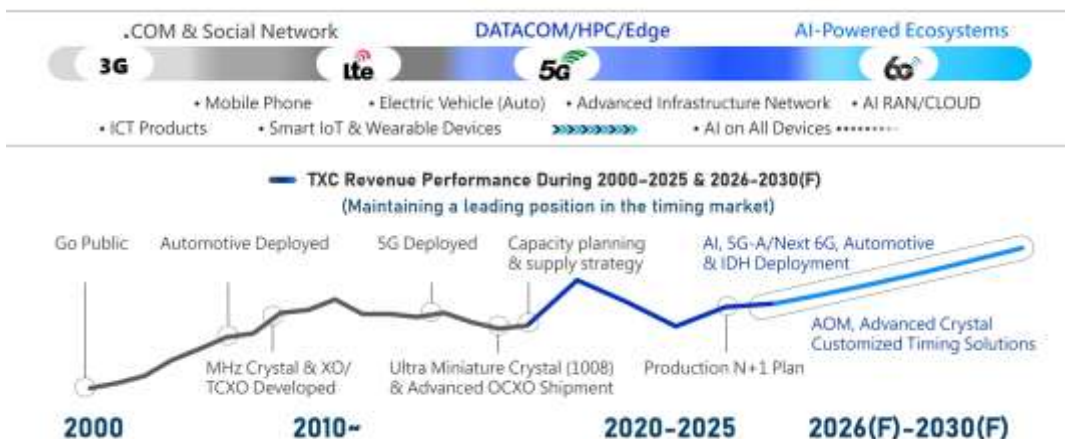
#### (1). Major Business Contents

Since its founding in 1983, TXC Corporation has continuously deepened its frequency component technology and product portfolio in line with the evolution of the global communications and technology ecosystem, gradually establishing a competitive advantage in the 5G, automotive electronics, and high-end electronic equipment markets. Following its listing in 2000, the company actively invested in the development of MHz quartz crystals and XO/TCXO oscillators between 2000 and 2010, and expanded into the automotive electronics market, successfully establishing a stable foundation for growth.

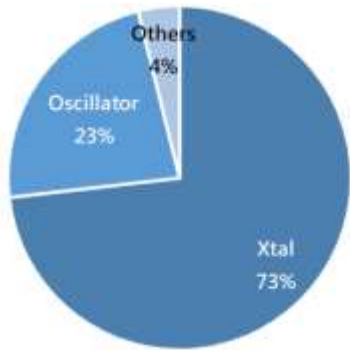
From 2010 to 2020, with the expansion of global 4G/5G infrastructure, the company accelerated the development of miniaturized, high-reliability quartz products, including high-end OCXOs and 1008 ultra-small crystals, and promoted capacity planning and supply chain upgrades to meet the rapidly increasing global demand for high-frequency, high-stability components.

From 2020 to 2025, the company's revenue performance remained stable, and it launched a high-end strategy for OCXO and Differential XO, as well as an N+1 (six global production sites) capacity plan to support the growth trends of AI, high-performance computing, and automotive applications. Looking ahead to 2026-2030, the company will adapt to the long-term needs of the AI technology ecosystem, 6G, and automotive electronics, continue to deepen its technical capabilities in high-end quartz crystals, crystal oscillators, and customized frequency components, and strengthen its collaborative layout with IC designers, moving towards becoming a more comprehensive frequency solution provider.

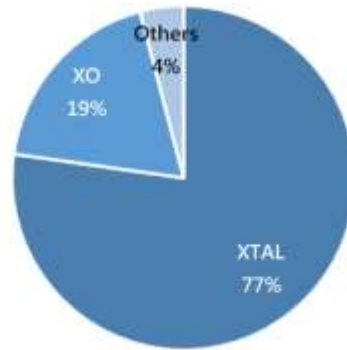
### Think of Frequency, Think of TXC Plays a Significant Role in Providing Timing Solutions



(2). Business Proportions
















2025 sales revenues NTD 13,348,901 thousands



2024 sales revenues NTD 12,672,258 thousands

### (3). Company's current products

| Product Type        | Type  | Product Size  | Product Picture   |
|---------------------|---|---|---|
| Crystal Units       | SMD Glass Sealing Crystals  | 3.2 x 2.5mm , 2.0 x 1.6mm   |    |
|                     | SMD Seam Sealing Crystals   | 3.2 x 2.5mm , 2.5 x 2.0mm<br>2.0 x 1.6mm , 1.6 x 1.2mm  |    |
|                     | SMD AuSn Sealing Crystals   | 1.6 x 1.2mm , 1.2 x 1.0mm<br>1.0 x 0.8mm  |    |
|                     | SMD Seam Temperature Sensing Crystals (TSX)   | 2.5 x 2.0mm , 2.0 x 1.6mm<br>1.6 x 1.2mm , 1.2 x 1.0mm  |    |
|                     | SMD kHz Crystals (Tuning Fork)  | 3.2 x 1.5mm , 2.0 x 1.2mm<br>1.6 x 1.0mm , 1.2 x 1.0mm  |    |
| Crystal Oscillators | SMD Crystal Oscillators (CMOS)  | 5.0 x 3.2mm , 3.2 x 2.5mm<br>2.5 x 2.0mm , 2.0 x 1.6mm<br>1.6 x 1.2mm , 1.2 x 1.0mm                   |    |
|                     | SMD Crystal Oscillators (Differential)  | 7.0 x 5.0mm , 5.0 x 3.2mm<br>3.2 x 2.5mm , 2.5 x 2.0mm<br>2.0 x 1.6mm                                 |    |
|                     | SMD kHz Crystal Oscillators   | 3.2 x 2.5mm , 2.5 x 2.0mm<br>2.0 x 1.6mm , 1.6 x 1.2mm  |  |
|                     | SMD Voltage Controlled Crystal Oscillators (VCXO)   | 7.0 x 5.0mm , 5.0 x 3.2mm<br>3.2 x 2.5mm  |  |
|                     | Oven Controlled Crystal Oscillators (OCXO)  | 14 x 9 mm(SMD type)<br>9.7x 7.5mm (SMD type)<br>7.0 x 5.0 mm(SMD type)                                |  |
|                     | SMD Temperature Compensated Crystal Oscillators (TCXO)  | 2.5 x 2.0mm , 2.0 x 1.6mm<br>1.6 x 1.2mm  |  |
|                     | Precise SMD Temperature Compensated Crystal Oscillators (TCXO Stratum-3)  | 7.0 x 5.0mm (4/10 Pad)<br>5.0 x 3.2mm (6/10 Pad)  |  |
| Automotive          | Glass Sealing Crystal / Seam Sealing Crystal /XO/Differential XO/ TCXO /TSX/kHz Crystal Oscillators/ kHz Crystals (Tuning Fork) | 8.0 x 4.5mm , 5.0 x 3.2mm<br>3.2 x 2.5mm , 3.2 x 1.5mm<br>2.5 x 2.0 mm , 2.0 x 1.6 mm<br>1.6 x 1.2 mm |  |

### (4). Scheduled new products development

According to the development strategy and market demand, the company will continue to invest in research and development resources, actively develop new technologies, and take "miniaturization, high stability, and modularization" as the product development policy to expand market share in high-end applications and high value-added products Rate. And based on the company's core technology, develop horizontally and actively enter the fields of optics, micro-electromechanical, medical electronics and automotive electronics. Facing the rapid

changes and fierce competition in the domestic and foreign markets, the company has formulated the following new product development priorities:

i. Development of miniaturized products

Pursuing product leadership and continuing to take root in quartz component technology, we have successfully mass-produced the smallest 1.0x0.8x0.30mm quartz crystal component currently on the market and achieved the highest market share. We are actively developing 0806 extremely miniaturized products, technology layout and ultra-high frequency (> 300 MHz) quartz crystal components to meet future product miniaturization trends, 5G advanced and AI-related needs; simultaneously and continuously develop higher-precision process technology to achieve the pre-layout of its own engineering technology to achieve high cost performance, low energy consumption, Product development with high seismic resistance and large bandwidth span.

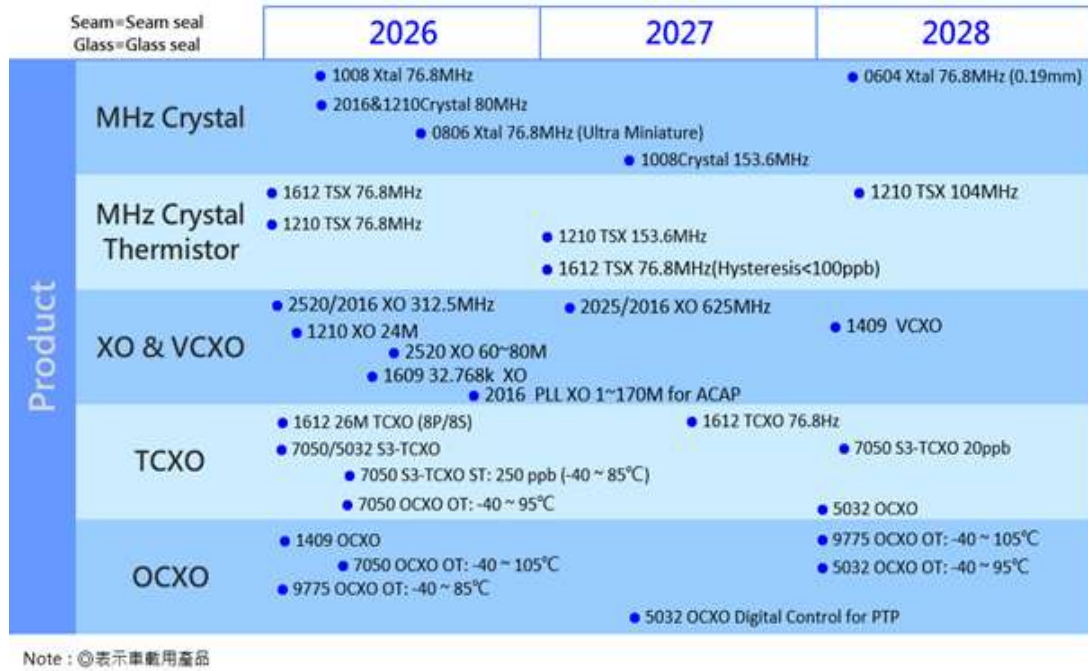
ii. Development of automotive electronics products

The company has obtained IATF-16949 quality operating system certification and completed the ISO 9001/IATF 16949-2016 version conversion. Our products continue to move towards the highest quality and reliability of Grade 0 in terms of technology, safety, quality and other aspects. Currently, the products developed are: Miniature wide temperature range temperature compensated quartz oscillator (TCXO), miniaturized wide temperature range quartz oscillator (XO), miniaturized high frequency quartz oscillator (HF XO) are suitable for Grade 0 quartz crystal components, etc. to prepare for the future Growth momentum of automotive electronics products.

iii. Development of advanced crystal vibrator and oscillator and module products

With the promotion of emerging technologies such as AI, 5G Advanced, and 6G, quartz oscillators will play an important role in more fields. The company will continue to invest in the development of high-end oscillators to meet the following needs. In mobile communication applications, we continue to focus on the development of miniaturized, high-stability, and low-voltage temperature-compensated quartz oscillator (TCXO) products to meet the requirements of the new generation of millimeter wave/GNSS technology; in network communication equipment applications, the equipment in this field needs to be equipped with optical communication modules/NIC to meet the requirements of high-speed data transmission, so high-frequency, small and high-stability oscillators (XO) are also the focus of the company's development investment; in base stations and AI applications, low noise, high stability, high temperature resistance, vibration resistance, airtightness, miniaturization, Holdover performance and power saving requirements need to be met, and the corresponding product development such as miniaturized temperature-controlled oscillator module (OCXO), high-stability temperature-compensated quartz oscillator (S3-TCXO) and high-frequency oscillator (HF XO) AOM (Advanced Oscillator Module) will continue to invest in order to meet the development of next-generation communication technology applications.

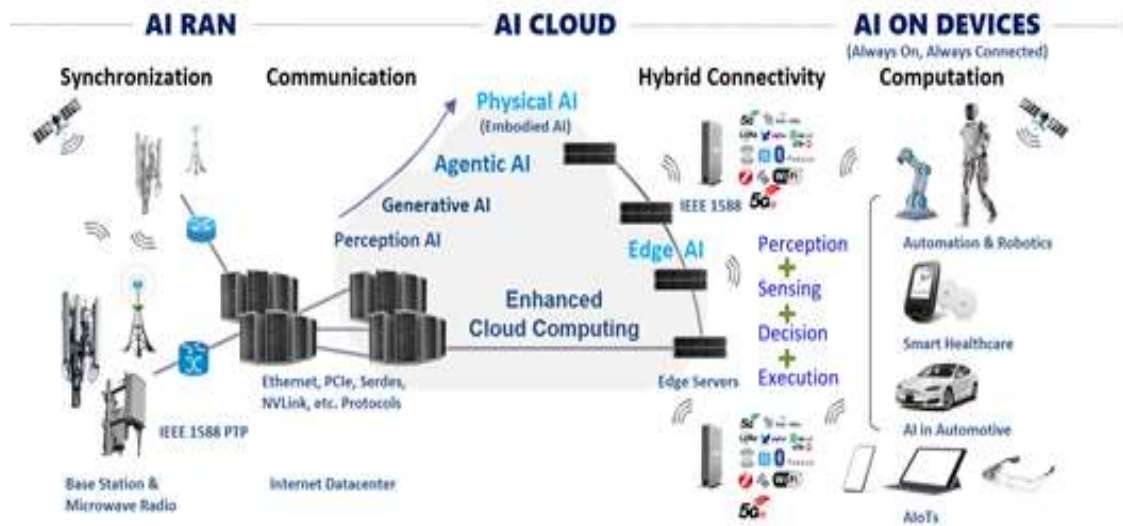
iv. Development trend of future terminal application products



(II) Industry Overview

(1). Current industry status and development

With the rapid development of AI, AI technology will comprehensively penetrate various application scenarios from the cloud and edge to terminal devices, driving a deep upgrade of infrastructure and the ecosystem. The overall architecture can be divided into three major areas: AI wireless access network, AI cloud, and AI terminal devices, forming the backbone of the internet supporting global computing, connectivity, and automation. In recent years, we have observed AI-RAN integrating AI into network technology to further advance RAN technology development, focusing on the three major performance requirements of computing, synchronization, and communication. In the AI RAN & Cloud application field, the evolution of high-speed transmission technology continues to drive the long-term growth of high-end oscillators. In the future, ultra-high frequency, ultra-high stability, and ultra-low phase noise product strategies will be the core competitive focus of the frequency component industry. These factors will contribute to increased demand for high-end products, allowing for the maintenance of high-value-added products and achieving the goal of increasing sales share in niche markets. At the same time, the mass production advantages of miniaturized, thin, low-impedance, and low-power products will also help the frequency component industry improve its competitiveness in the AI on Devices market. These strategic developments are expected to enhance the company's industry position in the market, drive performance growth, and provide more opportunities to expand the business.



The development and advancement of frequency component manufacturing processes have laid a solid technological foundation for the miniaturization, high-frequency, and high-performance standardization of smart electronic products and mobile/edge terminals. Furthermore, the design and application of microelectromechanical systems (MEMS) have provided technical reference and inspiration for the processing of quartz crystal raw materials, accelerating the miniaturization and high-precision development of quartz crystal components.

In the past, the production of high-end quartz crystal components and their raw materials was mainly concentrated in Japan and Europe. However, quartz crystal component manufacturers in Taiwan and mainland China have developed rapidly in recent years. Through technological transformation, these companies have improved their technical level and production scale, and their process technology and product quality are now on par with or even surpass those of Japanese and European companies. The following table compares the regional competitive advantages of major quartz component suppliers:

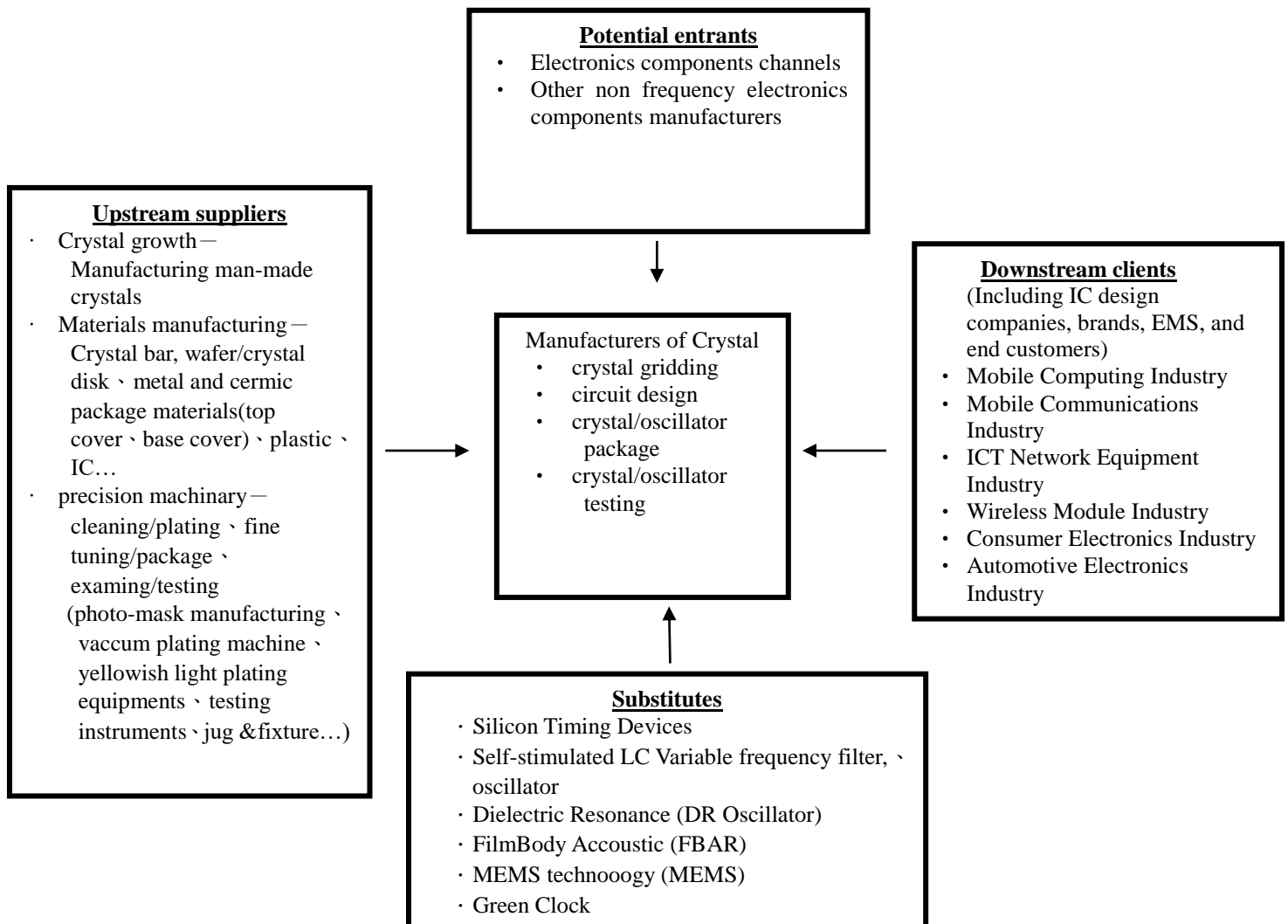
| Key element | European, USA manufactures | Japanese manufactures | Taiwanese manufactures | China manufactures |
|-------------|----------------------------|-----------------------|------------------------|--------------------|
| Frequency   | Very high                  | Very high             | Very high -Middle      | Middle-Low         |
| Precision   | Very high                  | Very high             | Very high -Middle      | Middle-Low         |
| Size        | Middle                     | Very high             | Very high -Middle      | Middle-Low         |
| Capacity    | Middle-Low                 | Very high-Middle      | Very high -Middle      | Middle             |

For Taiwanese manufacturers, in the early days, they followed market development and directly purchased raw materials, equipment, and manufacturing processes to produce products in large quantities, and emphasized rapid listing. Recently, they have gradually internalized technology into their own capabilities and improved them through the improvement of equipment and manufacturing capabilities. At present, manufacturers with relatively large scale of production of quartz components in China are TXC Corporation, HARMONY ELECTRONICS CORP, SIWARD CRYSTAL TECHNOLOGY CO., LTD TAI TIEN ELECTRONICS CO., LTD., TAI-SAW TECHNOLOGY CO.,LTD., HOSONIC ELECTRONIC CO., LTD., AKER TECHNOLOGY CO., LTD. Each manufacturer focuses

on different products and The market is differentiated, and the company's products have the widest application layout, the largest business scale, and the highest market share, and it occupies a leading position in the quartz crystal industry.

(2). Market relationship of up, middle, and down stream companies

Our company's main product, quartz crystal components, belongs to the category of basic electronic components. Its upstream industries include quartz cultivation, materials manufacturing, and precision machinery, while its downstream application areas (including IC design companies, brands, EMS, and various end customers) can be broadly categorized into mobile computing, mobile communications, ICT network equipment, wireless modules, consumer electronics, automotive electronics, and emerging industries driven by AI. The upstream, midstream, and downstream relationships of the quartz crystal component industry are listed below:



### (3). Development Trend of Crystal Industry

Quartz component products are important components of electronic products. In order to match the vigorous development and trend of future terminal applications, its future product type, product precision and size will develop towards the following trends:



#### (a). Miniaturization, SMD trend

Miniaturization will focus on the development of technologies such as single-chip ICs, chip design and manufacturing, and packaging and testing. Taking SMD frequency components as an example, the current dimensions have evolved from 3.2 x 2.5mm, 2.5 x 2.0mm, and 2.0 x 1.6mm, to 1.6 x 1.2mm, 1.2 x 1.0mm, 1.0 x 0.8mm, and even smaller 0.8 x 0.6mm. The component height has also increased from 1.2mm, 0.9mm, 0.8mm, 0.7mm, and 0.5mm, towards 0.35mm, 0.30mm, 0.25mm, and even further towards 0.19mm. Besides achieving size reduction through SMD packaging, it is also necessary to maintain low impedance parameters across different frequency ranges. This also allows for integration with the downstream customer supply chain, including the technological development trends of front-end chipsets, the product design trends of brand customers, and the SMT production of related customers, ensuring compatibility.

#### (b). High frequency low noise, high precision and high stability oscillator module

The 5G Advanced wireless communication system mainly consists of base station radio frequency units (RRU or AAU), fronthaul network, base station baseband units (BBU or CU/DU), backhaul network, core network, and access network.

High Frequency, Low Noise: Using our proprietary high-frequency fundamental wave crystal combined with etching technology, we have developed high-frequency (>300MHz) and low-noise (30fs Typ) crystal oscillators (XOs) and voltage-controlled crystal oscillators (VCXOs) to meet the requirements of 5G Advanced communication optical modules and RF systems.

High Precision: Through custom-developed dual-loop temperature compensation circuitry and low-disturbance quartz crystals combined with customized temperature compensation algorithms, we have developed high-precision (+/- 50/100ppb) and high-temperature (-40~105°C) temperature-compensated crystal oscillators (TCXOs) to meet the requirements of 5G Advanced AAUs.

High Stability: Utilizing a unique, patented embedded ceramic heater packaging technology, surface-mount SC-cut crystal, and customized temperature control circuitry, we have achieved the industry's first oven-controlled crystal oscillator (OCXO). This product boasts miniaturization (9.7 x 7.5mm), making it particularly suitable for use in synchronization systems for baseband units.

The evolution of various high-speed transmission systems has driven the development of corresponding frequency components towards higher frequencies, modularity, higher precision, and higher stability. Through our proprietary packaging, resonator, and customized IC technologies, we have developed various oscillator modules, simplifying customer circuit designs to meet the performance requirements of 5G Advanced applications.

Based on the evolution of various high-speed transmission systems, the corresponding frequency components move towards the direction of high frequency, modularization, high precision and high stability. We have developed all kinds of oscillator modules through our own packaging, resonators and customized IC technologies, which is conducive to the simplification of customer circuit design to meet the performance requirements of 5G advanced applications.

### 3. Technology and Recent Research and Development

- (1) Ratio of R&D expense of total revenue during recent years up to December 31, 2025  
Units : NT\$ 1,000 ; %

| Year                          | 2024       | 2025       |
|-------------------------------|------------|------------|
| Sales Revenue                 | 12,672,258 | 13,348,901 |
| R&D expense                   | 1,080,925  | 1,060,519  |
| R&D Expense/Sales Revenue (%) | 8.53       | 7.94       |

- (2) Research and Development Results

|                                      |  |
|--------------------------------------|--|
| Products development - Crystal Units | 1、 SMD 3.2 x 2.5 mm Crystal for Networking, Infra, Automotive                        |
|                                      | 2、 SMD 2.5 x 2.0 mm Crystal for Networking, Infra, Automotive                        |
|                                      | 3、 SMD 2.0 x 1.6 mm Crystal for Mobile, Wearable, IoT, Networking, Infra, Automotive |
|                                      | 4、 SMD 1.6 x 1.2 mm Crystal for Mobile, Wearable, IoT, Networking, Infra, Automotive |
|                                      | 5、 SMD 1.2 x 1.0 mm Crystal for Mobile, Wearable, IoT, Networking                    |
|                                      | 6、 SMD 1.0 x 0.8 mm Crystal for Mobile, Wearable, IoT, UWB                           |
|                                      | 7、 SMD 2.5 x 2.0 mm TSX for Mobile, Automotive                                       |
|                                      | 8、 SMD 2.0 x 1.6 mm TSX for Mobile, Wearable, Automotive, UWB                        |
|                                      | 9、 SMD 1.6 x 1.2 mm TSX for Mobile, Wearable, Automotive                             |
|                                      | 10、 SMD 1.2 x 1.0 mm TSX for Mobile, Wearable  |

|   |   |
|---|---|
| <p style="text-align: center;">Products<br/>development -<br/>Crystal<br/>Oscillators</p> | <ul style="list-style-type: none"> <li>1、 SMD Seam XO 2.0 x 1.6 mm 2~80 MHz</li> <li>2、 SMD Seam XO 1.6 x 1.2 mm 2~80 MHz</li> <li>3、 SMD 1.6 x 1.2 mm Oscillator for Automotive</li> <li>4、 SMD 7.0 x 5.0 mm Oscillator for Differential Output Oscillator for Telecom</li> <li>5、 SMD 5.0 x 3.2 mm Oscillator for Differential Output Oscillator for Telecom</li> <li>6、 SMD 2.5 x 2.0 mm Oscillator for Differential Output Oscillator for Telecom</li> <li>7、 SMD 2.5 x 2.0 mm Oscillator for Automotive</li> <li>8、 SMD 2.0 x 1.6 mm Oscillator for Automotive</li> <li>9、 SMD 7.0mm x 5.0mm High Frequency XO/VCXO (2.1GHz) for Base SMD 3.2 x 2.5 mm Crystal for Mobile, Station, Networking, Infrastructure</li> <li>10、 SMD 5.0mm x 3.2mm High Frequency XO/VCXO (2.1GHz) for Base Station, Networking, Infrastructure</li> <li>11、 SMD 3.2mm x 2.5mm High Frequency XO/VCXO (2.1GHz) for Base Station, Networking, Infrastructure</li> <li>12、 SMD 5.0 x 3.2 mm Stratum-3 VC-TCXO for 5G AAU, Small-cell, Networking Infrastructure</li> <li>13、 SMD 5.0 x 3.2 mm Stratum-3 VC-TCXO with high temperature and low phase noise for Base Station</li> <li>14、 SMD 3.2 x 2.5 mm HFF VCXO for Base Station, Networking, Infrastructure</li> <li>15、 SMD 3.2 x 2.5 mm TCXO for GPS and Mobile</li> <li>16、 SMD 2.5 x 2.0 mm TCXO for GPS and Mobile</li> <li>17、 SMD 2.0 x 1.6 mm TCXO for GPS and Mobile</li> <li>18、 SMD 1.6 x 1.2 mm TCXO for GPS and Mobile</li> <li>19、 SMD 1.6 x 1.2 mm Low Profile TCXO for GPS and Mobile SIP Module</li> <li>20、 SMD 3.2 x 2.5 mm TCXO for Automotive</li> <li>21、 SMD 2.5 x 2.0 mm TCXO for Automotive</li> <li>22、 SMD 2.0 x 1.6 mm TCXO for Automotive</li> <li>23、 SMD 7.0 x 5.0 mm Stratum-3 TCXO with high temperature and low phase noise for 5G AAU, Small-cell, Networking Infrastructure</li> <li>24、 SMD 7.0 x 5.0 mm Stratum-3 TCXO for Base Station, Small-cell, Networking Infrastructure</li> <li>25、 RTC 10.1 x 7.4 mm for smart utilities devices, electric meters, gas meters</li> <li>26、 SMD 1.6 x 1.2 mm 32k TCXO for wearable device</li> <li>27、 SMD7.0 x5.0mm Miniaturized Oven-Controlled Crystal Oscillator for 5G RRHs, Small Cells</li> <li>28、 SMD 9.7 x 7.5mm Miniaturized Oven-Controlled Crystal Oscillator for telecommunication, stratum-level and base-station</li> <li>29、 SMD 5 x 3.2 mm Miniaturized Oven-Controlled Crystal Oscillator for 5G RRU, Small Cells, and TSN</li> <li>30、 SMD 14 x 9 mm Miniaturized Oven-Controlled Crystal Oscillator for 5G BBU, DU, and CU</li> <li>31、 SMD 3.2 x 2.5 mm Oscillator for Automotive</li> <li>32、 SMD Seam XO 2.5 x 2.0 mm 1~160 MHz</li> <li>33、 SMD Seam XO 3.2 x 2.5 mm 1~160 MHz</li> <li>34、 SMD Seam XO 5.0 x 3.2 mm 1~160 MHz</li> <li>35、 SMD Seam XO 2.5 x 2.0 mm 60~80 MHz (Ultra Low Phase Noise)</li> <li>36、 SMD 2.0 x 1.6 mm Differential Output Oscillator</li> <li>37、 SMD 7.0 x 5.0 mm Stratum-3 TCXO (Anti-Air Flow)</li> <li>38、 SMD 14 x 9 mm Extended Holdover OCXO</li> </ul> |
| <p style="text-align: center;">Products<br/>development -<br/>Sensor</p>                  | <ul style="list-style-type: none"> <li>1、 SMD 4.0 x 2.4mm Ambient Light Sensor and Proximity Sensor with Integrated IR LED for Mobile Phone</li> <li>2、 SMD 2.5 x 2.0mm Ambient Light Sensor and Proximity Sensor with Integrated IR LED for Mobile Phone</li> <li>3、 SMD 3 in 1 Light Sensor 2.5 x 2.0 mm for Smartphone, Tablet, DSLR, Smart wearable , Fitness devices</li> <li>4、 SMD 3 in 1 Light Sensor 4.5 x 0.9 mm for Smartphone, Tablet, Smart wearable , Fitness devices</li> <li>5、 1.6 x 1.6 mm 3-axis electronic compass for Sensor application</li> </ul>  |
| <p style="text-align: center;">Products<br/>development -</p>                             | <ul style="list-style-type: none"> <li>1、 Inverted MESA BLK 1300um x 1030um</li> <li>2、 Inverted MESA BLK 1600um x 1140um</li> <li>3、 Inverted MESA BLK 2490um x 1830um</li> </ul>  |

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|-----------------------------------|---|
| Blank                             | 4、 Inverted MESA BLK 763um x 670um<br>5、 Photo Flat Die 500umx 700um 50~150MHz<br>6、 Photo IM Die 1100umx 1400um 150~300MHz<br>7、 Photo IM Die 1200umx 1600um 150MHz  |
| Patents and Academic Publications | <p><b>【Patents】</b></p> 1、 Quartz crystal oscillator<br>2、 Crystal oscillator with layout structure for miniaturization<br>3、 Photosensitive chip package structure<br>4、 Through-hole oscillator device wafer-level package structure<br>5、 Through-hole oscillator device wafer-level package structure and manufacturing method<br>6、 Improved oscillator wafer-level package structure<br>7、 Quartz oscillator board<br>8、 OVEN CONTROLLED CRYSTAL OSCILLATOR CONSISTING OF HEATER-EMBEDDED CERAMIC PACKAGE<br>9、 TEMPERATURE-CONTROLLED AND TEMPERATURE-COMPENSATED OSCILLATING DEVICE AND METHOD THEREOF<br>10、 Infrared sensor<br>11、 Wafer-level package structure of oscillator crystal<br>12、 Shock-absorbing crystal oscillator package structure<br>13、 Crystal oscillator package structure<br>14、 Temperature-controlled and temperature-compensated oscillator device and method<br>15、 OSCILLATING DEVICE<br>16、 Temperature-Controlled Crystal Oscillator (OCXO) Composed of an Embedded Heated Ceramic Package<br>17、 Resonator Package Structure<br>18、 TEMPERATURE-CONTROLLED OSCILLATING DEVICE<br>19、 CRYSTAL OSCILLATOR AND METHOD FOR FABRICATING THE SAME<br>20、 Oscillating Device<br>21、 Sensing Device<br>22、 Temperature-Controlled Oscillating Device<br>23、 Package Structure<br>24、 Resonator<br>25、 CRYSTAL OSCILLATOR AND OSCILLATING DEVICE<br>26、 Crystal Oscillator and Oscillating Device<br>27、 Suspended Resonator<br>28、 Resonator<br>29、 FREQUENCY GENERATING DEVICE AND OPERATION METHOD THEREOF<br>30、 Piezoelectric Vibrating Element<br>31、 Quartz Resonator<br>32、 Resonating Device<br>33、 Quartz Oscillator<br>34、 Electroless Plating Method<br>35、 Quartz Oscillator<br>36、 Quartz Oscillator and Manufacturing Method Thereof<br>37、 Quartz Oscillator and Manufacturing Method Thereof<br>38、 Crystal Oscillator and Oscillating Device<br>39、 Resonator<br>40、 Piezoelectric Vibrating Element<br><br>For other patents and pending patent applications of Taiwan Crystal Technology, please refer to our company's relevant patent database.<br><br><p><b>【Papers】</b></p> 1、 Design Challenges and Solutions for Miniaturized, High-Frequency, and High-Stability Quartz Resonator, IUTAM, 2025 |

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|  | <p>2、 Frequency Hystersis Compensation of a Miniature OCXO Using Resonator Temperature Output for Extending Holdover Performance, IC-MAM, 2024</p> <p>3、 Ultra Low Phase Noise High Frequency TCXO by Dual Filter Harmonics Extraction, IEEE UFFC-JS, 2024</p> <p>4、 The Effects of Structural Parameters of an Inverted-Mesa Type Quartz Crystal Resonators, IEEE UFFC-JS, 2024</p> <p>5、 Miniature Stratum 3 OCXO with Extended 24 Hours Holdover by Thermal Hysteresis Compensation, IEEE UFFC-JS, 2024</p> <p>6、 Numerical Study of the DLD Effect in Quartz Oscillators, ICATI, 2024</p> <p>7、 Quartz Frequency Control Devices-General ,2024</p> <p>8、 Research on the influence of quartz cutting angle on wafer TC curve, 2024</p> <p>9、 Ultra Low Phase Noise VCXO with Crystal Filter Array (English), 2023</p> <p>10、 A Miniature Oven-Controlled Crystal Oscillator (OCXO) with ppt Stability Over Temperature Using High-Order Polynomial Temperature Control (English), 2023</p> <p>11、 Design of resonator with trench structure, 2023</p> <p>12、 The World's Smallest Quartz-Based OCXO for 5G Synchronization Applications (English), 2021</p> <p>13、 A Novel Miniature OCXO Using Hermetically Sealed Ceramic Package (English), 2020</p> <p>14、 Highly Stable Miniaturized OCXO with HeaterEmbedded Ceramic Package (English), 2018</p> <p>15、 Development of High-Stability Miniaturized Oven Controlled Crystal Oscillator (English), 2016</p> <p>16、 Anchor loss reduction of quartz resonators utilizing phononic crystals. (English), 2015</p> <p>17、 A Perspective for the Quartz Crystal Devices Industry and Technologies in Taiwan and China. (English), 2014</p> <p>18、 A Study for the Relationship between Drive Level and the Activity Energy in Arrhenius Accelerated Aging Model for the Small Quartz Resonators. (English), 2014</p> <p>19、 A Study on Raising the Fundamental TS-mode Resistance by Energy Trapping for 3rd Overtone. (English), 2014</p> <p>20、 Laser Measurement and Identification of Vibration Modes of AT-cut Quartz Crystal Resonators. (English), 2013</p> <p>21、 The Study of Aging Frequency Drift Mechanism for Quartz Crystal Resonators. (English), 2013</p> <p>22、 Advanced TSV-Based Crystal Resonator Devices Using 3-D Integration Scheme With Hermetic Sealing. (English), 2013</p> <p>23、 TSV-based quartz crystal resonator using 3D integration and Si Packaging technologies. (English), 2013</p> <p>24、 A Brief View of the Current State of the Development and Aging Performance of Fixed Frequency Surface Acoustic Wave (SAW) Oscillator (English), 2012</p> <p>25、 Properties of Miniature X- and Z'-Elongated Rectangular AT-CUT Quartz Resonators of Different Sizes (English), 2012</p> <p>26、 Vibration Mode Identification and Coupling Assessment with the Mindlin Plate Equations and Measurements is a Quartz Crystal Plate (English), 2012</p> <p>27、 Aging Performance of Small Size MHz Quartz Crystal Under High Drive (English), 2011</p> <p>28、 Inharmonic Overtones in Partially Plated AT-cut Quartz Crystal Plates (English), 2011</p> <p>29、 The Study of Activation Energy (Ea) by Aging and High Temperature Storage for Quartz Resonators' Life Evaluation (English), 2011</p> <p>30、 An Efficient AT-cut quartz Crystal Resonator Design Tool for Activity Dip in Working Temperature Range (English), 2011</p> <p>31、 Quartz Crystal Industry of China at Crossroads (English), 2011</p> <p>For relative paper, please refer to the website of TXC: <a href="https://www.txccorp.com/">https://www.txccorp.com/</a></p> |
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#### 4. Long and short term sales and marketing plan

##### (1). Short-term Development Plan

###### i. Marketing Strategy

The global strategy employs a multi-regional approach, allocating optimal resources to each market based on its industry characteristics. Cross-regional collaboration fosters comprehensive technological advancement for IDH's new projects and key market development. The overall strategy remains focused on 3A1E+N (AOM: Advanced Products, AI, Automotive, Emerging Segment: Smart Healthcare, including new market expansion: AI glasses, robotics, etc.), leveraging a dual-track approach of global connectivity and localized development to increase the revenue share of key industries and drive the company towards long-term growth across the entire technology ecosystem.

- A. AOM high-end products: Capitalize on the new business opportunities presented by 5G Advanced Telcom's demand for high-end OCXO products, and plan capacity expansion to meet new project needs.
- B. AI high-frequency products: Leverage the growth momentum of new specifications for ultra-high frequency and low latency differential XO products in Datacom, Optical Module, and AEC applications.
- C. Automotive grade products: Expand and increase penetration in key automotive electronics markets and target the proportion of business opportunities with international Tier 1 customers.
- D. AIoT ultra-miniaturized products: Meet the miniaturization and high-frequency demands of AIoT terminal devices to meet high-speed computing and transmission protocol requirements.
- E. Prioritize a comprehensive strengthening of the European region and expand the market footprint in the Americas using a three-stage channel strategy of Design, Engage & Reach.
- F. Prioritize promoting small-size product opportunities for various customer groups and balance the sales structure using proprietary customer-grade part numbers to mitigate concentration risk.
- G. Assist sales personnel in formulating and judging sales strategies through the implementation of intelligent, mobile, and big data analytics in information systems (BI).

###### ii. SMD Manufacturing Strategy

- A. Deepening AI Agent Applications: To achieve maximum efficiency in new product mass production and meet the stringent precision requirements of 5G high-frequency products, ensuring the absolute advantage of new products in mass production, we will go beyond traditional data monitoring and fully implement Process AI Agents. For Photo Die wafer manufacturing, AI Agents will analyze incoming material characteristics and machine status in real time, performing millisecond-level self-adaptive parameter adjustments to replace manual experience-based judgment and quickly achieve Time to Volume targets. Simultaneously, through deep learning of historical production data, the Agents accurately predict and compensate for process variations, ensuring the highest consistency in product characteristics. Furthermore, AI simulation calculations will optimize the production strategy for shared wafers of different specifications, maximizing resource utilization while meeting diverse customer needs, providing the strongest technical support for the company's revenue growth and gross margin targets.

- B. Building a Precision Body Empowered by AI: To implement ultimate cost control, we will transform the strategy of "saving manpower, saving time, reducing costs, and reducing expenses" from slogans into AI-driven execution. By deploying cost control agents, hidden waste and energy waste in the production process are scanned around the clock, establishing a dynamic cost model to achieve accurate prediction and control of every penny spent. The focus is on transforming traditional scheduled maintenance into AI-based predictive maintenance, significantly reducing the cost of defective products (COPQ) caused by spare parts inventory backlog and unexpected downtime. In terms of talent development, the organization is being transformed from an "operational" to an "AI collaborative" model, building a professional team with AI agent training and application capabilities. Through internal rotation and targeted AI tool empowerment, engineers can focus on solving complex problems and process innovation, while external algorithm experts are brought in to create a highly efficient human-machine collaborative team, ensuring the company achieves a long-term advantage in sustainable development and cost competitiveness.
- C. Improving the Intelligent Manufacturing Ecosystem: Upgrading the existing MES and APS systems to an AI agent-driven decision-making hub to create an AI decision-making center. This is no longer just about data consolidation, but about allowing AI agents to deeply participate in scheduling decisions and resource allocation. By integrating generative AI technology, the system gains "self-diagnosis" and "automatic optimization" capabilities. When the Engineer Data Analysis System detects abnormal signs, the agent can immediately provide root cause analysis and execute preset solutions, achieving autonomous operation of the production process. Furthermore, the Fine BI dashboard is upgraded to an intelligent conversational control room, allowing management to interact with the system via natural language and obtain real-time operational insights and cost forecasts across different plants. Through the optimal application of AI agents in digital systems, we will evolve from "seeing data" to "foreseeing the future," significantly improving the accuracy of decision-making and the responsiveness of the production floor.

### iii. MEMS Strategy

- A. Expanding Wafer and Chip Smart Manufacturing Capacity: In response to the increasing demand from customers for miniaturized and high-frequency products, current equipment capacity expansion is insufficient. Therefore, considering photo die production costs and supply risk management, we plan to build new capacity. The first phase will expand to 16KK, and the second phase to 24KK, with completion expected in 2027.
- B. Enhancing Chip Design and Development Capabilities and Shortening Development Timelines: We will establish a chip development platform, combining platform development concepts with chip simulation design to effectively utilize development resources, increase the number of chips developed, and shorten development time. This will meet the needs of various miniaturized and high-frequency chip products such as photo dies, BLK (IM), and SC-cut, striving for product and customer diversity.
- C. Continuously improve and refine system platform tools through automation and AI: Integrate existing MES, EAP, SECS/GEM, SPC/FDC, APC, EDA, BI, and other multi-system applications, expanding functions such as automated judgment and virtual AOI for real-time monitoring and management, production efficiency analysis, and anomaly tracking. This not only reduces the input of production human resources but also

improves production efficiency, assists management decision-making, and enhances the ability to quickly resolve problems. AI tools are also used to improve management efficiency, such as defect image analysis.

- D. Accumulate past investments in quartz photolithography semiconductor process R&D, continuously establish various advanced quartz wafer-level packaging processes and component designs, and build a related intellectual property patent portfolio to meet next-generation market application specifications and customer needs.

#### iv. Product R&D Strategy

- A. With the rapid development of emerging technologies such as AI, 5G-A, and 6G, quartz oscillators will play a crucial role in various communication applications. Future product development will focus on key performance requirements such as high precision, low power consumption, miniaturization, thinning, shock resistance, high frequency, and low phase noise. In terms of technology, R&D will focus on customized integrated circuits (ASICs), advanced packaging technologies, and photolithography wafer fabrication processes. Furthermore, R&D will also focus on the introduction and enhancement of machine learning algorithms to address the diverse application scenarios of the next-generation communication industry and meet customers' demands for high performance and high reliability.
- B. As sensing, networking, communication, data processing, and automatic control technologies continue to evolve, the technical specifications of crystal components, as a critical signal source in electronic systems, also need to be significantly improved in tandem. R&D will continue to drive the development of miniaturized ( $0.8 \times 0.6$  mm), high-frequency ( $>300$  MHz), ultra-thin (product height  $<150$   $\mu\text{m}$ ), high-precision (slope  $<50$  ppb/C), and high-reliability crystal products to fully meet the needs of various advanced applications. Simultaneously, R&D will actively invest in research and exploration of new material properties, new process technologies, and key process parameters to address long-standing key technical bottlenecks in the production line, such as room-temperature dispersion and temperature measurement dispersion issues, further improving product consistency and process stability.

#### v. Quality Assurance Strategy

- A. Guided by meeting customer expectations and building long-term trust, and with a focus on reducing operational risks, we will promote risk management and achieve zero defects in product quality. We will continuously improve the "Do the things right at first time" quality mindset and optimize all processes across the group.
- B. We will expand quality culture building activities and publish a group-wide quality journal to enhance the quality awareness of all employees.
- C. We will promote CIP (Continuous Product Innovation) activities in various production processes to reduce product defects and continuously optimize the design and verification of product development processes to reduce the initial failure costs of introducing new products into mass production.
- D. We will expand the application of Big Data in quality management and introduce AI through the MES (Manufacturing Execution System) to enhance our capabilities in quality prediction, prevention, warning, and real-time response.
- E. We will promote the group's digital quality platform, digitize the quality management of material suppliers, and integrate data to reduce the risk of material input quality and failure

costs in production. We will use data analysis and intelligent operation optimization to improve efficiency. We will continue to invest in automated measurement systems and AOI (Automated Optical Inspection) equipment to improve efficiency and reduce the variability of human operations.

- F. Cultivate and reserve quality management talents, and enhance personnel's AI literacy and multi-functional work skills to achieve the goal of empowering and adding value to individuals and organizations.

#### vi. Supply Chain Strategy

##### A. Group Capacity Building and Utilization Plan:

- a. Based on the 2026 budget, the main demand growth will come from AI-driven high-end application products, miniaturized high-precision oscillator products, and automotive electronics-related (ACAP) applications. Considering the significant seasonal fluctuations in demand, a moderate leveled production approach will be adopted while simultaneously managing inventory risk to optimize production allocation. The overall capacity utilization rate is planned to be between 97% and 99% according to the budget. Going forward, close attention will be paid to product development progress, mass production schedules, and the realization of market demand
- b. Inventory plan: During the off-season in the first half of the year, a moderate amount of safety stock will be built up, with the goal of completing the safety stock by mid-year, reaching a peak level of approximately 1.8 to 2 months. During the peak demand season in the second half of the year, inventory will be gradually reduced, with the target of reducing it to around 1 month's inventory by the end of the year. The overall production and sales plan will be adjusted continuously based on changes in the international situation and customer demand.
- c. In response to the increasing application trend of high-end, high-precision CXO/TCXO/AOM products, the production capacity of new products must be continuously expanded. Correspondingly, production costs will gradually decrease as output increases to meet market promotion cost requirements.
- d. The overall product mix continues to trend towards miniaturization. The demand for products with dimensions of 1.6\*1.2mm (inclusive) and below will increase from 30% to approximately 40%. Equipment capabilities at each production plant will be upgraded accordingly to adapt to this product mix change.

##### B. Procurement Planning:

- a. Currently, the supply capacity of main materials exceeds demand. A second supplier has been approved and is supplying ICs. However, the continued rise in gold prices is unfavorable for overall price optimization. Once gold prices stabilize, cost optimization negotiations will be conducted again. Simultaneously, the selection of a second supplier will create a balance and optimize overall costs.
- b. The Supplier Management System (BI) will continue to be implemented. Information sharing across the group's plants on the supplier management platform will achieve optimal management results. Business communication systems with suppliers will continue to be integrated to optimize management operations and performance while reducing management resources.
- c. Implement ISO 20400 sustainable procurement certification and extend this to suppliers, who are now jointly focusing on ESG sustainability issues.

- c. Supply Chain Smart Transformation Initiative: The APS system platform has been gradually implemented since September 2025. The system will continue to be optimized and adjusted. The subsequent focus will be on achieving the system's implementation goals: a 20% increase in overall operational efficiency and a 10% reduction in inventory.
- C. Supply Chain Smart Transformation Initiative:  
The APS system platform has been gradually implemented since September 2025. The system will continue to be optimized and adjusted. The subsequent focus will be on achieving the system's implementation goals: a 20% increase in overall operational efficiency and a 10% reduction in inventory.

## (2). Long-term Development Plan

- i. Optimize revenue structure and increase the proportion of AI and automotive applications.  
Continue to drive revenue composition from networking and consumer electronics applications to AI computing infrastructure, data centers, high-speed interconnects, and automotive electronics, increasing the proportion of high-value-added applications and establishing long-term growth momentum and profit stability.
- ii. Deepen the 3A1E+N industry layout and build a comprehensive technology ecosystem support capability.  
Focusing on AOM high-end products, AI, high-speed communications, automotive, and emerging applications (smart healthcare, AI glasses, robots, etc.), establish cross-industry application support capabilities, enhancing the depth of technology adoption and the breadth of market expansion..
- iii. Strengthen system-level solution capabilities and actively expand into automotive electronics from a component supplier to a system value partner.  
Integrate frequency control technology with customer system requirements to provide high-frequency, high-stability, and low-latency solutions, deepening the design and adoption role in AI servers, optical communications, automotive platforms, and smart terminals, enhancing technology stickiness and long-term cooperation value.
- iv. Dual-track deepening of the global market: regional penetration and cross-regional collaboration.  
We will continue to deepen our market presence in Europe, the Americas, and Greater China, strengthen cooperation with global Tier 1 customers, and improve market responsiveness and project implementation efficiency through cross-regional collaborative support and localized service capabilities.
- v. We will promote product miniaturization and high-frequency development to meet the demands of AIoT and high-speed computing and transmission.  
In response to the demands of AIoT, smart wearables, and edge computing devices for low power consumption, miniaturization, and high-speed transmission, we will continue to invest in the research and development of ultra-miniaturized and high-frequency photo-etched quartz wafers and products, expanding opportunities for the successful implementation of AI on Devices in various application markets.

## II. Marketing & Sales Situation

### (I) Market Analysis

#### (1) Market for our major products

Driven by the rapid evolution of emerging technologies and the ever-expanding demand for frequency component solutions globally, Taiwan Semiconductor has established and continuously optimizes its global market network. Its European and American locations primarily serve IC design companies, international brand customers, and the automotive electronics industry, while its Asian operations focus on Tier 1 customers and EMS vendors (currently, Asia remains the primary market for shipments), providing localized services and immediate technical support. In recent years, IC design companies, brand customers, and the automotive electronics industry in Greater China have significantly improved their product development and design capabilities, better meeting the needs of diverse application markets. Based on this, the company is simultaneously deepening its international market and Greater China regional presence, combining key applications of 3A1E+N with the AI on Devices industry trend to comprehensively promote market expansion and application development.

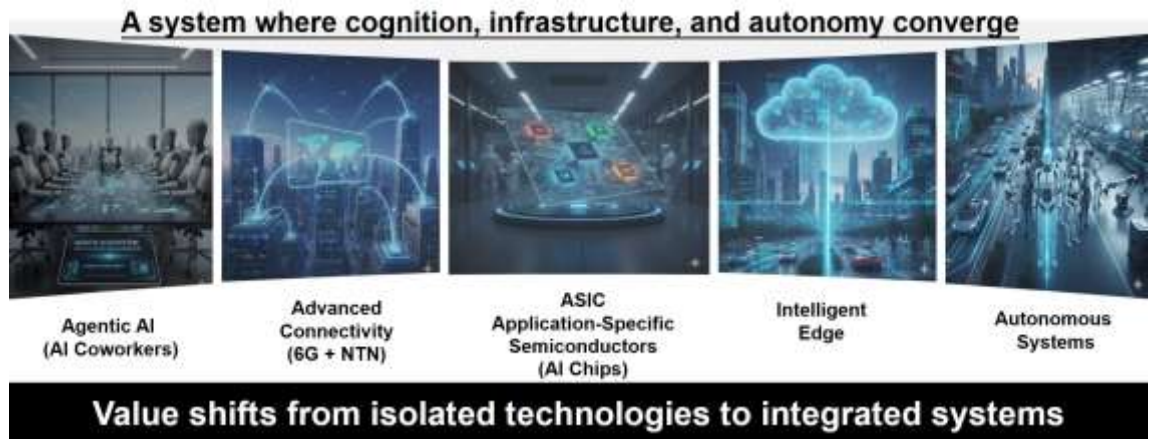
Regional sales distribution of our major products in the past two years :

Unit: NT\$ 1,000

| Region \ Year | 2024       |        | 2025       |        |
|---------------|------------|--------|------------|--------|
|               | Amount     | %      | Amount     | %      |
| America       | 332,402    | 2.62   | 417,529    | 3.13   |
| Europe        | 258,781    | 2.04   | 356,492    | 2.67   |
| Asia          | 11,618,139 | 91.68  | 12,016,856 | 90.02  |
| Taiwan        | 456,826    | 3.61   | 547,397    | 4.10   |
| Others        | 6,110      | 0.05   | 10,628     | 0.08   |
| Total         | 12,672,258 | 100.00 | 13,348,901 | 100.00 |

#### (2) Key application development layout

According to observations of global technology development trends, the role of AI is expanding from the "cognitive layer" to "infrastructure" and "physical domains," forming a complete technology chain encompassing Agentic AI, advanced connectivity (5G/Next 6G+NTN), dedicated AI chips, intelligent edge computing, and autonomous systems. Looking ahead to 2026, the global technology industry will continue its rapid advancement under the structural transformation led by AI. AI is no longer just a focus of innovation, but has become a core driving force amplifying all technological processes. Its diffusion effect is reshaping many key areas such as cloud computing, semiconductors, communication networks, engineering design, biomedical technology, and manufacturing, thereby propelling the industry into the era of AI-Defined Industry.



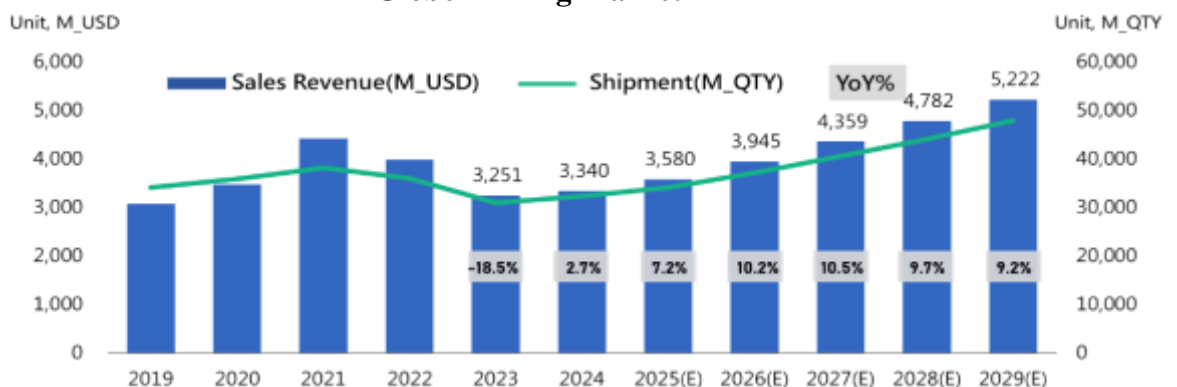
Source: Mckinsey Future Technology Trends, 2025

### (3) Market growth momentum

As the scale and computational complexity of AI models continue to rise, global terminal devices are experiencing a new wave of performance upgrades, including faster data transmission, higher bandwidth computing architectures, lower latency connectivity, and more precise clock control, which are gradually becoming standard features of next-generation products. Looking back at 2024-2025, although market shipments were affected by uncertainties such as exchange rate fluctuations, trade policies, and geopolitics, the global frequency component market maintained positive growth according to QYR's comprehensive forecast. Entering 2026, AI continues to be a core driver of the global economy, driving simultaneous expansion in demand for high-speed transmission, data centers, and smart automotive electronics. Coupled with the rapid popularization of AI on Devices, these factors will inject even stronger momentum into the market, and the frequency component industry is expected to return to double-digit growth, ushering in a key growth cycle driven by the comprehensive diffusion of the AI ecosystem.

By maintaining a focus on these industry development trends, our company's market share remained stable at 10%-12% from 2020 to 2024, demonstrating solid market competitiveness and brand influence. Future development will focus on the 3A1E+N key application layout, concentrating on AI high-speed communication infrastructure, automotive electronics, and emerging applications (such as smart healthcare, AI glasses, and robots), and will follow the edge intelligence trend driven by AI on Devices to enhance the system application value of high-frequency, high-stability, and miniaturized products.

### Global Timing Market



Source: QYR Research & TXC Estimation, Aug 2025

(4) Key application deployment

In response to the demands for ultra-high frequency, ultra-small size, ultra-low power consumption, and high stability brought about by AI, 5G-A (Next 6G), and high-performance computing, the core features of the new product planning portfolio will be to provide cleaner frequency signal sources and facilitate rapid connectivity for various devices. It will provide key frequency component solutions for AI and the future communication ecosystem, including ultra-small crystals, ultra-low power oscillators, ultra-low jitter differential XO's, and ultra-high stability OCXOs, fully meeting the needs of various application scenarios in the new generation of AI.

**Total solutions to fully meet the next-generation AI technology ecosystem.**



(a) AI on Devices (Mobile Communication 、 Computing & Networking)

With the widespread adoption of AI technology, high-performance frequency components have become crucial, as they support high-speed computing and data processing. Our company is dedicated to the comprehensive development of frequency components with key performance parameters to meet the high-performance requirements of applications such as AI Phones, AI PCs, and AIoT Devices.

(b) AI CLOUD (AI Server, Switch, Super NIC & Optical Module & AEC))

To meet the ever-increasing demands for computing power, transmission bandwidth, and speed, the adoption of high-speed transmission switches, NICs, and Optical/AEC applications, as well as the requirements of new products, will necessitate ultra-high frequency and low latency specifications for both Datacom's big data transmission and high-speed transmission via Optical/AEC ports.

(c) AI RAN (AI Infrastructure)

In response to the requirements of 5G Advanced/6G transmission protocol targets and the continuous advancement of related technologies, we will continue to drive various performance indicators and work with customers to develop chips for various applications to support high-end and new Oscillator specifications.

- (5) Niches competition, the advantages/disadvantages of the future development, and the response strategies.

Facing the high-growth key industry sectors focused on 3A1E+N (AOM high-end products, AI, Automotive, Emerging Segment, plus new market expansion: smart healthcare, AI glasses, robotics, and other emerging markets), the demand for high-end, high-reliability frequency components is expected to continue to rise and maintain relatively good price and profit performance. The technology roadmap is accelerating its evolution towards "1 small, 3 high, 3 low": miniaturization, high frequency, high precision, wide operating temperature range, low phase noise jitter, low impedance, and low power consumption. This raises the barriers to product design, process conditions, and equipment investment, strengthening the absolute competitive advantage of high-end new products. The overall strategy requires the simultaneous introduction of high-end new products to boost revenue momentum with high-priced, high-margin products, while maintaining market competitiveness through cost optimization for mature products, forming a balanced and healthy product portfolio. The global market layout has moved towards multi-regional development, with resources, demand, and IDH design in various regions closely linked to form a global information flow and technology cooperation network. In terms of distribution strategy, the company will strengthen its presence in Europe and expand its footprint in the Americas through a three-stage strategy of Design, Engage & Reach, enhancing local penetration and global market expansion momentum. Furthermore, the company needs to continuously promote and enhance brand value, maintaining stable profitability and long-term competitiveness through the synergy of technology, products, core concepts, and culture, even in a volatile economic environment.

| Strengths   | Weaknesses   |
|---|--|
| <ol style="list-style-type: none"> <li>1. Deeply rooted in the market, we provide localized services for our clients' design and manufacturing processes simultaneously, offering global logistics management and high delivery flexibility.</li> <li>2. A professional manufacturing team ensures stable quality and cost advantages in mass production.</li> <li>3. We continuously develop and mass-produce new products featuring "one small, three high, and three low" technologies, constantly narrowing the technological gap with Japanese and American manufacturers.</li> <li>4. Our professional marketing and application engineering team forms Technical Marketing, meeting various client needs and providing product technical support throughout the design and mass production processes.</li> </ol> | <ol style="list-style-type: none"> <li>1. Continuously improve the mass production yield of ultra-miniaturized products and streamline the NPI process for new products.</li> <li>2. Optimize multi-frequency development of the photo die front-end process and accelerate the mass production schedule of existing designs.</li> <li>3. Long lead times for equipment and key raw materials make it difficult to meet sudden market surges in demand.</li> <li>4. Accelerate the roadmap planning for high-end quartz oscillators to meet the market's increasing demand for higher specifications and customized products.</li> </ol> |

| <b>Opportunities</b>   | <b>Threatness</b>  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Deeply rooted in leading technology companies across various industries in China, the company's brand customer management strategy drives stable sales volume.</li> <li>2. Continuously monitoring the ongoing trend of localization in China's supply chain, leveraging the competitive advantage of shared language and technology to seize business opportunities promptly.</li> <li>3. AI ecosystem applications in RAN, Cloud, and on-devices drive miniaturization, high-frequency, and wide-temperature applications, coupled with increased oscillator usage, both of which boost average product prices and profitability.</li> <li>4. High-end products and markets with high precision, high stability, and low phase noise are being planned and deployed, seeking niche markets and products to continue to be stable sources of profit.</li> <li>5. With global changes, increasing opportunities to incorporate demand from regional European and American brand customers, expanding the company's global customer base.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Japanese manufacturers possess a relative brand advantage and control over raw material production and technology, giving them a cost advantage.</li> <li>2. American manufacturers are gradually increasing their market share in crystal oscillators and possess customization capabilities.</li> <li>3. Chinese manufacturers have already mass-produced mature products and are gradually entering the consumer market with lower prices.</li> <li>4. The high concentration of single customers in demand for miniaturized products and the relatively high proportion of consumer electronics sales in the Chinese market compared to competitors exacerbate the impact of demand fluctuations on revenue and profitability. It is necessary to actively accelerate the expansion of revenue from niche/emerging market industries.</li> <li>5. The US-China rivalry has led end customers to successively propose third-location production (N+1), increasing the complexity of the overall supply chain and potential investment and operating costs.</li> </ol> |
| <b>Respond Strategies</b>  |  |
| <ol style="list-style-type: none"> <li>1. In conjunction with the overseas marketing team, actively develop Tier 1/brand and IDH (IC Design House) customers in response to regional development needs. Utilize regional channel platforms and leverage local resources to expand cooperation with potential customers in various regions.</li> <li>2. For key industry-related applications/customers (3A1E: AOM, AI Automotive, Emerging Segment), provide new product planning with a focus on miniaturization, high frequency, high precision, wide temperature range, low phase noise/jitter, low impedance, and low power consumption. Continuously optimize product design specifications and process control to meet customer needs.</li> <li>3. In line with China's localization policy, actively complete the adoption of relevant domestic solution design houses and domestic brands and Tier 1 suppliers, and closely monitor the trends of Chinese competitors.</li> <li>4. For emerging markets with "Emerging Segment + N possibilities" (such as smart healthcare, AI glasses, robotics, industrial control, etc.), increase efforts to acquire new customers and adjust strategies and resources in a timely manner.</li> <li>5. Prioritize strengthening the European market and expanding the Americas market footprint using a three-stage channel strategy of Design, Engagement &amp; Reach.</li> <li>6. Regularly update market trends and competitive landscape to formulate reasonable pricing strategies, maintain strong connections with the R&amp;D team, enhance the company's product development capabilities, focus on shortening time to market, and prioritize incorporating relevant customer needs.</li> <li>7. Actively explore strategic alliances and cooperation opportunities to create competitive products while continuously refining the cost structure to improve profitability.</li> <li>8. Actively plan suitable production bases to meet customer N+1 needs and maintain continuous production capacity flexibility.</li> </ol> |  |

## II Major products' important applications and their manufacturing process

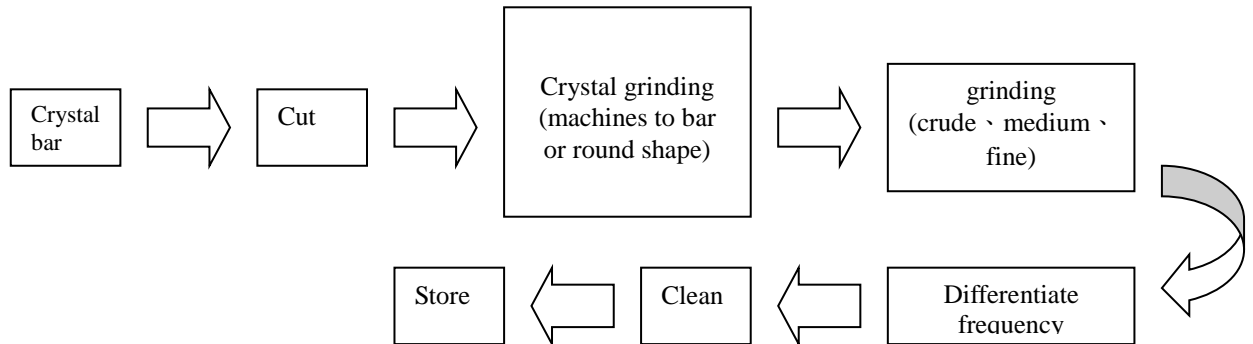
### (1) Major products' important applications

| Product             |                | Major Application   |
|---------------------|----------------|---|
| Crystal Units       |                | Wired/Wireless, Module, Smart phone/Future phone, Bluetooth, Telephone terminal, Automotive,STB, NB/DT, Wearable, AR/VR, Game Console, Storage, Medical equipment, UWB, IoT |
| Crystal Oscillators | XO             | Base station,Wired/Wireless, Fiber optics communication, Mining machine ,Telphony terminal equipments, NB/DT, Server, storage device, Game Console, Automotive              |
|                     | VC-TCXO 、 TCXO | Smart phone/Future phone, Base Station, Satellite Communication, Wired/Wireless, Bluetooth, GPS/GNSS, Fiber optics communication, Automotive, Wearable, AI Server           |
|                     | VCXO 、 VCXO    | Base Station, Satellite Communication, Wired/Wireless, Fiber Optics Communication, Phony terminal equipment 、 Counter/Synthesizer   |
|                     | OCXO           | Base Station, Satellite Communication, GPS/GNSS, Wired/Wireless, Fiber Optics Communication   |
| Tuning Fork         |                | Smart phone/Future phone, Smart Home, Wireless Networking, NB/DT, Automotive, Wearable  |

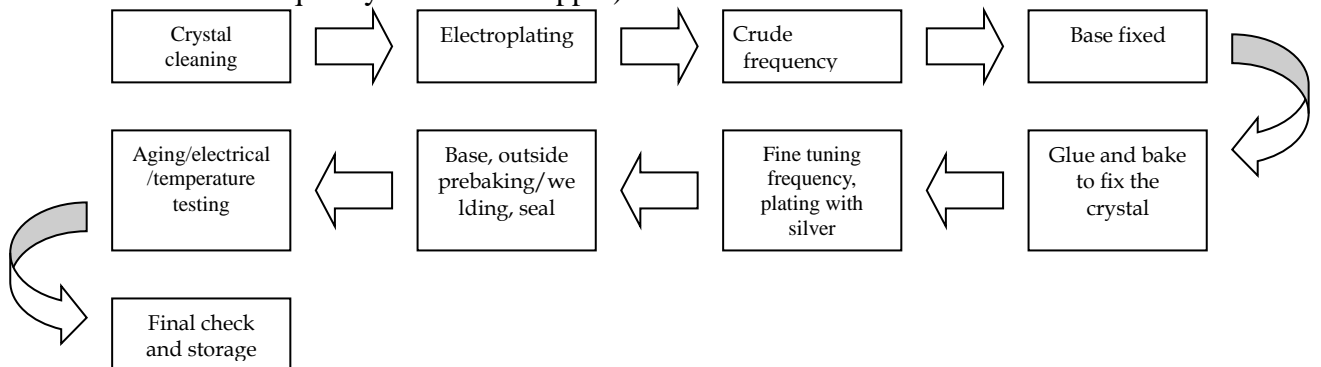
(2) Manufacturing Process

Steps for crystal components manufacturing are: first we need to manufacture the quartz crystal needed for the electrical material. It involves the cutting, polish, cleaning of the wafer form. Then with the mechanical arms to place the wafer on the base and fixed with the silver based glue. Then package it under vacuum. For oscillators it is necessary to add one more unit of oscillating circuit IC with golden line conduction via amplified output of crystal chip oscillation. It requires more IC placement and wire bonding process compared to the quartz crystal.

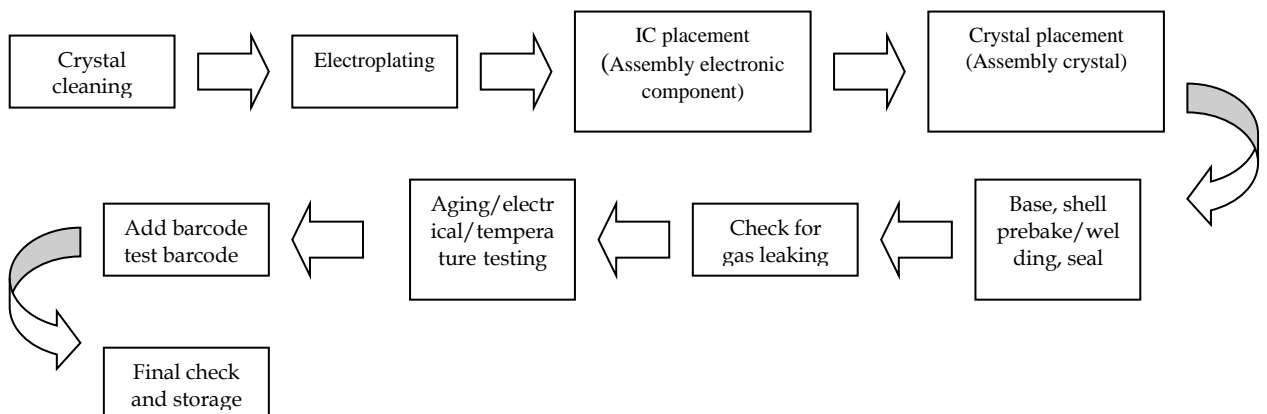
i. Pre-manufacturing process – quartz crystal.



ii. Post-manufacturing process – quartz crystal (use silver, gold, nickel for electroplating, and the process would reduce crystal frequency. Fine tuning the electroplating that would reduce frequency error to 3~10ppm)



iii. Post manufacturing process – crystal oscillator (use silver, gold, nickel for electroplating, and the process would reduce crystal frequency.)



### **III. State of the major materials suppliers**

The major materials for crystal units and crystal oscillators include the base, wire bond, IC package, crystal slice and crystal bars.

- (1) Each major material supplier has at least two suppliers, eliminating the risk of concentrated sourcing. Our sourcing policy is based on transaction terms, supply availability, and product specifications, and we can adjust sourcing ratios according to special circumstances to prevent over-concentration or material shortages.
- (2) Our major suppliers have long-standing and close relationships with us. As our business grows, they prioritize supplying us to meet our needs. Furthermore, we conduct regular and ad-hoc reviews of transaction terms and improvement measures annually, ensuring a continuous and stable supply.
- (3) To ensure material stability, we provide rolling forecasts in advance, allowing suppliers time to prepare materials and production, shortening lead times and ensuring on-time delivery. In case of special circumstances, these suppliers cooperate to maintain stable sourcing.

#### IV. The suppliers and customers over than 10% of the past two years

##### (I) Main Suppliers

Unit : NT\$1,000

| 2024      |           |                                      |                       | 2025      |           |                                      |                       |
|-----------|-----------|--------------------------------------|-----------------------|-----------|-----------|--------------------------------------|-----------------------|
| Company   | Amount    | Percentage of annual procurement (%) | Relationship with TXC | Company   | Amount    | Percentage of annual procurement (%) | Relationship with TXC |
| K Company | 1,400,346 | 26.90                                | None                  | K Company | 1,387,912 | 26.03                                | None                  |
| R Company | 558,825   | 10.73                                | None                  | R Company | 580,519   | 10.89                                | None                  |
| Others    | 3,246,517 | 62.37                                | None                  | Others    | 3,362,685 | 63.08                                | None                  |
| Total     | 5,205,688 | 100.00                               |                       | Total     | 5,331,116 | 100.00                               |                       |

Note 1: The names of suppliers who account for more than 10% of the total purchase amount in the most recent two years and their purchase amount and ratio shall be listed. However, if the supplier's name cannot be disclosed due to contractual agreement or the transaction partner is an individual and not a related party, a code name may be used.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks are traded on securities firms' business premises should disclose their most recent financial information that has been audited or reviewed by a certified public accountant.

##### (II) Main Customers

Unit : NT\$1,000

| 2024    |            |                                |                       | 2025    |            |                                |                       |
|---------|------------|--------------------------------|-----------------------|---------|------------|--------------------------------|-----------------------|
| Company | Amount     | Percentage of annual sales (%) | Relationship with TXC | Company | Amount     | Percentage of annual sales (%) | Relationship with TXC |
| F Group | 1,992,216  | 15.72                          | None                  | F Group | 2,061,669  | 15.44                          | None                  |
| Others  | 10,680,042 | 84.28                          | None                  | Others  | 11,287,232 | 84.56                          | None                  |
| Total   | 12,672,258 | 100.00                         |                       | Total   | 13,348,901 | 100.00                         |                       |

Note 1: List the names of customers who account for more than 10% of the total sales in the most recent two years, as well as their sales amounts and proportions. However, if the customer names cannot be disclosed due to contractual agreements or the transaction partners are individuals and not related parties, code names may be used.

Note 2: As of the date of publication of the annual report, companies that are listed or whose stocks are traded on securities firms' business premises should disclose their most recent financial information that has been audited or reviewed by a certified public accountant.

##### (III) Reasons for the increase or decrease

###### A. Purchase

Our main products are quartz series products (quartz crystals, quartz oscillators), etc. Our major procurement items in the past two years included raw materials such as ICs, substrates, chips, covers, and precious metals, most of which were imported from abroad. Due to improved self-manufacturing capabilities and processes, we have primarily focused on in-house R&D and production of chips in recent years. Furthermore, due to continuously growing market demand, most of our products are

supplied by our various production bases; any shortfall is made through external suppliers. We have maintained long-standing and positive relationships with our suppliers, and have clearly stipulated relevant safeguard clauses in our procurement contracts for key raw materials. We also strive to source materials from at least two suppliers, so there is no risk of supply disruptions or excessive concentration of supply. In reality, there have been no significant changes.

#### B. Sales

Sales Our main products are frequency components such as quartz series products (quartz crystals, quartz oscillators), and our sales targets are mainly downstream application manufacturers in information, communication, networking, and consumer products. Due to changes in the industry environment, the demand for end-application products driven by 5G Advanced and automotive electronics has increased. Coupled with the contribution of new products and capacity expansion, sales volume and revenue have increased. Our main customers are all international giants. In the future, we expect to continue to grow driven by related application products in automotive electronics, Internet of Things (IoT), communications and 5G Advanced (AI Infrastructure), Datacom (AI Server, Switch, Super NIC & Optical Module), big data transmission, high-performance computing cards, medical, and various types of connectivity technologies. Therefore, there is no situation or risk of over-concentration in sales.

### III Employees Profile

Number of employees, average service years, average age and educational background distribution ratio in the last two years

| Year   |                       | 2024   | 2025   | As of<br>2026/03/09 |
|--|-----------------------|--------|--------|---------------------|
| Total Number<br>Employees                    | Engineer              | 885    | 899    | 891                 |
|  | Administrative        | 704    | 724    | 729                 |
|  | Sale                  | 136    | 132    | 127                 |
|  | Technicians/Operators | 1,946  | 1,866  | 1,861               |
|  | Total                 | 3,671  | 3,621  | 3,608               |
| Average Age                                  |                       | 34.33  | 35.11  | 35.30               |
| Average Years in Service                     |                       | 7.35   | 7.66   | 7.99                |
| Distribution of<br>Educational<br>Background | Ph.D.                 | 0.48%  | 0.42%  | 0.39%               |
|  | M.S.                  | 5.74%  | 5.58%  | 5.68%               |
|  | B.S.                  | 51.64% | 53.05% | 53.58%              |
|  | High School           | 24.72% | 23.83% | 23.64%              |
|  | Below High School     | 17.43% | 17.12% | 16.71%              |

## **IV Data on our environmental protection expense**

### **(I) Description of environmental punishment**

Pingzhen plant, Ningbo plant and Chongqing plant of the company have no relevant environmental penalty issues.

### **(II) Description of the application, payment or establishment of a pollution facility establishment permit or pollution discharge permit or a pollution prevention and control fee or a person of a special unit for environmental protection that is required by law**

- (1) The Pingzhen plant is responsible for the production of wafers and quartz components. For all waste, wastewater, and stationary pollution sources generated during the production process, the plant has obtained the necessary permits from the local authorities and has assigned environmental personnel to operate and maintain the facilities in accordance with the requirements of these permits. The plant actively promotes energy conservation annually, conducting assessments of energy efficiency for major energy consumers such as lighting, chiller units, motors, air compressors, and water pumps, and implementing energy-saving improvement measures. The plant hopes to continue contributing to reducing environmental impact. Total expenditure in 2025 was approximately NT\$18 million, primarily for energy conservation improvements, air pollution fees, environmental cleanup, workplace monitoring, operation and maintenance of pollution control equipment, and protective equipment.
- (2) Ningbo plant is one of the world's largest quartz component manufacturers. In its production and operation, it places particular emphasis on environmental governance and social contribution, actively responding to the requirements of the newly implemented Environmental Protection Law, strictly adhering to bottom lines, and meeting and exceeding local environmental enforcement needs. In 2025, the plant invested approximately RMB 1.189 million in environmental governance, primarily for the daily operation and maintenance of the wastewater treatment plant, optimization of the dosing system, optimization of sludge treatment, maintenance of the exhaust gas treatment system, and replacement of consumables. The wastewater treatment plant underwent digital upgrades to achieve 100% compliance with emission standards and to enhance the plant's process monitoring and early warning capabilities based on the principles of full-process visual control and traceability. Wastewater reuse modifications were implemented, including the reuse of steam condensate and concentrated backwash water as cooling tower makeup water and raw water. These wastewater reuse projects reduced tap water consumption by approximately 73,900 tons throughout the year. In 2025, the Ningbo plant invested approximately RMB 666,800 in the legal disposal of hazardous waste.
- (3) Chongqing plant's environmental protection facilities operate smoothly, product quality is stable, and all equipment remains in good working order. To comply with the Environmental Protection Law and local environmental requirements, and to ensure the hardware requirements for the operation and management of environmental protection facilities, the total expenditure on environmental remediation in 2025 was approximately RMB 619,000 was used to optimize and maintain environmental protection facilities and equipment, including the operation and maintenance of wastewater and waste gas treatment facilities, the

testing and replacement of various environmental monitoring instruments and reagents, the replacement of Raschig rings for exhaust gas and the internal and external cleaning of the washing tower, environmental monitoring, replacement of packing material in the primary sedimentation tank and biological treatment tank of the wastewater treatment plant, and the legal and compliant disposal of waste. The kitchen exhaust ducts were cleaned in a timely manner, and all monitoring points were optimized to meet environmental monitoring standards. All annual environmental monitoring limits were within legal standards, achieving 100% compliance with emission standards, and timely reporting to the Ecological and Environmental Protection Bureau was conducted. Active efforts were made to disclose environmental information. Active efforts were made to promote the dynamic management and supervision of the national green factory, and the factory successfully passed expert review and was awarded a green A rating. A self-monitoring plan was legally prepared, and a qualified third-party manufacturer was commissioned to conduct environmental monitoring. Registration and review for the national discharge permit were conducted in accordance with the law, and a discharge permit was successfully obtained NT\$2.5 million was allocated to improve the efficiency of energy stations and cooling towers, and to replace low-efficiency motors and water pumps above 30KW. This resulted in a 27.6% decrease in total carbon emissions compared to the baseline year, and a 14.1% decrease in carbon intensity, laying a solid foundation for the promotion of zero-carbon factories. The company actively researched and developed feasible energy-saving and carbon-reduction projects, hoping to reduce the environmental impact.

- (4) TETC CORP. NINGBO adheres to the Group's high regard for environmental governance and actively responds to local environmental management requirements. It has completed the necessary permit applications with the local authorities and allocated appropriate environmental personnel to handle daily operation and maintenance, ensuring the stable and effective operation of all pollution control facilities. In 2025, the company invested approximately RMB 314,500 in environmental governance, primarily for environmental testing, operation and maintenance of the online environmental monitoring system, maintenance of wastewater testing and analysis instruments, daily maintenance and replacement of consumables for environmental facilities, and the input of treatment agents. In the initial stage of operation, the company planned and actively promoted environmental credit evaluation, striving to obtain the title of "Environmentally Excellent Enterprise"; simultaneously, it promoted the evaluation of Ningbo municipal-level green factories; and based on its own monitoring and regular testing data from partner manufacturers, it optimized and adjusted the operation of various treatment facilities to ensure 100% compliance with emission standards. Furthermore, the company continuously carries out water resource recycling, including RO concentrate recovery, air conditioning unit condensate recovery, cleaning agent pure water recovery, and softening sand and carbon canister backwash water recovery, striving to minimize negative environmental impacts.
- (5) SUB Plant's environmental management and social contributions at the Indonesian plant are carried out in accordance with local government regulations. By the end of 2024, approximately USD 300,000 had been invested in environmental protection facilities and systems at the plant, primarily for waste gas treatment systems and consumable replacements. The production line includes wastewater reuse facilities, condensate reuse, and concentrated

backwash water reuse, and a self-monitoring system is in place for regular data collection to ensure 100% compliance. The Indonesian plant's industrial wastewater and waste disposal falls under the unified treatment scope of the industrial park in Indonesia. Based on factory sampling tests, monthly treatment fees are submitted, with approximately IDR 120 million paid in 2025. To meet local environmental protection requirements, relevant permits have been applied for from the competent authorities, and environmental personnel have been assigned to operate and maintain the facilities as required by regulations. An environmental impact assessment report and discharge permit are expected to be obtained in April 2026, at which point environmental management system and related environmental facility certifications will commence, with costs estimated at IDR 80 million..

### **(III) The implementation of safety and health**

"Zero-job safety" is the company's long-term pursuit of the goal. The care of employees is also the responsibility of the company. In addition to complying with relevant domestic laws and regulations, an ISO45001 occupational safety and health management system has been established in all factories and has passed certification. The specific measures are as follows:

#### **(1) Strengthen personnel safety awareness**

Continue to promote safety culture and use visual management to set up safety culture corridors and slogans in the factory area, and report cases of occupational accidents inside the factory, cases of major occupational accidents outside the factory and relevant laws and regulations through digital and physical bulletin boards. In this way, the information of occupational safety and health is continuously passed on to the employees. For occupational safety and health-related training, new recruits and personnel at all levels are also educated and trained in accordance with relevant laws and regulations, in order to improve employees' hazard awareness, abide by and implement standard operating procedures, and enhance personnel safety awareness.

#### **(2) Construct a safe working environment**

Before purchasing facilities, machines, and equipment, review safety-related designs in accordance with relevant laws and management regulations, and take possible hazards and human factors into consideration. After entering the factory, facilities, machines, and equipment must comply with safety regulations. It can be operated and used to ensure the safety of employees; for the job site, after hazard identification and risk assessment are carried out, the best feasible methods and technologies are used to carry out hazard prevention and risk control. And continue to simplify the operation process and screen high-hazard and high-risk hazard factors through electronic and hierarchical management methods, and implement source management to make the chemical and contractor management procedures more perfect.

#### **(3) Implement emergency response system**

In order to prevent disasters from having a major impact on operations, in addition to continuous script drills and personnel training, as well as the purchase of appropriate emergency supplies, we also regularly review the safety monitoring and abnormal alarm systems of the factory area, so as to establish the accident prevention ability and response of

the factory personnel ability, to continuously strengthen the operation of the emergency organization in the factory area, so as to minimize disaster losses and casualties.

(4) Improve medical and preventive health care

Through professional nursing staff planning and handling employee health checks, flu vaccinations, physical fitness activities, muscle-building and fat-reducing activities, and providing lectures on promoting physical and mental health, we will continue to create a healthy workplace; for shifts, night work, For high-risk employees who may cause diseases due to abnormal workload such as long hours of work, on-site service doctors and health care personnel provide interview guidance and health management measures to prevent employees from suffering from cerebrovascular diseases due to overwork, and to achieve early detection, The purpose of early treatment is to ensure the physical and mental health of the relevant employees.

In response to infectious disease's impact on the health and safety of factory personnel, in addition to regular monitoring, evaluation and consultation by the occupational safety unit, employees are also continuously encouraged to get vaccinated to enhance their own protection, and rapid screening is conducted for high-risk groups in a timely manner. Ensure the health and safety of all personnel in the factory.

(5) Continuous monitoring, auditing and improvement

In addition to regular measurement of the working environment in accordance with relevant laws and regulations, the safe operation of the factory area also conducts daily inspections, high-risk operation inspections, and supervisor inspections; for accidents that occur in the factory area, investigations, improvements, and reporting to the competent authority are also completed in accordance with relevant regulations. Issues and proposals related to occupational safety are reviewed and discussed through the Occupational Safety and Health Committee. In addition, it accepts relevant audits from domestic and foreign third-party verification units or customers from time to time, so as to continuously improve and enhance the operation of occupational safety and health in the factory area.

**(IV) Description of hazardous substance management system**

In order to move towards green products, TXC Corporation's products strictly prohibit the use of controlled substances in raw materials, materials, processes, equipment and other business activities, so that the product design, manufacturing and shipment can comply with the requirement standards of no use, no mixing, and no contamination., thereby reducing the impact of products and services on the environment, and actively taking relevant response measures as follows:

- (1) Comply with international and domestic hazardous substances laws and regulations, such as: EU RoHS 2.0 [Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (EU) 2015/863], EU WEEE [Waste Electrical and Electronic Equipment Directive (2012/19/EU)] , EU REACH [Chemical Registration, Evaluation, Authorization and Restriction Directive (EC) No. 1907/2006], etc., ELV [Waste Vehicle Directive (2005/24/EC)], etc., as well as the green product requirements of key customers, including: Meet the halogen-free regulations, and follow the most stringent requirements in TXC EMS011 (HSM011) "Environmental Management Substance Management Specifications".

- (2) In addition to obtaining the IECQ QC 080000 Hazardous Substances Process Management System certification and maintaining the validity of the certificate, it also continues to pass the Green Partner certification of the international major manufacturer SONY.
- (3) In order to meet the design goals of green products, use green procurement as the basis for continuing to provide green products, and through publicity, training and communication, require the products provided by suppliers to comply with TXC EMS011 (HSM011) "Environmental Management Substance Management Specifications" , at the same time, suppliers are encouraged to introduce the IECQ QC 080000 hazardous substances process management system in addition to the basic ISO 9001 quality system to implement the implementation of green supply chain.
- (4) Based on the belief of protecting the earth and benefiting the next generation, as well as the corporate responsibility of jointly maintaining the overall ecological environment, the company shoulders the mission of contributing to society and comprehensively and actively promotes environmental management activities with a prudent attitude. TXC Corporation's no-hazardous substance policy and commitment are as follows:

| TXC Corporation's No Hazardous Substance Policy and Commitment |  |
|--|--|
| (1)  | Be the best green product partner of customers according to the most stringent relevant regulations or customer requirements.  |
| (2)  | Confirm organizational operations and provide resources, promote environmental education, and strengthen the environmental awareness and goals of all employees and supply partners. |
| (3)  | Design green products, paying attention to products and production processes without harmful substances.   |
| (4)  | Continuously improve through company-related activities to achieve the company's goal of sustainable operation.  |

- (5) Through the above procedures and policy requirements, the company has set the following hazardous substances management goals, and the achievement performance in 2025 will be 100%.

| No. | Item   | 2025   |         |
|-----|--|--------|---------|
|     |  | Target | Results |
| 1   | Number of returned items due to non-compliance with GP requirements                        | 0      | 0       |
| 2   | The number of abnormal cases of hazardous substances in the factory                        | 0      | 0       |
| 3   | The number of finished products that do not comply with GP for hazardous substance testing | 0      | 0       |

**(V) Other supplementary briefing**

In order to strengthen the fulfillment of corporate social responsibility, TXC Corporation's is regularly audited to ensure that the code of conduct and procedures in labor, health and safety, environment, ethics and management systems are consistent with the "RBA Responsible Business Alliance Code of Conduct". In addition, the 2025 "Greenhouse Gas Inventory Report" is based on the new version of ISO 14064-1: 2018 Greenhouse Gas Inventory

Standard, and complete and reliable information will be disclosed in the sustainability report. Corporate social welfare activities in 2025 please refer to the company's website for details.

In the future, we will continue to promote various environmental, safety and health-related activities in the factory to ensure the safety and sanitation of the working environment and maximize the safety of colleagues. The company's detailed information on the promotion and tracking of environmental protection is posted on the company's website.

## V Labor Relations

### (I) Employee welfare measures

#### 1、Employee welfare

People-oriented, treating employees well, and creating a happy corporate culture: Taiwan Crystal Technology adheres to the principle of complying with labor laws and is committed to promoting labor rights, upholds an attitude of non-discrimination and respect for employees, and shares the company's achievements through a reasonable salary and reward welfare system and an improved talent cultivation mechanism. Establish the self-worth of colleagues, take into account the balance between work and life, and identify and work together towards the company's vision.

#### (1) Profit sharing, creating a win-win situation

TXC Corporation adheres to the concept of profit sharing with employees to attract outstanding talents, motivate and retain existing employees. Therefore, in terms of starting salary, salary classification, bonuses and employee remuneration, it not only follows the provisions of Taiwan's labor laws, but also observes the labor market and average salary levels. It is also higher than peers. Its evaluation mainly considers academic qualifications, work experience, professional skills, job responsibilities, and future development and work performance, without regard to race, class, language, religion, politics, nationality, gender, age, marriage or union status. and other factors, and there is any differential or discriminatory treatment, in addition to the basic monthly salary, we provide Spring Festival bonus, Autumn Festival bonus, employee remuneration, performance bonus, project bonus, patent bonus, outstanding contribution bonus, outstanding employee bonus... and other incentive programs . The company has also set up an "employee stock ownership trust" to provide relatively allocated bonuses to assist employees in long-term investment, financial management and retirement planning.

#### (2) Taking care of every important moment of employees

In addition to adding labor insurance and national health insurance to employees in accordance with the law, we also plan group comprehensive insurance to provide life insurance, accidental injury insurance, accidental medical treatment, hospitalization, and occupational disaster insurance, and safety insurance protection for overseas business trips. To take care of employees' families and lives, we have specially formulated the "Employee Child Care Subsidy Measures" to provide child care subsidies for children aged 0 to 5 years old. Those who meet the qualifications can receive a child care subsidy of at least NT\$180,000 per child to reduce the financial burden of employees' child care. , and responds to the government's countermeasure plan for the development of children. TXC\_Foundation provides scholarships for employees' children. The company also provides wedding bonuses, maternity gifts, hospitalization condolences, white condolence payments, and emergency subsidies to help those who are in emergencies or are unable to afford it due to work and business related issues. Colleagues, provide timely assistance and help them tide over the difficulties.

In line with the concept of a happy enterprise and caring for retired colleagues, the OB Association was established in 2013, with the hope that one day one can be a member of TXC Corporation and receive care and support from TXC Corporation after retirement. At least two events are held regularly every year to promote emotional exchanges and information sharing, so that retired colleagues can continue to retire, explore the talents of members, and combine the resources of TXC\_Foundation and volunteer clubs to invest in community senior activities and charity promotions; At the same time, we care about the lives and health of members, provide timely referral resource services and condolence payments, and practice social responsibility.

### (3) Flexible work and happy holidays

Various types of leave are granted in accordance with the Labor Standards Act. If employees need a longer leave due to childcare, military service, serious injuries, etc., they can apply for leave without pay, and then apply for reinstatement after the period expires. Promote make-up days without having to work, flexible commuting, paid typhoon leave, charity volunteer leave, exclusive birthday leave, and summer vacation, so that colleagues can fully rest, take into account family and life, and build employees' leisure life and interests.

### (4) Thoughtful environmental facilities

Through hardware facilities, employees can improve their care space and direct convenience to build a friendly working environment. The company has set up a fully healthy employee restaurant, which provides lunch and dinner subsidies for colleagues. It uses organic vegetables, domestic pork, olive oil and non-processed food to ensure the health of employees. It also has warm and comfortable staff dormitories, OK convenience stores, exclusive breastfeeding rooms for mothers, medical rooms, libraries, free coffee supply, free car/motorcycle parking lots, etc. to provide employees with the best experience. At the same time, employees are encouraged to establish exercise habits and provide complete sports and leisure spaces, including gyms, multi-functional sports halls, softball fields, billiard rooms, basketball courts, and badminton courts, so that employees can sweat to their heart's content.

### (5) Multiple health promotion

Committed to creating a physically and mentally healthy workplace environment, providing a variety of health information, lectures, and activities, promoting the importance of preventive health care, and improving workers' health awareness and self-health management skills; for example: setting up an independent medical office space to provide work-related injury prevention, Health consultation and injury treatment; equipped with on-site occupational specialists and full-time nurses to provide professional consultation, medical advice and health education guidance; set up open blood pressure machines and body fat meters for personnel to use at any time to effectively grasp self-health monitoring information ; Provide all-employee health examinations and special health examinations that are better than regulations, and implement health management and abnormal tracking; special protection and guardianship, maternal health management in the workplace, and set up warm milk collection rooms for personnel to use with peace of mind; preventive management of cardiovascular diseases Diseases, musculoskeletal and other emerging occupational diseases, actual visits to the site to assess the hazards, feedback of health information and improvement suggestions. We also attach great importance to promoting

corporate health implementation and performance, actively cooperate with and participate in workplace health promotion activities promoted by health agencies, and obtain the Healthy Workplace Certification Health Promotion Label from the National Health Service of the Ministry of Health and Welfare.

(6) Establish an employee welfare committee

The company has established an "Employee Welfare Committee" to plan and promote a variety of activities based on the concept of "work/life balance" to allow employees to relieve physical and mental stress, thereby improving work efficiency and creating a physically and mentally healthy workplace. Plan various employee activities, such as: annual party, parent-child family day, employee sports meeting and other large-scale fun activities; domestic and foreign employee travel subsidies to allow employees to recharge their batteries; holiday activities and gifts, special store discounts, and good health benefits There is no end to it, and we actively encourage employees to establish exercise habits, regularly organize various sports events, and provide diverse and rich club life such as baking club, softball club, basketball club, badminton club, essential oil club, table tennis club, volunteer club, fitness club, dongzi dongzi fitness club and etc. to encourage employees Through club activities, we combine enthusiasts with similar interests to help employees strike a balance between work and life.

## 2、Employee education and training

- i. The Company provides employees a multiple learning environment. Colleagues can continually challenge their growth limit through internal / external training, OJT, KM (knowledge management system), reading clubs, online / physical library, and supervisor / peer instruction. At the same time, through the new employees / professional technology / supervisor coaching / general knowledge course / self-development education and training system to bring maximum satisfaction for employees! On the other hand, through planning of job category / job level, work rotation, project allocation and overseas assignments to integrate their lives with their careers and enable them enjoy the happiness of growth in knowledge and skills and develop a bright future.
- ii. The Company has established "Education and Training Guidelines", "Mandatory Occupational Course Guidelines", and "Employee Promotion and Reassignment Guidelines" to plan related training courses in accordance with occupational and professional requirements in order to improve employee knowledge and skills, overall quality of employees and operation performance. Related education and training performance in 2025 is listed in the table below:

| Factory | No. of Class | No. of Sessions | No of Trainees | No. of Hours | Expense(NT\$) |
|---------|--------------|-----------------|----------------|--------------|---------------|
| PCF     | 811          | 929             | 11,913         | 29,067       | 1,279,575     |
| NGB     | 299          | 353             | 30,162         | 36,578       | 1,687,689     |
| CKG     | 53           | 108             | 10,490         | 30,619       | 822,822       |
| TETC    | 289          | 289             | 20,819         | 32,487       | 771,567       |
| SUB     | 2            | 2               | 15             | 390          | 241,115       |
| Total   | 1,454        | 1,681           | 73,399         | 129,141      | 4,802,768     |

## 3、Implementation of employee satisfaction survey

In order to understand the expectations and suggestions of colleagues for the company and provide a better working environment, the company conducts an employee opinion survey every year. The 2025 employee opinion survey was launched in September 2025. The survey subjects were all employees, and the questionnaire response rate was 80%. The content of this satisfaction survey covers ten aspects, including industry prospects, the company's overall working environment, supervisor management style and ability, employee job awareness and satisfaction, organizational communication and coordination, employee benefits, department performance evaluation, employee learning and development, company image and unit growth awareness.

|                           |  |
|---------------------------|--|
| Survey subjects           | All employees  |
| Questionnaire return rate | 80%  |
| Survey frequency          | Once a year  |
| Questionnaire items       | The satisfaction survey includes ten aspects: industry prospects, overall company work environment, supervisor management style and ability, employee job awareness and satisfaction, organizational communication and coordination, employee benefits, department performance evaluation, employee learning and development, company image and unit growth awareness. |

|                  |   |
|------------------|---|
| Survey results   | Using a six-point scale, the company's average satisfaction results tend to be "satisfied".   |
| Improvement plan | <p>The employee opinion survey results are reported at the management meeting, and communication is strengthened and improvement plans are launched:</p> <ol style="list-style-type: none"> <li>1. Continue to pay attention to employee feedback and implement improvements. Through monthly employee seminars, instant communication and effective response to employee suggestions.</li> <li>2. We will continue to provide EAP resources to assist employees, effective from January 1, 2025.</li> <li>3. Revitalize the organization, optimize the work environment, and establish a transparent and open communication channel. In 2025, the "I have good suggestions" instant response QR-Code will be launched to improve the immediacy of employee suggestion feedback. As of December 31, 2025, a total of 95 suggestions have been received, and responses have been provided to colleagues to close the cases.</li> <li>4. Enhance the sense of belonging to the organization, strengthen organizational effectiveness and drive corporate growth through the above solutions.</li> </ol> |

#### 4、 Pension System Implementation

Regarding retirement benefits, our company, in accordance with the Labor Standards Act, has established the Old System for Employee Retirement, whereby 9% of monthly wages is allocated to a monthly retirement reserve fund deposited into a special account at the Bank of Taiwan. The Labor Retirement Reserve Fund Oversight Committee is responsible for the management and use of this fund. In December 2025, the old system retirement benefits will be paid in advance to employees who maintain or retain the old system.

Effective July 1, 2005, in accordance with the "Labor Retirement Fund Act," 6% of monthly wages is contributed to the Labor Retirement Fund (New System), deposited into a personal retirement fund account established by the Bureau of Labor Insurance. In January 2007, the Employee Retirement Fund Management Committee was established, allocating 8% of monthly wages to the employee retirement fund monthly to ensure the retirement planning of appointed managers.

#### 5、 Labor-management agreement and implementation status

TXC Corporation values the opinions and feelings of colleagues on organizational development or various operations, and fully provides smooth and diverse communication channels or complaint mechanisms. In addition to conducting labor-management meetings in accordance with the law, the company also conducts annual employee opinion surveys. In 2025, 886 employee opinion survey questionnaires were distributed, with a response rate of 80%; 13 employee seminars were held in 2025; 651 foreign conference participants in 2025; In addition, the company has set up employee suggestion boxes, WeCom, E-mail, telephone and other diverse communication channels, and is committed to providing smooth communication channels, so that the company's direction and employee opinions can be fully communicated, and as a basis for improving and providing a better working environment and conditions.

#### 6、 Protection measures for the working environment and personal safety of employees

In order to protect the work safety of employees and protect the working environment and personal safety of employees, in addition to setting up an "Occupational Safety and Health Committee" and holding regular committee meetings to review the effectiveness of business development and occupational safety and health matters, various management measures have also been formulated. All colleagues are required to implement it thoroughly; in addition to purchasing group insurance every year, the company also regularly holds occupational safety and health lectures, sends people to participate in relevant occupational safety and health courses, and formulates the "TXC Emergency Response Plan" and "Environmental Safety and Health Management Manual" ", etc., in order to protect the life safety of our colleagues and calmly respond to emergencies. For relevant content, please refer to our company's website. In order to achieve the goal of zero disaster, the company regularly reviews and revise the annual emergency response plan and environmental, safety and health management manual, and then formulates detailed implementation operations based on the plan content, which are implemented by relevant units according to the plan schedule and content, and through The audit system identifies deficiencies in implementation, formulates emergency response plans and environmental, safety and health management manuals for the next year, and conducts review and corrections at any time based on the implementation process and audit operations to reduce the hazard risks of the business unit and achieve the goal of zero disasters.

#### Environmental, Safety and Health Policy

During the R&D, manufacturing, testing, and sales processes, TXC Corporation must comply with regulations and comply with other relevant requirements to prevent occupational disasters and continuously improve the operation of the management system to align with international standards. In line with our corporate responsibility to protect our employees and care for the earth, we promise to:

- Ensuring employee safety and health is the primary responsibility and obligation of managers at all levels of the company
- Protect all plant personnel by preventing work-related injuries, ill-health, illness and accidents
- Comply with laws and regulations, reduce the impact of environmental pollution, and develop standard operating procedures and methods
- Communicate policies and provide necessary education and training to employees, suppliers, customers, contractors, and stakeholder groups to ensure that they have environmental safety and health awareness and correct behavior
- Continuously improve management system operations and improve performance
- Produce green products, promote waste reduction campaigns, and continue to organize and organize to create a safe and hygienic environment
- The company promises to use the most advanced international and domestic environmental safety and health standards as the basis for self-improvement

**(II) The losses suffered in the recent years due to labor disputes, and the estimated current and future estimated amounts and corresponding measures:** The company's labor relations have been harmonious since its establishment. In the most recent year and as of the publication date of the annual report, there have been no losses due to labor disputes, and no major labor disputes have occurred since its establishment.

**(III) Either there is a defined employee behavior or ethical code**  
The company has set a second edition of the "TXC Code of Conduct" in both Chinese and English to regulate the behavioral ethics of all subordinates of the company.

**(IV) Fulfillment of social responsibility**

There company's corporate social responsibility has always including three aspects: corporate philanthropy, corporate governance and environmental safety & health. In the future, related resources from external units that have been cooperating over a long period with our company will be fully integrated. This combined with the high level of enthusiasm and caring shown by our volunteer employees and the newly established charity and compassion foundation will show our commitment to displaying a spirit of 'giving back to society', making maximum use of limited resources and encouraging the joint participation of neighboring communities and companies. By making a greater impact with our philanthropic activities, TXC will set out a path for sustainable operations and expand the reach of our philanthropy. For the implementation of sustainable development, please refer to the company's website and sustainability report.

## **VI Information and Communication Security Management**

**(I) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.**

**1. Information Security Management Organizational Structure**

The company has established an information security committee to promote information security management. The general manager serves as the chairman, the information security chief (and convener) is concurrently held by the top director of the management center, the deputy convener is concurrently held by the top director of the Netcom Information Office, and the convening committee is held by each center. The supervisor is concurrently held, and a review meeting is held at least once a year. In addition, depending on business needs or major changes, when there is a risk of affecting information security, a meeting may be held from time to time. In addition, in order to implement information security management, the Information Security Executive Team under the Information Security Committee is responsible for the implementation and control of various information security operations, as well as information security incident handling and emergency response. The information security audit team is responsible for conducting information security internal audit and tracking at least once a year according to the information security internal audit plan.

## 2. Information Security Policy

"In order to ensure the safe use of internal information, TXC Corporation avoids improper disclosure of information and enables the continuous operation of various business information operations, maintain the effectiveness of internal management systems, and strengthen the confidence and satisfaction of customers and suppliers etc. related parties."

## 3. Information Security Specific management plan

In order to maintain the confidentiality, integrity and availability of the company's information assets, through the joint efforts of all colleagues to achieve the following goals:

- (1) Protect information about the company's business activities from unauthorized access, modification and improper disclosure.
- (2) Protect the correctness of the company's important business information processing.
- (3) Maintain the high availability of the company's information operations.
- (4) Handle information security education and training, and communicate information security-related publicity in supervisory meetings to promote employees' awareness of information security and strengthen their awareness of related responsibilities.
- (5) Implement information security internal audit system to ensure the implementation of information security management

In order to ensure the achievement of information security goals and objectives, the effectiveness of the evaluation will be monitored at ordinary times. The situation should be notified and corrective measures should be taken when any suspected non-compliance event occurs, and the information security goal promotion situation should be reported to the information security management committee. Through information security education and training and promotion activities, and to convey information security-related publicity in the supervisor meeting, in order to promote employees' information security intentions and strengthen their awareness of related responsibilities.

## 4. Investment resources

- (1) Since the company introduced the ISO27001 information security management system in 2011, it has continued to pass regular third-party verification every year, and obtained the ISO/IEC 27001:2022 transition certification in September 2023, strengthening its effectiveness in information security management and control.
- (2) The company applies the Cyber-Defense Matrix architecture to plan the information security protection network, focusing on vulnerability scanning and analysis, anti-virus, IP management and network access control, email defense, and strengthening firewall construction and regional defense to avoid single points of failure. This caused the company-wide network failure. At the same time, in order to strengthen the internal network defense, introduce endpoint management and file encryption, and strengthen internal and external information security protection.
- (3) Through threat detection and response (MDR) and network detection and response (NDR), we continue to strengthen information security incident detection and analysis, strengthen weaknesses and the need for prevention. We also conduct social engineering drills to enhance employees' information security awareness and promote correct concepts.
- (4) In response to the requirements of the Financial Supervisory Committee, one information security manager and one person will be appointed to be responsible for information security governance and overall management of information security-related businesses. At the same time, information security awareness was

enhanced through information security e-newsletters (12 times in total) and factory-wide information security promotions (8 times in total).

(5) In the fourth quarter of 2025, key endpoints will implement multi-factor authentication (MFA) to strengthen identity verification and prevent unauthorized access.

(II) **List the losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated.**

1. Information monitoring, audit and enforcement results from the fourth quarter of 2024 to the third quarter of 2025 were reported to the board of directors on November 3, 2025.
2. The company has not had any major cyber attacks or other related information security incidents that impacted the company's operations in 2025

## VII Intellectual Property Management

The company's intellectual property management policy is based on "Focusing on Innovation," "Strategic Intellectual Property Management," "Enhancing Confidentiality Protection," and "Committing to Sustainable Operation." To strengthen technological competitiveness and ensure the proper protection of R&D results, the company has established an intellectual property management system based on its operational development strategy. Through the management and protection of intellectual property such as patents and trade secrets, the company enhances its technological value and reduces operational risks. The company continues to strengthen its intellectual property governance and management mechanisms in accordance with the spirit of the Taiwan Intellectual Property Management System (TIPS) to support its long-term innovative development

(I) **Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.**

### 1. Intellectual Property Management Framework

Based on existing quality management systems, relevant management mechanisms and processes have been established. The company's intellectual property management system is strengthened using the Taiwan Intellectual Property Management System (TIPS, 2016 version). The "Plan/Do/Check/Action" management cycle (PDCA) is used to continuously promote the operation and improvement of the intellectual property management system, ensuring the effectiveness of the company's intellectual property management and improving management performance. Establishing a patent database to analyze competitor technology trends, providing early warnings of potential infringement issues, reducing litigation risks, and strengthening decision-making regarding product planning and technology investment. Simultaneously, deepening patent operations and trade secret management, and regularly reporting to management, to leverage the company's technological advantages and continuously enhance the efficiency of intellectual property governance and management.

### 2. Patent Management and Technology Layout

The company continues to develop a full range of miniaturized, high-frequency, and highly stable products. Through systematic management of patent applications and R&D results related to technology layout strategies, it continuously accumulates patent assets. To grasp the

dynamics of industry technology development, it applies patent search and patent analysis methods to conduct technology research and competitor layout analysis, planning patent layout based on product development direction and technology strategy to enhance the company's overall technological competitive advantage. Centered on patent mapping analysis, we integrate and analyze industry patent information through a visualized patent information platform to grasp the technological development direction and potential technological opportunities of major competitors. Through the participation of all employees, we continuously promote intellectual property protection in all activities, including design, application, delivery, manufacturing, and service. We establish product R&D and technology development maps, and grasp the industry's R&D layout and progress. Combined with the company's overall development and intellectual property strategy, we ensure the quality of intellectual property and implement intellectual property protection, building a more solid competitive advantage for the company and achieving the goal of sustainable operation.

### 3. Trade Secret Management

We attach great importance to the protection of trade secrets and have established relevant management systems to ensure the security of the company's key technologies and operational information. Key measures include establishing a graded management mechanism for trade secrets, requiring employees to comply with confidentiality obligations, improving employees' awareness of trade secret protection through education and training, and signing confidentiality agreements with partners to ensure the security of confidential information.

### 4. Trademark and Brand Management

To maintain the company's image and market recognition, we continuously conduct trademark application and management, including trademark application, maintenance, and infringement monitoring, to ensure the company's rights and maintain market reputation.

### 5. Copyright Management

We prioritize copyright protection and have established a copyright management mechanism for technical documents and R&D results. We have formulated relevant management regulations to clearly define the ownership and usage principles of rights. While ensuring the protection of intellectual property and confidential information, we allow the internal and external publication and sharing of research papers and technical results in accordance with regulations, thereby promoting technological exchange and reducing the risk of infringement.

### 6. Implementation Status

We report intellectual property-related matters to the Board of Directors at least once a year. The implementation status of intellectual property matters for fiscal year 2025 was reported to the Board of Directors on November 3, 2025. The main implementation status is as follows: On November 13, 2019, we passed the Taiwan Intellectual Property Rights Management System (TIPS) Level A certification (certificate valid until December 31, 2026). During the technology R&D process, we continuously focus on the development of energy-saving, carbon-reducing, and environmentally sustainable technologies. Through patent applications and technology layout, we gradually accumulate green technology-related patent achievements to support the company's sustainable development strategy and enhance the competitiveness of environmentally friendly technologies.

Simultaneously, we strengthened our intellectual property management system, deepening the connection between intellectual property and R&D strategy through patent layout, patent analysis, and technological research. This enhanced intellectual property value and supported

the company's long-term technological innovation and market competitiveness. We also incorporated intellectual property protection and trade secret protection into employee training courses. As of the end of 2025, 532 employees received 1,116 hours of training to strengthen the company's awareness and understanding of intellectual property protection. We also regularly reviewed our intellectual property portfolio and management mechanisms to improve the effectiveness of intellectual property management.

As of the end of December 2025, the company's accumulated intellectual property achievements are as follows:

- Patents: 69 patents obtained worldwide.
- Trademarks: 4 valid registered trademarks.
- Copyrights: 65 papers published in relevant field conferences and journals.
- Trade Secrets: 33 internal trade secrets held.

### VIII Important Contracts

| Company      | Contractual Nature | Contract Party  | Start Date-End Date                | Main Content                                   | Limitation Clause                    |
|--------------|--------------------|---|------------------------------------|--|--------------------------------------|
| TXC          | Software licensing | ORACLE TAIWAN LLC,<br>TAIWAN BRANCH (U.S.A.)                | 2002/09~ Permanent<br>licensing    | Oracle ERP R12.1.3                             | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | ORACLE TAIWAN LLC,<br>TAIWAN BRANCH (U.S.A.)                | 2011/04~ Permanent<br>licensing    | Oracle Agile PLM                               | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Ares International Corp.                                    | 2011/08~ Permanent<br>licensing    | GUI/VAT Product<br>licensing                   | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Intumit Inc.  | 2014/10~ Permanent<br>licensing    | (SmartKMS 8)<br>Knowledge<br>Management System | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | FanRuan Software Co., Ltd.                                  | 2023/04~ Permanent<br>licensing    | FineBI、FineReport<br>software                  | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Veeam   | 2025/06~ Permanent<br>licensing    | Veeam Backup &<br>Replication                  | Licensing,<br>transfer<br>prohibited |
| TXC<br>(NGB) | Software licensing | Hangzhou Jinmai Software Co.,<br>Ltd.                       | 2010/07~ Permanent<br>licensing    | CAD Internet version<br>software licensing     | No transfer<br>without consent       |
|              | Software licensing | Hangzhou Yinyang Information<br>Co., Ltd.                   | 2017/05~ Permanent<br>licensing    | Office2016 and WinPro<br>Licensing             | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Yanwei Trading (Shanghai) Co.,<br>Ltd.                      | 2017/12~ Permanent<br>licensing    | SolidWorks standard<br>2017 package            | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Guangzhou Saiyi Information<br>Technology Co., Ltd.         | 2018/06/28~ Permanent<br>licensing | Smart factory                                  | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Shanghai Chuangsheng<br>Information Technology Co.,<br>Ltd. | 2018/10~ Permanent<br>licensing    | UG10000-WISD and<br>NX11110                    | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Fansoft Software Co., Ltd.                                  | 2020/04~ Permanent<br>licensing    | Electronic Data<br>Analysis System             | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Shanghai Fanwei Network<br>Technology Co., Ltd.             | 2020/04~ Permanent<br>licensing    | Pan Micro OA                                   | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Aijia Software (Suzhou) Co.,<br>Ltd.                        | 2020/12~ Permanent<br>licensing    | HCP System                                     | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Shanghai Jinge Information<br>Technology Co., Ltd.          | 2021/03~ Permanent<br>licensing    | RFID application<br>software                   | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Shanghai Jiuwu Internet<br>Technology Co., Ltd.             | 2021/08~ Permanent<br>licensing    | Zenon software system                          | Licensing,<br>transfer<br>prohibited |
|              | Software licensing | Shanghai Jiuwu Internet<br>Technology Co., Ltd.             | 2021/08~ Permanent<br>licensing    | DataStation System<br>Software                 | Licensing,<br>transfer<br>prohibited |

|            |                    |   |                              |   |                                |
|------------|--------------------|---|------------------------------|---|--------------------------------|
|            | Software licensing | Suzhou Guantong Automation Technology Co., Ltd. | 2021/12~ Permanent licensing | Power balance automatic control project | Licensing, transfer prohibited |
| TXC (CKG)  | Software licensing | Shanghai Hupu Information Technology Co., Ltd.  | 2014/08~ Permanent licensing | Intranet security management software   | Licensing, transfer prohibited |
|            | Software licensing | Chongqing Huacheng Maoyi Technology Co., Ltd.   | 2025/07~ Permanent licensing | Antivirus Software                      | Licensing, transfer prohibited |
| TXC (TETC) | Bank financing     | Bank of Communications                          | 2025/03-2029/12              | Medium and long term loans              | None                           |
| TXC (CKG)  | Bank financing     | China Trust Bank                                | 2025/06-2027/06              | Medium and long term loans              | None                           |

## Chapter 5 Review of Financial Conditions, Operating Results, and Risk Management

### I. Financial Statement

Unit: NT\$1,000

| Item \ Year               | 2025       | 2024       | Difference |          |
|---------------------------|------------|------------|------------|----------|
|                           |            |            | Amount     | %        |
| Current Assets            | 12,948,729 | 12,559,274 | 389,455    | 3.10     |
| Non Current Assets        | 8,870,774  | 9,611,252  | (740,478)  | (7.70)   |
| Total Assets              | 21,819,503 | 22,170,526 | (351,023)  | (1.58)   |
| Current Liabilities       | 4,069,338  | 4,198,909  | (129,571)  | (3.09)   |
| Non Current Liabilities   | 1,713,370  | 1,527,438  | 185,932    | 12.17    |
| Total Liabilities         | 5,782,708  | 5,726,347  | 56,361     | 0.98     |
| Share Capital             | 3,429,930  | 3,429,930  | -          | -        |
| Capital Surplus           | 4,622,037  | 4,622,137  | (100)      | -        |
| Retained Earnings         | 8,605,888  | 8,345,148  | 260,740    | 3.12     |
| Other Equity              | (474,100)  | (72,860)   | (401,240)  | (550.70) |
| Non-Controlling Interests | 117,057    | 119,824    | (2,767)    | (2.31)   |
| Total Equity              | 16,036,795 | 16,444,179 | (407,384)  | (2.48)   |

Explanation for the analysis on the changes during the past two years. (This analysis can be exempted if the change is less than 20%):

1. The decrease in other equity was primarily due to a decrease in the translation difference in the financial statements of foreign operating entities and the disposal of financial assets measured at fair value through other comprehensive income.

## II. Financial Performance

### (I) Comparative analysis table for the operating results

Unit: NT\$1,000

| Year   | 2025       | 2024       | Increase(Decrease)<br>Amount | Change % |
|--|------------|------------|------------------------------|----------|
| Sales  | 13,348,901 | 12,672,258 | 676,643                      | 5.34     |
| Cost of Goods Sold                             | 8,938,963  | 8,185,113  | 753,850                      | 9.21     |
| Gross Profit                                   | 4,409,938  | 4,487,145  | (77,207)                     | (1.72)   |
| Operating Expenses                             | 2,386,270  | 2,350,661  | 35,609                       | 1.51     |
| Profit from Operations                         | 2,023,668  | 2,136,484  | (112,816)                    | (5.28)   |
| Non-Operating Income and Expenses              | 176,656    | 438,356    | (261,700)                    | (59.70)  |
| Profit before Income Tax                       | 2,200,324  | 2,574,840  | (374,516)                    | (14.55)  |
| Income Tax Expense                             | 395,985    | 438,301    | (42,316)                     | (9.65)   |
| Net Profit for The Year                        | 1,804,339  | 2,136,539  | (332,200)                    | (15.55)  |
| Other Comprehensive Income (Loss)              | (173,274)  | 471,440    | (644,714)                    | (136.75) |
| Total Comprehensive income (Loss) for The Year | 1,631,065  | 2,607,979  | (976,914)                    | (37.46)  |

Explanation for the analysis on the changes during the past two years. (This analysis can be exempted if the change is less than 20%):

1. The decrease in non-operating income and expenses was mainly due to an increase in net foreign currency exchange losses.
2. The increase in other comprehensive income and losses was mainly due to a decrease in exchange differences in the translation of financial statements of foreign operating entities and the disposal of financial assets measured at fair value through other comprehensive income and losses.
3. The decrease in total comprehensive income and losses for the period was mainly due to a decrease in net profit for the period, a decrease in exchange differences in the translation of financial statements of foreign operating entities, and the disposal of financial assets measured at fair value through other comprehensive income and losses.

### (II) Expected sales quantity and its basis

In 2026, the company will maintain a prudent and conservative approach. In addition to supporting existing customer orders, it will continue to develop new products and processes, expand production capacity, and optimize product processes. The company will accelerate the expansion of revenue from niche/emerging market industries such as AI, HPC, and automotive electronics. Products have gradually gained customer certification and recognition, and revenue is expected to contribute to this growth driven by new products and production line expansion. Furthermore, the company will continue to refine miniaturized, high-frequency, and low-energy-consumption precision products. With effective management of customer relationships and product diversification, the company expects consolidated sales to exceed 4.7 billion units, with a global market share of approximately 10-13%. The company aims to maintain its leading position in the global quartz industry.

### III. Cash Flow

Unit: NT\$1,000

| Beginning Cash Balance | Net Cash Provided by (Used in) Operating Activities of the year | Net Cash Provided by (Used in) Investing Activities of the year | Net Cash Provided by (Used in) Financing Activities of the year | Cash Balance (including the amount affected by exchange rate) |
|------------------------|---|---|---|---|
| 3,906,374              | 3,412,740   | (1,323,702)   | (2,101,900)   | 3,877,499   |

**(I) Analysis on changes in cash flow of the year:**

- (1) Operating activities: The main changes are from the current net profit plus depreciation and the changes in working capital.
- (2) Investing activities: The main changes are from capital expenditures and changes in financial assets.
- (3) Financing activities: The main changes were due to cash capital increase, repayment of loans and corporate bonds, and payment of cash dividends.

**(II) Remedy for cash shortage and liquidity analysis: None.**

**(III) Cash liquidity analysis for the coming year:**

On the premise of maintaining a stable cash flow, the company will consider the financial market conditions based on the cash balance on the account and the cash flow of operating activities and investment activities, and prudently plan and control various cash expenditures related to investment and operations.

### IV. Impact of major annual capital expenditure on financial operations

The Company's major capital expenditures in 2025 will be for expanding production line equipment and upgrading equipment for miniaturized products, in order to meet market and customer demand and optimize the Company's product portfolio and technical specifications. On a consolidated financial statement basis, the amount paid for fixed asset acquisitions in 2025 is NT\$1.198 billion, representing approximately 8.98% of net sales. This will continue to expand production capacity and invest in new product development, and is expected to contribute to the Company's long-term development plan and have no significant impact on financial operations in the short term.

**V. The main reasons for the profit or loss resulted from joint venture policies in the most recent year, the improvement plan thereof and the investment plan for the coming year:**

| Explanations<br>Projects                                     | Amount<br>(NTD thousand) | Policies                                   | Main reasons for the<br>profit or loss  | Improvement<br>plan  | Other future<br>investment<br>plan  |
|--|--------------------------|--|---|--|---|
| TAIWAN<br>CRYSTAL<br>TECHNOLOGY<br>INTERNATION<br>AL LIMITED | NT\$ 1,139,383           | Investing<br>China<br>subsidiaries,<br>OBU | The main reason for profit<br>this year is the increase in<br>production capacity, yield<br>rate and product quality. | Continue to<br>maintain the<br>company's<br>operating<br>performance | Other related<br>expansion<br>investment<br>plans are<br>under<br>continuous<br>evaluation. |
| TAIWAN<br>CRYSTAL<br>TECHNOLOGY<br>(HK) LIMITED              | NT\$ 2,886               | Trading                                    | The main reason for this<br>year's profit is that<br>operating activities have<br>begun to expand                     | Continue to<br>maintain the<br>company's<br>operating<br>performance | None  |

**VI. Risks analysis and assessment**

**(I) Policies and organizational structure of risk management**

The Company's risk management policy is to establish a risk management mechanism for risk identification, measurement, supervision and control, and to configure an integrated risk management system. To conduct risk management, analysis and evaluation on the following issues: 1. Business / Law / Regulations / Standards; 2. Changes in political environment; 3. Changes in economic / financial environment; 4. Natural disasters (climate change); 5. Technology and information; 6. Competitive environment; 7. Facilities / equipment; 8. Business / market operations; 9. Related Supply chains; 10. Financial operations; 11. Community / Environmental Security and Hygiene; and 12. Personnel etc., total 12 items and 92 indicators, in order to develop mitigation strategies and operational continuity plans to eliminate, reduce, transfer, accept risks, and promote appropriate risk management-oriented business model, achieving operational goals to enhance shareholder value, and major risks such as marketing market, production operation, human resource planning, new product development progress, and financial accounting control faced by various business operations, except in addition to the original system norms and treatments, actively develop advanced and highly sensitive procedures and guidelines for supervision, evaluation, and risk management to balance safety and efficiency, and establish economically effective business operation models.

In 2014, the Company formulated the "Key Operational Risk Management Methods" for various identifiable risks, which were approved by the Board of Directors. On December 23, 2024, the "Operational Risk Management Methods" were re-formulated to formulate operational risk management policies and implementation procedures, which were approved by the Board of Directors. The Company's operational risk framework and

criteria are provided to various departments for relevant risk identification and assessment, and response measures and supervision plans are formulated based on the results, so that the potential key operational risks identified can be minimized through daily supervision, management and control, so that the probability of various key operational risks can be minimized. The Company has a risk response organization, and the Chairman authorizes the General Manager to serve as the convener to establish an operational risk management committee to coordinate and direct the promotion and operation of the risk management plan.

The execution status of operational risk management in 2025 is as follows, and the execution status has been reported to the board of directors on November 3, 2025:

| Risk Identification Issues  | Risk Response  | Risk Countermeasures   |
|---|--|--|
| US-China technology controls and geopolitical conflicts have led to a sustained rise in precious metal prices, increasing production costs and reducing gross margins   | Corporate Governance<br>Operational Sustainability<br>Mitigating Risk Impacts    | <ol style="list-style-type: none"> <li>1. Continue to expand into new markets and customer groups through the 3A1E industry strategy.</li> <li>2. Strengthen the supply stability and flexible pricing strategy of precious metal material suppliers.</li> <li>3. Accelerate the expansion of Southeast Asian factories to reduce production costs.</li> </ol>   |
| The increasing frequency and severity of global natural environmental disasters have a greater impact on daily life, production, and transportation, raising the risk of continued supply disruptions to raw materials and products | Environment<br>Climate Change Risks and Opportunities<br>Mitigating Risk Impacts | <ol style="list-style-type: none"> <li>1. Monitor various changes in logistics operations and corresponding solutions.</li> <li>2. Monitor potential changes in customer supplier strategies and safety stock levels.</li> <li>3. Continue to promote resilient supply chain operations.</li> </ol>  |
| Raising basic wages, increased labor insurance rates, continued electricity price increases, and inflation make rising production costs inevitable, impacting costs and profits   | Corporate Governance<br>Operational Sustainability<br>Mitigating Risk Impacts    | <p>Due to a series of impacts including labor shortages, inflation, rising wages, insurance rates, and production costs, the company has taken the following controllable measures to ensure long-term competitiveness and protect stakeholder interests:</p> <ol style="list-style-type: none"> <li>1. Continuously invest in advanced technologies and new product development to enhance product advantages, improve manufacturing costs, adjust product mix and profit structure, and avoid the impact of rising costs on overall sales and profits.</li> <li>2. Continuously promote digitalization and automation applications, utilize artificial intelligence and digital technology to improve per capita productivity, reduce</li> </ol> |

| Risk Identification Issues   | Risk Response  | Risk Countermeasures   |
|--|--|--|
|  |  | inefficiency and waste, and thus mitigate the impact of rising external costs.   |
| Competition from other industries in the MEMS crystal oscillator market, with more new products entering practical applications, is gradually eroding the market, causing some high-frequency quartz components in communications to be replaced, leading to a decrease in market demand | Corporate Governance<br>Operational Sustainability<br>Mitigating Risk Impact | 1. The R&D unit will shorten the established development timeline for new MEMS crystal oscillator products, accelerate customer verification and mass production.<br>2. Continuously introduce technical professionals to enhance and expand key technology development. |

**(II) Impact of recent year interest rates changes, exchange rate fluctuation and inflation on the profit or loss of the Company and the future countermeasures therefor.**

- (1) Impact of recent year interest rates on the profit or loss of the Company and the future countermeasures therefor:
  - i Impact of interest rates on the profit or loss of the Company and the subsidiary  
In 2025, the net interest of the Company and its subsidiary was NT\$66,806,000 and the Company's interest expense will be increased by approximately NT\$5,155,000 for every 0.25% increment in the market interest rate.
  - ii Future countermeasures  
Since the Company and its subsidiary have sound financial structure together with the gradual expansion of the Company's business scale, it has close long-term cooperation with the banks. Through the bank's assistance, it has been able to obtain better interest rates and terms to improve its financial structure, enrich medium and long-term working capital and reduce the risks of interest rate changes. Its financing costs have been lower than the average market interest rate.
  
- (2) Impact of recent year exchange rate fluctuation on the profit or loss of the Company and the future countermeasures therefor:
  - i Impact of exchange rate fluctuation on the profit or loss of the Company and subsidiary  
Due to nature of the industry, the Company's foreign procurement of raw materials account for about 80% and export income accounted for more than 90%, therefore, exchange rate control is relatively important. In 2025, the sharp fluctuations in exchange rates has made hedging operations relatively difficult. However, the Company and subsidiary have established appropriate risk management mechanisms to avoid risks. In the future, the Company's gross margin will be affected by approximately 0.5%, for every 1% market exchange rate appreciation.
  - ii Future countermeasures  
As for the response to exchange rate changes, the Company and subsidiary have established a risk assessment team to adopt dynamic natural hedging. The remaining mainly undertakes hedging instruments such as spot exchange transactions and/or foreign exchange forward contract to reduce risks by maintaining a high hedging ratio.

- (3) Impact of the recent year inflation on the profit or loss of the Company and the future countermeasures therefor:
  - i Impact of inflation on the profit or loss of the Company and subsidiary  
The Company's expenses will be increased by approximately NT\$23,862,000 for every 1% increment in inflation.
  - ii Future countermeasures  
In recent years, there has been little impact on the costs and prices due to stable inflation data. In the future, the Company will remain on the lookout for the inflation trend for the purpose of costs control and price quotation and make appropriate adjustments.

**(III) The main reasons for engaging in high risk and highly leveraged investments, capital lending to others, endorsement, the policies and profit (or loss) of derivative commodity transactions and the future countermeasures therefor:**

- (1) The Company and subsidiary did not engage in any high risk and highly leveraged investments in 2025.
- (2) The Company and subsidiary engaged in capital lending to others and endorsement according to the regulatory statute and performed regular auditing and filing pursuant to the relevant regulations of the competent authority and the Company. The details are as follows:
  - i Capital lending to others: none.
  - ii Endorsement: none.
  - iii The policies and profit (or loss) of derivative commodity transactions and the future countermeasures therefor:
    - (a) The Company and subsidiary engaged in derivative financial commodity transactions to avoid risks in foreign currency claims, debts and commitments arising from changes in exchange rate and/or interest rate. The hedging strategy is for the purpose of avoiding most of the market price risks.
    - (b) In 2025, the Company and its subsidiary recognized foreign exchange loss of NT\$41,083,000 due to large fluctuations in exchange rates.
    - (c) The Company and subsidiary use derivative financial commodity that are highly correlated with changes in the fair value of the hedged items as hedging instruments to avoid the risks arising from the Company's business operations and perform periodic assessments to control the risks thereof.

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**(IV) Future R & D plan and estimated investment in R & D**

- (1) The Company has systematically managed the R&D plan and introduced the PLM (Product Lifecycle Management) system to track and grasp the progress of product R&D through the PLM system. In 2025, the company will set different R&D projects according to product and technology categories, and set goals, progress and schedule in line with market demand. In 2026, the R&D expenses are expected to invest another NT\$205 million.

| No. | Name of the program               | Current progress | Reinvestment in R & D | Estimated time of mass production | Primary factor of success |
|-----|-----------------------------------|------------------|-----------------------|-----------------------------------|---------------------------|
| 1   | 1612 TCXO custom Photo Die import | 100%             | NT\$ 70M              | to be completed by Sep. 2025      | Master key technology     |

|   |                      |      |          |                              |                       |
|---|----------------------|------|----------|------------------------------|-----------------------|
| 2 | 1609 TF 32.768kHz XO | 90%  | NT\$ 40M | to be completed by Mar. 2026 | Master key technology |
| 3 | OW768 Q on Q project | 100% | NT\$ 95M | to be completed by Apr. 2026 | Master key technology |

- (2) The new R & D projects in 2026 that has been launched are expected to be introduced into mass production phase within 12~18 months. The R & D expenditure for the entire year is estimated to be NT\$190 million.

| No. | Name of the program                            | Current progress | Reinvestment in R & D | Estimated time of mass production | Primary factor of success |
|-----|--|------------------|-----------------------|-----------------------------------|---------------------------|
| 1   | 1612 TCXO 1.2V Homemade Photo Die Import       | 10%              | NT\$ 60M              | to be completed by Sep. 2026      | Master key technology     |
| 2   | 2016 Differential XO 312.5MHz Photo Die Import | 15%              | NT\$ 40M              | to be completed by Jul. 2026      | Master key technology     |
| 3   | Crystal 1008 76.8MHz (Platform Design)         | 5%               | NT\$ 90M              | to be completed by Dec. 2026      | Master key technology     |

- (3) Factors to R & D's success: The Company's competitive edge lies in continuous innovation, and the innovation is reflected on futuristic products. Therefore, in addition to considering the strength of market demand, the control and effective monitoring over the progress of R & D projects to shorten the R & D timeline and continued strengthening of R&D team by developing efficient training and upgrading the overall professional quality are the key factors that directly affects the success of R & D. In addition, whether the production process capability can increase the production yield to reduce the product cost while the product is advanced is another important factor that determines whether the new product can be successfully introduced into the market.

**(V) Impact on the Company's financial operations from the changes in important domestic and foreign policies and laws during the most recent years and the countermeasures therefor:**

- (1) In response to the impact of continuously rising basic wages on the cost structure, the Company has actively expanded its operational scale and increased its market share, while improving process capabilities and work efficiency to enhance cost competitiveness.
- (2) Geopolitical conflicts, extreme weather events, and drastic fluctuations in the global political and economic situation continue to have a significant impact on the sustainable operation of the company. In this volatile and challenging environment, the Company actively implements ESG initiatives and strengthens risk management to seek new opportunities for future development.
- (3) The company has always paid close attention to and grasped the policies and laws that may affect the company's operations, and cooperated with the revision of relevant internal systems of the company. The legal changes in 2024 have been assessed to have no significant impact on the company's operations.

**(VI) Impact on the Company's financial operations from the changes in technologies and the industry during the most recent years and the countermeasures therefor:**

- (1) With the development of information technology and the extension of 5G Advanced related application fields, such as automotive electronics, wireless communications, home digital,

mobile video, digital mobile devices, medical health technology, Internet of Things (IoT), AI-related and other application products, the application of quartz components will have the benefits of integration and increase, and it is expected that the global information technology industry application will continue to increase. Overall, the demand for quartz components in the next few years will remain basically stable. In order to maintain stable profits and industrial competitiveness, the company will continue to develop new products, improve technology and processes to maintain cost advantages.

- (2) When oil prices, electricity prices and industrial water restrictions become the norm, the manufacturing industry will bear the brunt, and operating costs will increase significantly. The company will continue to promote energy-saving and carbon reduction programs to reduce energy consumption.
- (3) In response to the recent frequent cybersecurity attacks, the company has introduced the ISO27001 information security management system, continued to pass annual third-party verification, introduced the Cyber-Defense Matrix architecture to plan the security protection network, and strengthened the effectiveness of information security management through tools such as threat detection and response (MDR) and network detection and response (NDR). At the same time, it uses information security standards and frameworks to review key information facilities and their applications, and continues to build a complete information and communication environment, strengthen information and communication security protection and management mechanisms, and train information security talents to ensure the company's continued operation.
- (4) In addition to external influences, the company is also actively investing in exploring artificial intelligence (AI) application solutions, looking forward to making full use of artificial intelligence technology tools within the company to improve per capita productivity, reduce errors and waste, effectively improve operating costs, accelerate the development and launch of new products, and thus increase the company's overall profitability.
- (5) The company has formulated an artificial intelligence usage management policy, which details the relevant usage rules and restrictions. It is expected that colleagues will effectively use artificial intelligence technology to improve the company's competitiveness, while also protecting the intellectual property rights and business interests of the company, employees, customers, suppliers and all stakeholders.

**(VII) Impact on the corporate crisis management from the changes in corporate image during the most recent years and the countermeasures therefor:**

- (1) Based on the humanitarian beliefs of caring for disadvantaged groups, the company prepares a budget every year to give back to the society in many ways and fulfill its corporate social responsibilities. Since the establishment of the "TXC\_ Foundation" in 2017, the company has achieved "get it". The feedback concept of "Use in society and use in society" enables limited resources to produce greater synergy, which in turn encourages the surrounding communities and manufacturers to invest together and exert greater public welfare influence, so that the company can continue to operate and make public welfare It can be widely distributed. Aiming at school education, rooting education, senior (inheritance) education, encouraging innovation, improving research, and strengthening the operation of conference affairs for disadvantaged groups and basic education in remote areas, and combining the resources of the company's volunteer community to expand the effectiveness of services, The company's volunteer club was established in 2015. It continues to promote social welfare activities and caring for

disadvantaged groups. It has been recognized by the Taoyuan City Government and praised by excellent volunteers to implement the company's mission of caring for public welfare and fulfilling corporate responsibilities. For related foundation-sponsored activities, please visit the website of the TXC\_Foundation.

- (2) In line with the government's Corporate Governance 3.0 - Sustainable Development Blueprint, our company prioritizes environmental and social sustainability. In 2021, we reorganized our original "Corporate Social Responsibility Committee" into the "Sustainability Development Committee (also known as the ESG Committee)" to implement our sustainable development plan. In August 2025, the Board of Directors approved the "Sustainability Development Committee Organizational Regulations," further elevating it to a Board-level committee to enhance corporate governance quality and strengthen communication with shareholders. In addition to regularly updating our company website with the latest financial and business information, we also hold regular investor briefings to increase transparency in information disclosure. We publish an annual sustainability report and obtain certification. We will continue to promote corporate governance-related matters in the future. The 2025 Sustainability Report discloses information covering the Pingzhen, Ningbo, Ningbo Jingchuang, and Chongqing plants. The company has obtained ISO 14064 greenhouse gas emissions certification, ISO 14067 product carbon footprint assurance certification, and its waste and water resource information has been verified by a third party with limited certainty. The ISO 50001 energy management digital system is online and in use. CPPA renewable energy has begun to be used in accordance with the contract, and the proportion of renewable energy in total electricity supply will reach approximately 15% in 2025, with a projected annual increase. In recent years, the company has received numerous awards, including the British Standards Institution (BSI) "Sustainability Excellence Award," the Taiwan Institute of Directors' "Top 100 Foreign Investors in Taiwan" award, CommonWealth Magazine's "Paris Agreement 1.5°C Temperature Control Target Certification," and a low-risk assessment from the internationally renowned ESG sustainability assessment agency Sustainalytics. The company's responsible attitude and commitment over the years have earned high recognition and affirmation from the investment market.
- (3) In order to improve customer satisfaction, the company has strengthened its existing "customer relationship management system", which has been recognized by many manufacturers and affirmed by customers, and continues to strengthen the technology level of the company to meet the application needs of customers.
- (4) To implement supply chain security management, information confidentiality management, and enhance trade competitiveness, our company has obtained and maintains multiple management system certifications, including Quality Management System (ISO 9001), Automotive Industry Quality System Certification (IATF 16949), Environmental Management System (ISO 14001), Taiwan Occupational Safety and Health Management System (CNS15506), Information Security Management System (ISO/IEC 27001), Hazardous Substance Process Management System (IECQ QC 080000:2017), Occupational Safety and Health Management System (ISO 45001), Taiwan Intellectual Property Management Standard (TIPS) Level A certification, and the Health Promotion Mark and AEO (Authorized Economic Operator) certifications issued by the Ministry of Health and Welfare. Furthermore, our company obtained ISO 20400 Sustainable Procurement Certification by 2025, which will be used to declare supplier management policies and strengthen management assessment mechanisms, requiring suppliers to support and comply with ESG-related issues.
- (5) In response to crisis events and external potential risks, if there is any impact on the company's operations and corporate reputation, the crisis management mechanism will be launched

immediately, and the emergency response team will conduct risk assessment and take necessary actions.

**(VIII) Expected benefits, possible risks and countermeasures for merger: None**

**(IX) Expected benefits, possible risks and countermeasures for plant and production line expansions**

Production expansion benefits:

The Company continues to expand production capacity of its Ping-Zhen Plant (Taiwan), Ning-Bo Plant, TETC and Chong-Qing Plant to expand its economic scale, reduce production costs and upgrade product specification. The production capacity is, according to the production capacity plan, expected to increase to meet market demand and increase market share

Possible risks:

Declined demand, low production capacity, increased production costs.

Countermeasures:

If the target market demand is not as expected and the product development progress is delayed, in order to avoid the imbalance between supply and demand, the product specifications will be flexibly adjusted to increase the utilization rate, and the product process capability will be accelerated, the yield rate and production efficiency will be improved, and the product sales mix will be optimized to enhance the group Overall profit

**(X) Risks involved in intensive purchase or sales and the countermeasures therefor:**

Each major raw material shall have purchase source of more than two suppliers to avoid risks from intensive purchase. The sales targets are mainly the prestigious domestic and foreign manufactures in communications, information and consumer products industries; except for a customer who accounts for more than 10% of the Company's total sales ratio due to its scale of operations, continued expansion and growth requirements, there are no risks from intensive sales.

**(XI) The impact and risk on the Company from massive transfer or replacement of equity by directors, supervisor or shareholder(s) holding more than 10% of the shares and the countermeasures therefor: None**

**(XII) The impact and risk on the Company from changes in the right to operate and the countermeasures therefor: None**

**(XIII) Litigation or non-litigation incidents: Major lawsuits, non-litigations or administrative disputes (determined or in-process) involving the Company and the Company's directors, supervisor, CEO, substantive directors, large shareholder(s) and subsidiary holding more than 10% of the Company's shares shall, if outcome of the lawsuit may have a material effect on shareholders' equity or the price of securities, be specified and disclosed of the facts of the dispute, the amount of the subject matter, the commencement date of the lawsuit, the main parties involved in the case, and status of the cases as of the publication date of the annual report: None**

**(XIV) Other important risks and corresponding countermeasures:** None

**VII. Other important matters:** None

## Chapter 6 Special Disclosure

### I. Subsidiary

(I) Affiliate enterprise merger business report: Please refer to the public information observation station for reporting information

[<https://mops.twse.com.tw> Single company> Electronic document download> Affiliate enterprise three-form area]

### II. The status of private placement of securities in the most recent year and up to the date of publication of the annual report:

#### 2024 Private Placement Status Report

| Item  | 1st Private Placement of 2024<br>Issue Date: September 5,2024  |
|---|--|
| Type of private placement securities                      | Common Shares  |
| Date and Amount approved by the shareholders' meeting     | Date of shareholders' meeting: May 28,2024<br>within the quota of no more than 25,000,000 shares, it will be conducted in batches (up to two batches) within one year from the date of resolution of the shareholders' meeting.  |
| Pricing basis of private placement and its reasonableness | <p>(1) The price of the common share issued in this private placement cash capital increase is determined based on the calculation standard of the private placement reference price resolved by the Company's shareholders' meeting on May 28, 2024, and shall not be less than 80% of the higher of the following two benchmark prices of the Company on the pricing date:</p> <p>A. The simple arithmetic average of the closing prices of common shares calculated on one of 1, 3, and 5 business days before the pricing date, deducting the ex-rights of gratuitous allotment of shares and dividends, and adding back the stock price per share after adding back the right of ex-rights for capital reduction.</p> <p>B. The simple arithmetic average of the closing prices of common shares 30 business days before the pricing date, deducting the ex-rights and dividends of gratuitous share allotment, and adding back the stock price per share after adding back the anti-ex-rights of capital reduction.</p> <p>(2) Private placement common share price determination</p> <p>A. The actual pricing date and the actual issuance price shall be within the range of not less than the majority of the resolution of the shareholders' meeting, and the board of directors is authorized to decide based on the circumstances of the specific person and market conditions in the future. The basis for setting the aforementioned private placement price complies with the provisions of "Directions for Public Companies Conducting Private Placements of Securities "</p> <p>B. The price setting date is June 20, 2024. In accordance with the above-mentioned pricing principles, the simple arithmetic average of the closing prices of the common stocks in the previous three business days, minus the ex-rights and dividends of the free allotment, and the share price after adding back the ex-rights of the capital reduction is NT\$113.17, and the simple arithmetic average of the closing prices of the common stocks in the thirty business days before the pricing date, minus the ex-rights and dividends of the free allotment, and the share price after adding back the ex-rights of the capital reduction is NT\$109.73, and the higher of the two benchmark prices is used to set the reference price at NT\$113.17. The private placement price is proposed to be set at NT\$ 93.50, which is 82.62% of the reference price and is within the range of the resolution of the general meeting of shareholders on May 28, 2024. Therefore, the setting of the private placement price should be reasonable.</p> |
| Method for selecting specific investor                    | The targets of this issuance of common shares are limited to specific persons who comply with the provisions of Article 43-6 of the Securities and Exchange Act and other relevant laws and regulations and relevant letters and explanations from the competent authorities.  |
| Reason and necessity of conducting private placement      | In order to introduce strategic partners in response to the company's long-term development and to stabilize and strengthen the company's product market operation competitiveness, and considering that private placement targets, private placement methods are relatively quick and simple, such as issuing securities through raising, it may not be easy to obtain the required funds smoothly in the short term. It is planned to use private placement to increase cash capital and issue common stock to raise funds from  |

|  |  |   |                                |                               |  |
|--|--|---|--------------------------------|-------------------------------|--|
|  | specific people. By authorizing the board of directors to conduct private placement based on market conditions and in line with the company's actual needs, it will increase the company's flexibility and efficiency to raise capital. The restriction on the transfer of privately-placed securities within three years will further ensure the long-term cooperative relationship between the company and its strategic partners. |   |                                |                               |  |
| Date of payment collection                                       | July 2, 2024   |   |                                |                               |  |
| Information on Counterparties                                    | Name of investor   | Qualification                               | Subscription quantity (shares) | Relationship with the Company | Participation in the Company's operation |
|  | WALSIN TECHNOLOGY CORPORATION  | Article 43-6 of the Securities and Exchange | 20,800,000                     | None                          | None                                     |
|  | INPAQ TECHNOLOGY CO., LTD.   |   | 4,200,000                      | None                          | None                                     |
| Actual subscription price  | NT\$93.50 per share  |   |                                |                               |  |
| Difference between actual subscription price and reference price | The actual subscription price is NT\$93.50, which is 82.62% of the reference price of NT\$113.17.  |   |                                |                               |  |
| Impacts on shareholders' equity                                  | The privately placed common shares is 7.47% to capital shares, it is no significant impact on shareholders' equity.  |   |                                |                               |  |
| Fund utilization and status of implementation                    | The fundraising was completed on July 2, 2024, and the funds raised were NT\$2,337,500,000, which were used to replenish working capital and repay bank loans. The full amount was completed in the third quarter of 2024.   |   |                                |                               |  |
| Private placement benefits                                       | The private placement funds will be used to replenish working capital and repay bank loans, enhance the company's competitiveness, improve operational efficiency and strengthen the effectiveness of the financial structure, which will have a positive impact on shareholders' equity.  |   |                                |                               |  |

### III. Other Necessary Supplement: None

**IV. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None**

**TXC Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2025 and 2024 and  
Independent Auditors' Report**

## DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TXC CORPORATION

By

A handwritten signature in black ink, appearing to read "Peter Lin", with a long horizontal stroke extending to the right.

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PETER LIN  
Chairman

March 13, 2026

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
TXC Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of TXC Corporation (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

#### The Authenticity of Sales Revenue from Specific Customers

Sales revenue is the primary indicator used by management to evaluate business performance. We analyzed customer-specific sales revenue information and identified customers that met certain criteria. Based on our assessment, the sales revenue of these customers was subject to higher risk; therefore, the authenticity of revenue recognition from these customers was identified as a key audit matter. For the accounting policy for revenue recognition, please refer to Note 4.

The key audit procedures that we performed included the following:

1. We obtained an understanding of and tested the appropriateness of the design and the implementation of internal control system that is related to revenue recognition.
2. We selected samples from the revenue details of specific customers, checked the sales orders, delivery notes, shipping documents and invoices of the relevant transactions and reconcile them with the recorded amounts to confirm the authenticity of the revenue.
3. Obtain the subsequent receipt details for specific customers, verify the related supporting documents, and examine whether there are any anomalies between the sales counterparties and the payment counterparties to ensure the authenticity of revenue.

#### **Other Matter**

We have audited the accompanying parent company only financial statements of TXC Corporation as of December 31, 2025 and 2024 on which we have issued an unmodified opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Chung Hsieh and Yi-Hua Peng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2026

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## TXC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

| ASSETS  | 2025                 |            | 2024                 |            |
|---|----------------------|------------|----------------------|------------|
|   | Amount               | %          | Amount               | %          |
| <b>CURRENT ASSETS</b>   |                      |            |                      |            |
| Cash and cash equivalents (Notes 4 and 6)   | \$ 3,877,499         | 18         | \$ 3,906,374         | 18         |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7)                 | 1,958,062            | 9          | 1,467,890            | 7          |
| Financial assets at amortized cost - current (Notes 4 and 9)                                    | 346,777              | 2          | 104,092              | -          |
| Notes receivable (Notes 4 and 10)   | 210,500              | 1          | 190,906              | 1          |
| Trade receivables (Notes 4 and 10)  | 3,435,759            | 16         | 3,560,547            | 16         |
| Trade receivables from related parties (Notes 4, 10 and 29)                                     | 19,472               | -          | 8,903                | -          |
| Finance lease receivables - current (Note 11)   | 2,396                | -          | 4,640                | -          |
| Other receivables (Note 4)  | 64,227               | -          | 70,868               | -          |
| Other receivables from related parties (Notes 4 and 29)   | 854                  | -          | 834                  | -          |
| Current tax assets (Notes 4 and 24)   | 78,982               | -          | 78,982               | -          |
| Inventories (Notes 4 and 12)  | 2,732,019            | 12         | 2,825,101            | 13         |
| Other current assets  | 222,182              | 1          | 340,137              | 2          |
| Total current assets  | 12,948,729           | 59         | 12,559,274           | 57         |
| <b>NON-CURRENT ASSETS</b>   |                      |            |                      |            |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 132,850              | 1          | 400,903              | 2          |
| Financial assets at amortized cost - non-current (Notes 4 and 9)                                | -                    | -          | 215,803              | 1          |
| Investments accounted for using the equity method (Notes 4 and 14)                              | 445,948              | 2          | 464,962              | 2          |
| Property, plant and equipment (Notes 4 and 15)  | 7,255,081            | 33         | 6,984,104            | 31         |
| Right-of-use assets (Notes 4, 16 and 29)  | 194,698              | 1          | 208,109              | 1          |
| Investment properties (Notes 4 and 17)  | 576,211              | 3          | 610,690              | 3          |
| Other intangible assets (Note 4)  | 47,887               | -          | 42,044               | -          |
| Deferred tax assets (Notes 4 and 24)  | 36,628               | -          | 39,156               | -          |
| Finance lease receivables - non-current (Note 11)   | -                    | -          | 2,444                | -          |
| Prepayment for equipment  | 165,649              | 1          | 628,193              | 3          |
| Net defined benefit assets - non-current (Notes 4 and 20)                                       | -                    | -          | 5,227                | -          |
| Other non-current assets  | 15,822               | -          | 9,617                | -          |
| Total non-current assets  | 8,870,774            | 41         | 9,611,252            | 43         |
| <b>TOTAL</b>  | <b>\$ 21,819,503</b> | <b>100</b> | <b>\$ 22,170,526</b> | <b>100</b> |
| <b>LIABILITIES AND EQUITY</b>   |                      |            |                      |            |
| <b>CURRENT LIABILITIES</b>  |                      |            |                      |            |
| Short-term borrowings (Note 18)   | \$ 395,480           | 2          | \$ 206,126           | 1          |
| Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)            | 274                  | -          | -                    | -          |
| Contract liabilities - current (Notes 12 and 22)  | -                    | -          | 42                   | -          |
| Trade payables  | 1,695,801            | 8          | 1,689,082            | 8          |
| Trade payables to related parties (Note 29)   | 21,684               | -          | 1,767                | -          |
| Other payables (Note 19)  | 1,351,184            | 6          | 1,311,297            | 6          |
| Other payables to related parties (Note 29)   | 1,374                | -          | 16,989               | -          |
| Current tax liabilities (Notes 4 and 24)  | 109,474              | -          | 96,968               | 1          |
| Lease liabilities - current (Notes 4, 16 and 29)  | 6,500                | -          | 8,400                | -          |
| Deferred revenue - current (Notes 19 and 26)  | 51,956               | -          | 44,746               | -          |
| Current portion of long-term liabilities (Note 18)  | 385,281              | 2          | 728,189              | 3          |
| Other current liabilities   | 50,330               | -          | 95,303               | -          |
| Total current liabilities   | 4,069,338            | 18         | 4,198,909            | 19         |
| <b>NON-CURRENT LIABILITIES</b>  |                      |            |                      |            |
| Long-term borrowings (Note 18)  | 1,281,436            | 6          | 1,187,027            | 5          |
| Deferred tax liabilities (Notes 4 and 24)   | 140,677              | 1          | 139,428              | 1          |
| Lease liabilities - non-current (Notes 4, 16 and 29)  | 1,814                | -          | 8,349                | -          |
| Deferred revenue - non-current (Notes 19 and 26)  | 159,919              | 1          | 62,028               | -          |
| Guarantee deposits received   | 129,524              | -          | 130,606              | 1          |
| Total non-current liabilities   | 1,713,370            | 8          | 1,527,438            | 7          |
| Total liabilities   | 5,782,708            | 26         | 5,726,347            | 26         |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)</b>                                   |                      |            |                      |            |
| Share capital   |                      |            |                      |            |
| Ordinary shares   | 3,429,930            | 16         | 3,429,930            | 15         |
| Capital surplus   | 4,622,037            | 21         | 4,622,137            | 21         |
| Retained earnings   |                      |            |                      |            |
| Legal reserve   | 2,653,110            | 12         | 2,437,715            | 11         |
| Special reserve   | 222,793              | 1          | 527,767              | 3          |
| Unappropriated earnings   | 5,729,985            | 26         | 5,379,666            | 24         |
| Total retained earnings   | 8,605,888            | 39         | 8,345,148            | 38         |
| Other equity  |                      |            |                      |            |
| Exchange differences on translation of the financial statements of foreign operations           | (369,158)            | (2)        | (140,531)            | -          |
| Unrealized (loss) gain on financial assets at fair value through other comprehensive income     | (104,942)            | -          | 67,671               | -          |
| Total other equity  | (474,100)            | (2)        | (72,860)             | -          |
| Treasury shares   | (264,017)            | (1)        | -                    | -          |
| Total equity attributable to owners of the Company  | 15,919,738           | 73         | 16,324,355           | 74         |
| <b>NON-CONTROLLING INTERESTS</b>  |                      |            |                      |            |
| Total equity  | 16,036,795           | 74         | 16,444,179           | 74         |
| <b>TOTAL</b>  | <b>\$ 21,819,503</b> | <b>100</b> | <b>\$ 22,170,526</b> | <b>100</b> |

The accompanying notes are an integral part of the consolidated financial statements.

## TXC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|  | 2025               |             | 2024               |             |
|--|--------------------|-------------|--------------------|-------------|
|  | Amount             | %           | Amount             | %           |
| SALES (Notes 4, 22 and 29)   | \$ 13,348,901      | 100         | \$ 12,672,258      | 100         |
| COST OF GOODS SOLD (Notes 12, 23 and 29)   | <u>(8,938,963)</u> | <u>(67)</u> | <u>(8,185,113)</u> | <u>(65)</u> |
| GROSS PROFIT   | <u>4,409,938</u>   | <u>33</u>   | <u>4,487,145</u>   | <u>35</u>   |
| OPERATING EXPENSES (Notes 23 and 29)   |                    |             |                    |             |
| Selling and marketing expenses   | 540,365            | 4           | 534,537            | 4           |
| General and administrative expenses  | 785,386            | 6           | 735,199            | 6           |
| Research and development expenses  | <u>1,060,519</u>   | <u>8</u>    | <u>1,080,925</u>   | <u>8</u>    |
| Total operating expenses   | <u>2,386,270</u>   | <u>18</u>   | <u>2,350,661</u>   | <u>18</u>   |
| PROFIT FROM OPERATIONS   | <u>2,023,668</u>   | <u>15</u>   | <u>2,136,484</u>   | <u>17</u>   |
| NON-OPERATING INCOME AND EXPENSES  |                    |             |                    |             |
| Interest income (Note 23)  | 53,661             | -           | 72,417             | 1           |
| Other income (Notes 23 and 29)   | 221,634            | 2           | 137,373            | 1           |
| Other gains and losses (Notes 23 and 29)   | (39,462)           | -           | 268,509            | 2           |
| Finance costs (Note 23)  | (66,806)           | (1)         | (56,143)           | (1)         |
| Shares of profits of associates and joint ventures<br>(Note 14)  | <u>7,629</u>       | <u>-</u>    | <u>16,200</u>      | <u>-</u>    |
| Total non-operating income and expenses  | <u>176,656</u>     | <u>1</u>    | <u>438,356</u>     | <u>3</u>    |
| PROFIT BEFORE INCOME TAX   | 2,200,324          | 16          | 2,574,840          | 20          |
| INCOME TAX EXPENSE (Notes 4 and 24)  | <u>(395,985)</u>   | <u>(3)</u>  | <u>(438,301)</u>   | <u>(3)</u>  |
| NET PROFIT FOR THE YEAR  | <u>1,804,339</u>   | <u>13</u>   | <u>2,136,539</u>   | <u>17</u>   |
| OTHER COMPREHENSIVE (LOSS) INCOME  |                    |             |                    |             |
| Items that will not be reclassified subsequently to<br>profit or loss:   |                    |             |                    |             |
| Remeasurement of defined benefit plans   | 12,247             | -           | 16,307             | -           |
| Unrealized gain on investments in equity<br>instruments at fair value through other<br>comprehensive income          | 54,661             | 1           | 12,793             | -           |
| Share of the other comprehensive income of<br>associates and joint ventures accounted for using<br>the equity method | <u>248</u>         | <u>-</u>    | <u>165</u>         | <u>-</u>    |
|  | <u>67,156</u>      | <u>1</u>    | <u>29,265</u>      | <u>-</u>    |

(Continued)

## TXC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|   | 2025                |            | 2024                |           |
|---|---------------------|------------|---------------------|-----------|
|   | Amount              | %          | Amount              | %         |
| Items that may be reclassified subsequently to profit or loss:  |                     |            |                     |           |
| Exchange differences on translation of the financial statements of foreign operations                                 | \$ (236,655)        | (2)        | \$ 424,239          | 4         |
| Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method | <u>(3,775)</u>      | <u>-</u>   | <u>17,936</u>       | <u>-</u>  |
|   | <u>(240,430)</u>    | <u>(2)</u> | <u>442,175</u>      | <u>4</u>  |
| Other comprehensive income (loss) for the year, net of income tax   | <u>(173,274)</u>    | <u>(1)</u> | <u>471,440</u>      | <u>4</u>  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  | <u>\$ 1,631,065</u> | <u>12</u>  | <u>\$ 2,607,979</u> | <u>21</u> |
| <b>NET PROFIT ATTRIBUTABLE TO:</b>  |                     |            |                     |           |
| Owners of the Company   | \$ 1,804,534        | 14         | \$ 2,137,415        | 17        |
| Non-controlling interests   | <u>(195)</u>        | <u>-</u>   | <u>(876)</u>        | <u>-</u>  |
|   | <u>\$ 1,804,339</u> | <u>14</u>  | <u>\$ 2,136,539</u> | <u>17</u> |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>  |                     |            |                     |           |
| Owners of the Company   | \$ 1,643,063        | 12         | \$ 2,608,855        | 21        |
| Non-controlling interests   | <u>(11,998)</u>     | <u>-</u>   | <u>(876)</u>        | <u>-</u>  |
|   | <u>\$ 1,631,065</u> | <u>12</u>  | <u>\$ 2,607,979</u> | <u>21</u> |
| <b>EARNINGS PER SHARE (Note 25)</b>   |                     |            |                     |           |
| From continuing operations  |                     |            |                     |           |
| Basic   | <u>\$ 5.28</u>      |            | <u>\$ 6.55</u>      |           |
| Diluted   | <u>\$ 5.23</u>      |            | <u>\$ 6.39</u>      |           |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

**TXC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

|   | Equity Attributable to Owners of the Company |                 |  |                 |                   |                 |                            |  |   |                 |               |                              |               |
|---|--|-----------------|--|-----------------|-------------------|-----------------|----------------------------|--|---|-----------------|---------------|------------------------------|---------------|
|   | Shares (In<br>Thousands)                     | Share Capital   |  |                 | Retained Earnings |                 |                            | Others   |   | Treasury Shares | Total         | Non-controlling<br>Interests | Total Equity  |
|   |  | Ordinary Shares | Bond Conversion<br>Entitlement<br>Certificates | Capital Surplus | Legal Reserve     | Special Reserve | Unappropriated<br>Earnings | Exchange<br>Differences on<br>Translating the<br>Financial<br>Statements of<br>Foreign<br>Operations | Unrealized Gain<br>(Loss) on<br>Financial Assets<br>at Fair Value<br>Through Other<br>Comprehensive<br>Income |                 |               |                              |               |
| BALANCE ON JANUARY 1, 2024  | 309,758                                      | \$ 3,097,570    | \$ 9   | \$ 1,718,693    | \$ 2,243,247      | \$ 143,071      | \$ 5,198,793               | \$ (582,706)   | \$ 54,939   | \$ -            | \$ 11,873,616 | \$ -                         | \$ 11,873,616 |
| Appropriation of 2023 earnings (Note 21)  |  |                 |  |                 |                   |                 |                            |  |   |                 |               |                              |               |
| Legal reserve   | -  | -               | -  | -               | 194,468           | -               | (194,468)                  | -  | -   | -               | -             | -                            | -             |
| Special reserve   | -  | -               | -  | -               | -                 | 384,696         | (384,696)                  | -  | -   | -               | -             | -                            | -             |
| Cash dividends distributed by the company   | -  | -               | -  | -               | -                 | -               | (1,393,911)                | -  | -   | -               | (1,393,911)   | -                            | (1,393,911)   |
| Net profit for the year ended December 31, 2024   | -  | -               | -  | -               | -                 | -               | 2,137,415                  | -  | -   | -               | 2,137,415     | (876)                        | 2,136,539     |
| Other comprehensive income (loss) for the year ended<br>December 31, 2024, net of income tax                    | -  | -               | -  | -               | -                 | -               | 16,533                     | 442,175  | 12,732  | -               | 471,440       | -                            | 471,440       |
| Total comprehensive income (loss) for the year ended<br>December 31, 2024                                       | -  | -               | -  | -               | -                 | -               | 2,153,948                  | 442,175  | 12,732  | -               | 2,608,855     | (876)                        | 2,607,979     |
| Convertible bonds converted to ordinary shares  | 8,235  | 82,360          | (9)  | 816,091         | -                 | -               | -                          | -  | -   | -               | 898,442       | -                            | 898,442       |
| Donations from shareholders   | -  | -               | -  | (147)           | -                 | -               | -                          | -  | -   | -               | (147)         | -                            | (147)         |
| Issuance of ordinary shares for cash  | 25,000                                       | 250,000         | -  | 2,087,500       | -                 | -               | -                          | -  | -   | -               | 2,337,500     | -                            | 2,337,500     |
| Changes in non-controlling interests  | -  | -               | -  | -               | -                 | -               | -                          | -  | -   | -               | -             | 120,700                      | 120,700       |
| BALANCE ON DECEMBER 31, 2024  | 342,993                                      | 3,429,930       | -  | 4,622,137       | 2,437,715         | 527,767         | 5,379,666                  | (140,531)  | 67,671  | -               | 16,324,355    | 119,824                      | 16,444,179    |
| Appropriation of 2024 earnings (Note 21)  |  |                 |  |                 |                   |                 |                            |  |   |                 |               |                              |               |
| Legal reserve   | -  | -               | -  | -               | 215,395           | -               | (215,395)                  | -  | -   | -               | -             | -                            | -             |
| Reversal of special reserve   | -  | -               | -  | -               | -                 | (304,974)       | 304,974                    | -  | -   | -               | -             | -                            | -             |
| Cash dividends distributed by the company   | -  | -               | -  | -               | -                 | -               | (1,783,563)                | -  | -   | -               | (1,783,563)   | -                            | (1,783,563)   |
| Net profit for the year ended December 31, 2025   | -  | -               | -  | -               | -                 | -               | 1,804,534                  | -  | -   | -               | 1,804,534     | (195)                        | 1,804,339     |
| Other comprehensive income (loss) for the year ended<br>December 31, 2025, net of income tax                    | -  | -               | -  | -               | -                 | -               | 12,533                     | (228,627)  | 54,623  | -               | (161,471)     | (11,803)                     | (173,274)     |
| Total comprehensive income (loss) for the year ended<br>December 31, 2025                                       | -  | -               | -  | -               | -                 | -               | 1,817,067                  | (228,627)  | 54,623  | -               | 1,643,063     | (11,998)                     | 1,631,065     |
| Donations from shareholders   | -  | -               | -  | (100)           | -                 | -               | -                          | -  | -   | -               | (100)         | -                            | (100)         |
| Disposal of investments in equity instruments designated as at<br>fair value through other comprehensive income | -  | -               | -  | -               | -                 | -               | 227,236                    | -  | (227,236)   | -               | -             | -                            | -             |
| Buy-back of ordinary shares   | -  | -               | -  | -               | -                 | -               | -                          | -  | -   | (264,017)       | (264,017)     | -                            | (264,017)     |
| Changes in non-controlling interests  | -  | -               | -  | -               | -                 | -               | -                          | -  | -   | -               | -             | 9,231                        | 9,231         |
| BALANCE ON DECEMBER 31, 2025  | 342,993                                      | \$ 3,429,930    | \$ -   | \$ 4,622,037    | \$ 2,653,110      | \$ 222,793      | \$ 5,729,985               | \$ (369,158)   | \$ (104,942)  | \$ (264,017)    | \$ 15,919,738 | \$ 117,057                   | \$ 16,036,795 |

The accompanying notes are an integral part of the consolidated financial statements.

# TXC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|   | 2025             | 2024             |
|---|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                  |                  |
| Income before income tax  | \$ 2,200,324     | \$ 2,574,840     |
| Adjustments for:  |                  |                  |
| Depreciation expense  | 1,232,541        | 1,163,646        |
| Amortization expense  | 15,095           | 17,946           |
| Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss | (26,455)         | (31,998)         |
| Finance costs   | 66,806           | 56,143           |
| Interest income   | (53,661)         | (72,417)         |
| Dividend income   | (1,072)          | (4,651)          |
| Share of profit of associates and joint ventures  | (7,629)          | (16,200)         |
| (Gain) loss on disposal of property, plant and equipment  | (11,500)         | 332              |
| Impairment reversed on property, plant and equipment  | (296)            | (5,617)          |
| Write-down of inventories   | 9,778            | 10,625           |
| Changes in operating assets and liabilities   |                  |                  |
| Notes receivable  | (19,594)         | (103,335)        |
| Trade receivables   | 124,856          | (401,317)        |
| Trade receivables from related parties  | (10,569)         | (526)            |
| Other receivables   | 6,116            | (38,621)         |
| Other receivables from related parties  | (20)             | 359              |
| Inventories   | 83,474           | (432,526)        |
| Other current assets  | 117,955          | (230,938)        |
| Finance lease receivables   | 4,415            | 4,166            |
| Contract liabilities  | (42)             | -                |
| Trade payables  | 6,719            | 274,124          |
| Trade payables to related parties   | 19,917           | 797              |
| Other payables  | 39,657           | 209,776          |
| Other payables to related parties   | (15,615)         | 15,000           |
| Other current liabilities   | (44,973)         | 27,655           |
| Net defined benefit assets  | 20,536           | (4,948)          |
| Deferred revenue  | 105,101          | (12,110)         |
| Cash generated from operations  | 3,861,864        | 3,000,205        |
| Interest paid   | (66,576)         | (50,194)         |
| Income tax paid   | (382,548)        | (354,352)        |
| Net cash generated from operating activities  | <u>3,412,740</u> | <u>2,595,659</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                  |                  |
| Proceeds from sale of financial assets at fair value through other comprehensive income                 | 310,701          | -                |
| Purchase of financial assets at amortized cost  | (35,540)         | (5,082)          |
| Purchase of financial assets at fair value through profit or loss                                       | (547,329)        | (787,253)        |
| Payments for property, plant and equipment  | (1,198,467)      | (2,198,588)      |
| Proceeds from disposal of property, plant and equipment   | 97,440           | 53,795           |
| Payments for intangible assets  | (21,565)         | (13,503)         |

(Continued)

## TXC CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| Increase in other non-current assets  | \$ (6,205)          | \$ -                |
| Decrease in other non-current assets  | -                   | 72                  |
| Increase in prepayment for equipment  | -                   | (280,174)           |
| Interest received   | 54,176              | 72,251              |
| Dividends received  | <u>23,087</u>       | <u>22,215</u>       |
| Net cash used in investing activities   | <u>(1,323,702)</u>  | <u>(3,136,267)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                     |                     |
| Proceeds of short-term borrowings   | 166,449             | -                   |
| Repayments of short-term borrowings   | -                   | (46,754)            |
| Repayment of bonds payable  | -                   | (301,400)           |
| Proceeds from long-term borrowings  | 2,899,501           | 3,757,731           |
| Repayments of long-term borrowings  | (3,120,091)         | (4,435,716)         |
| Proceeds from guarantee deposits received   | -                   | 50,815              |
| Refund of guarantee deposits received   | (1,082)             | -                   |
| Repayment of the principal portion of lease liabilities                               | (8,228)             | (8,209)             |
| Dividends paid to owners of the Company   | (1,783,563)         | (1,393,911)         |
| Proceeds from issuance of ordinary shares   | -                   | 2,337,500           |
| Payments for buy-back of ordinary shares  | (264,017)           | -                   |
| Changes in non-controlling interests  | 9,231               | 120,700             |
| Other changes in capital surplus  | <u>(100)</u>        | <u>(147)</u>        |
| Net cash (used in) generated from financing activities                                | <u>(2,101,900)</u>  | <u>80,609</u>       |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE<br>OF CASH HELD IN FOREIGN CURRENCIES | <u>(16,013)</u>     | <u>162,104</u>      |
| NET DECREASE IN CASH AND CASH EQUIVALENTS   | (28,875)            | (297,895)           |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br>YEAR                             | <u>3,906,374</u>    | <u>4,204,269</u>    |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR                                      | <u>\$ 3,877,499</u> | <u>\$ 3,906,374</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# TXC CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

TXC Corporation (the “Company”) was incorporated in the Republic of China (ROC) on December 28, 1983.

TXC specializes in producing high quality crystals and crystal oscillator (CXO) as well as develops a variety of sensors by core technology to satisfy the market demand. Sensors are applied to various applications including mobile communication, information and storage device, internet of things, vehicle electronics, telecommunication equipment, smart home, AI, medical care, and 5G, etc.

TXC’s shares have been listed on the Taiwan Stock Exchange since August 26, 2002.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

To ensure the rights and interests of investors through full disclosure of operational governance, the Company applied for the Corporate Governance Assessment held by the Taiwan Corporate Governance Association (TCGA). For the “Corporate Governance Evaluation” jointly held by the Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange, under the category of listed companies, the company was awarded as the top 20 percent in 2014, top 5 percent from 2015 to 2017, and top 6 to 20 percent from 2018 to 2024. The Company will continue to strengthen corporate governance with the intention to achieve international standards for protection of public interest. Since 2009, the Company has continuously prepared its Corporate Social Responsibility (CSR) Report in accordance with the GRI Standards. In 2021, the Company formally established the Sustainability Development Committee (ESG Committee) and simultaneously transformed the CSR Report into the Sustainability Report (ESG Report). The Company has obtained assurance from the third party verification body, the British Standards Institution (BSI), and has incorporated the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) standards to align its sustainability disclosures with international practices.

In response to global sustainability trends and growing customer expectations regarding supply chain responsibility, the Company fully adopted the ISO 20400 Sustainable Procurement Guidelines beginning in 2025. The relevant operational procedures have been established and certified, and the Company continues to enhance sustainable supply chain governance through a structured and institutionalized management framework.

In the area as of climate change and energy management, the Company has established an ISO 50001 Energy Management System and has progressively completed the ISO 14064-1 organizational greenhouse gas inventory and the ISO 14067 product carbon footprint assessment. Through systematic energy data management and monitoring mechanisms, the Company has enhanced energy-use efficiency. At the same time, the Company has adopted a dual-track strategy of procuring external renewable energy and installing in-house solar power generation systems. In 2025, the Group’s overall renewable energy usage rate reached 15.4%. Looking ahead, the Company will continue to increase the proportion of renewable energy consumption through this dual-track approach.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 9, 2026.

## 3. APPLICATION OF NEW, AMEND AND REVISED STANDARDS, AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

### Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

| <u>New, Amended and Revised Standards and Interpretations</u>   | <u>Effective Date Announced by IASB</u> |
|---|---|
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" | January 1, 2026                         |
| Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"                        | January 1, 2026                         |
| Annual Improvements to IFRS Accounting Standards - Volume 11  | January 1, 2026                         |
| IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)                           | January 1, 2023                         |

### Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- 1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
  - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
  - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- 2) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- 3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

| <u>New, Amended and Revised Standards and Interpretations</u>  | <u>Effective Date<br/>Announced by IASB (Note 1)</u> |
|--|--|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB                             |
| IFRS 18 "Presentation and Disclosure in Financial Statements"  | January 1, 2027 (Note 2)                             |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)             | January 1, 2027                                      |
| Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"  | January 1, 2027                                      |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

#### IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, or other regulations and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 and Table 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the specific identification of cost on the balance sheet date.

Properties for sale

Properties for sale is initially recorded at cost. The borrowing costs directly attributable to properties for sale are capitalized as part of the cost of the asset. When the property sales have been deemed as cost carried forward, cost is allocated by applying sales and building coverage ratios. Once selected, the same construction project cannot be changed in the preceding and following years.

The properties for sale are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling prices of inventories less all estimated costs of completion and estimated costs necessary to make the sale.

g. Investments in associates

An associate is an entity over which the Group has a significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method.

If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

For a transfer of classification from inventories to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the inception of an operating lease.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

## 2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

### k. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

### 1. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

##### a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains and losses. The net gains or losses recognized in other gains and losses does not incorporate any dividends or interest earned on such financial assets. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost and refundable deposits, are measured at amortized cost, which equals the gross carrying amount using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits and repurchase agreement with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method.

### Financial liabilities at FVTPL

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

#### b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

#### 3) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and exchange contracts, interest rate swaps and options.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

#### m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

#### Revenue from the sale of goods

Revenue from the sale of goods comes from sales of crystals frequency control devices and sensors. Sales of crystals frequency control devices and sensors are recognized as revenue when the goods are delivered to the customer's specific location, the goods are shipped and the goods are picked up by customers because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

#### n. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

##### 1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

## 2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

### o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs and other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefit expenses in the period in which they occur and when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

## 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## 3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs and other possible impacts on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 6. CASH AND CASH EQUIVALENTS

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2025</b>         | <b>2024</b>         |
| Cash on hand  | \$ 590              | \$ 725              |
| Checking accounts and demand deposits   | 3,426,909           | 2,760,490           |
| Cash equivalents (investments with original maturities of less than three months) |                     |                     |
| Time deposits   | 300,000             | 1,045,159           |
| Repurchase agreements collateralized by bonds                                     | <u>150,000</u>      | <u>100,000</u>      |
|   | <u>\$ 3,877,499</u> | <u>\$ 3,906,374</u> |

The market rate intervals of cash in bank at the end of the reporting period were as follows:

|   | <b>December 31</b> |               |
|---|--------------------|---------------|
|   | <b>2025</b>        | <b>2024</b>   |
| Demand deposits                               | 0.0001%-3.35%      | 0.0001%-3.76% |
| Time deposits                                 | 1.65%              | 1.50%-4.61%   |
| Repurchase agreements collateralized by bonds | 1.40%-1.41%        | 1.47%         |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2025</b>         | <b>2024</b>         |
| <u>Financial assets - current</u>                             |                     |                     |
| Financial assets mandatorily classified as at FVTPL           |                     |                     |
| Derivative financial instruments (not under hedge accounting) |                     |                     |
| Foreign exchange forward contracts and exchange contracts*    | \$ -                | \$ 1,415            |
| Non-derivative financial assets                               |                     |                     |
| Listed shares   | -                   | 43,000              |
| Beneficiary certificate                                       | 306                 | 308                 |
| Hybrid financial assets                                       |                     |                     |
| Floating income financial products                            | 1,940,403           | 1,405,617           |
| Convertible bonds   | <u>17,353</u>       | <u>17,550</u>       |
|   | <u>1,958,062</u>    | <u>1,466,475</u>    |
|   | <u>\$ 1,958,062</u> | <u>\$ 1,467,890</u> |
| <u>Financial liabilities - current</u>                        |                     |                     |
| Financial liabilities mandatorily classified as at FVTPL      |                     |                     |
| Derivative financial instruments (not under hedge accounting) |                     |                     |
| Foreign exchange forward contracts and exchange contracts*    | \$ 274              | \$ -                |

\* At the end of the reporting period, outstanding foreign exchange forward contracts and exchange contracts not under hedge accounting were as follows:

|                          | Currency | Maturity Date         | Contract Amount<br>(In Thousands) |
|--------------------------|----------|-----------------------|-----------------------------------|
| <u>December 31, 2025</u> |          |                       |                                   |
| Knock-out forward        | USD/RMB  | 2026.01.19-2026.03.16 | USD9,000/RMB64,442                |
| Exchange contracts       | USD/NTD  | 2026.01.14            | USD2,000/NTD59,716                |
| Foreign currency options | USD/NTD  | 2026.01.20-2026.02.24 | USD8,000/NTD249,800               |
| <u>December 31, 2024</u> |          |                       |                                   |
| Knock-out forward        | USD/RMB  | 2025.01.13            | USD4,000/RMB29,030                |
| Exchange contracts       | USD/NTD  | 2025.01.21-2025.02.04 | USD7,000/NTD222,583               |
| Foreign currency options | USD/NTD  | 2025.01.03-2025.02.05 | USD7,000/NTD225,900               |

The Group entered into foreign exchange forward contracts and exchange contracts during the years ended December 31, 2025 and 2024 to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|  | <u>December 31</u> |                   |
|--|--------------------|-------------------|
|  | 2025               | 2024              |
| <u>Non-current</u>                     |                    |                   |
| Domestic investments                   |                    |                   |
| Listed shares                          |                    |                   |
| Win Win Precision Technology Co., Ltd. | \$ -               | \$ 40,678         |
| Unlisted shares                        | <u>34,176</u>      | <u>49,292</u>     |
|  | <u>34,176</u>      | <u>89,970</u>     |
| Foreign investments                    |                    |                   |
| Unlisted shares                        | <u>98,674</u>      | <u>310,933</u>    |
|  | <u>\$ 132,850</u>  | <u>\$ 400,903</u> |

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In 2025, the Group sold its shares in Win Win Precision Technology Co., Ltd. in order to manage credit concentration risk. The shares sold had a fair value of \$64,340 thousand and its related unrealized gain of \$3,984 thousand was transferred from other equity to retained earnings

In 2025, the Group sold its shares in Ningbo SJ Electronics Co., Ltd. in order to manage credit concentration risk. The shares sold had a fair value of \$246,361 thousand and its related unrealized gain of \$223,252 thousand was transferred from other equity to retained earnings

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|  | <u>December 31</u> |                   |
|--|--------------------|-------------------|
|  | <u>2025</u>        | <u>2024</u>       |
| <u>Current</u>   |                    |                   |
| Domestic investments   |                    |                   |
| Pledge deposits (a)  | \$ 88,703          | \$ 104,092        |
| Pledged time deposits (a and b)                                  | 40,000             | -                 |
| Time deposits with original maturities of more than one year (c) | <u>218,074</u>     | <u>-</u>          |
|  | <u>\$ 346,777</u>  | <u>\$ 104,092</u> |

### Non-current

|  |             |                   |
|--|-------------|-------------------|
| Domestic investment  |             |                   |
| Time deposits with original maturity of more than one year (c) | <u>\$ -</u> | <u>\$ 215,803</u> |

- a. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.
- b. As of December 31, 2025, the range of interest rates for pledged time deposits was 0.66%.
- c. The ranges of interest rates for time deposits with original maturities of more than 1 year were approximately 2.9%-3.3% per annum as of December 31, 2025 and 2024.

## 10. NOTES RECEIVABLE AND TRADE RECEIVABLES

|                                     | <u>December 31</u>  |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | <u>2025</u>         | <u>2024</u>         |
| <u>Notes receivable</u>             |                     |                     |
| At amortized cost                   |                     |                     |
| Gross carrying amount               | \$ 210,500          | \$ 190,906          |
| Less: Allowance for impairment loss | <u>-</u>            | <u>-</u>            |
|                                     | <u>\$ 210,500</u>   | <u>\$ 190,906</u>   |
| <u>Trade receivables</u>            |                     |                     |
| At amortized cost                   |                     |                     |
| Gross carrying amount               | \$ 3,468,095        | \$ 3,582,382        |
| Less: Allowance for impairment loss | <u>(12,864)</u>     | <u>(12,932)</u>     |
|                                     | <u>\$ 3,455,231</u> | <u>\$ 3,569,450</u> |

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group recognizes 100% loss allowance for trade receivables of greater than 120 days past due and unsecured.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix:

December 31, 2025

|                               | Not Past Due        | 1 to 60 Days      | 61 to 120 Days | 121 to 180 Days | Over 180 Days | Total               |
|-------------------------------|---------------------|-------------------|----------------|-----------------|---------------|---------------------|
| Expected credit loss rate     | 0.37%               | 0.01%-0.63%       | 3.17%-4.75%    | 100%            | 100%          |                     |
| Gross carrying amount         | \$ 3,502,756        | \$ 175,381        | \$ 458         | \$ -            | \$ -          | \$ 3,678,595        |
| Loss allowance (Lifetime ECL) | <u>(12,819)</u>     | <u>(26)</u>       | <u>(19)</u>    | <u>-</u>        | <u>-</u>      | <u>(12,864)</u>     |
| Amortized cost                | <u>\$ 3,489,937</u> | <u>\$ 175,355</u> | <u>\$ 439</u>  | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ 3,665,731</u> |

December 31, 2024

|                               | Not Past Due        | 1 to 60 Days      | 61 to 120 Days | 121 to 180 Days | Over 180 Days | Total               |
|-------------------------------|---------------------|-------------------|----------------|-----------------|---------------|---------------------|
| Expected credit loss rate     | 0.36%               | 0.04%-0.6%        | 100%           | 100%            | 100%          |                     |
| Gross carrying amount         | \$ 3,560,024        | \$ 213,264        | \$ -           | \$ -            | \$ -          | \$ 3,773,288        |
| Loss allowance (Lifetime ECL) | <u>(12,831)</u>     | <u>(101)</u>      | <u>-</u>       | <u>-</u>        | <u>-</u>      | <u>(12,932)</u>     |
| Amortized cost                | <u>\$ 3,547,193</u> | <u>\$ 213,163</u> | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ 3,760,356</u> |

The movements of the loss allowance of trade receivables were as follows:

|                                   | 2025             | 2024             |
|-----------------------------------|------------------|------------------|
| Balance at January 1              | \$ 12,932        | \$ 13,442        |
| Less: Amounts written off         | -                | (682)            |
| Foreign exchange gains and losses | <u>(68)</u>      | <u>172</u>       |
| Balance at December 31            | <u>\$ 12,864</u> | <u>\$ 12,932</u> |

## 11. FINANCE LEASE RECEIVABLES

|  | <b>December 31</b> |                 |
|--|--------------------|-----------------|
|  | <b>2025</b>        | <b>2024</b>     |
| Undiscounted lease payments                                    |                    |                 |
| Year 1   | \$ 2,439           | \$ 4,846        |
| Year 2   | -                  | 2,486           |
| Year 3   | -                  | -               |
| Year 4   | -                  | -               |
| Year 5   | -                  | -               |
| Year 5 onwards   | -                  | -               |
|  | <u>2,439</u>       | <u>7,332</u>    |
| Less: Unearned finance income                                  | <u>(43)</u>        | <u>(248)</u>    |
| Net investment in leases presented as finance lease receivable | <u>\$ 2,396</u>    | <u>\$ 7,084</u> |

## 12. INVENTORIES

|                                  | <b>December 31</b>  |                     |
|----------------------------------|---------------------|---------------------|
|                                  | <b>2025</b>         | <b>2024</b>         |
| Finished goods                   | \$ 517,760          | \$ 620,191          |
| Work in process                  | 863,613             | 703,672             |
| Raw materials                    | 581,401             | 672,994             |
| Supplies and spare parts         | 135,664             | 142,292             |
| Merchandise                      | 459,019             | 507,971             |
| Buildings and land held for sale | <u>174,562</u>      | <u>177,981</u>      |
|                                  | <u>\$ 2,732,019</u> | <u>\$ 2,825,101</u> |

The cost of crystal inventories recognized as cost of goods sold for 2025 and 2024 included \$8,938,963 thousand and \$8,185,113 thousand, respectively. The cost of goods sold for 2025 and 2024 included inventory write-downs of \$9,778 thousand and \$10,625 thousand, respectively.

The details of the building and land held for sale are as follows:

| <b>Area</b> | <b>December 31, 2025</b>                        |   |
|-------------|---|---|
|             | <b>Buildings and<br/>Land Held for<br/>Sale</b> | <b>Contract<br/>Liabilities -<br/>Current</b> |
| Jing Yuan   | <u>\$ 174,562</u>                               | <u>\$ -</u>                                   |

| <b>Area</b> | <b>December 31, 2024</b>                        |   |
|-------------|---|---|
|             | <b>Buildings and<br/>Land Held for<br/>Sale</b> | <b>Contract<br/>Liabilities -<br/>Current</b> |
| Jing Yuan   | <u>\$ 177,981</u>                               | <u>\$ 42</u>                                  |

### 13. SUBSIDIARIES

#### Subsidiaries Included in the Consolidated Financial Statements

The detail information of the subsidiaries at the end of reporting period was as follows:

| Investor  | Investee   | Nature of Activities   | Proportion of Ownership |      | Remark |
|---|--|--|-------------------------|------|--------|
|   |  |  | 2025                    | 2024 |        |
| TXC Corporation (TXC)                           | Taiwan Crystal Technology International Limited (TCTI)   | Investment management  | 100                     | 100  | a      |
|   | TXC Technology, Inc.   | Marketing activities   | 100                     | 100  | b      |
|   | TXC Japan Corporation  | Marketing activities   | 100                     | 100  | c      |
| Taiwan Crystal Technology International Limited | Taiwan Crystal Technology (HK) Limited (TCT-HK)  | International trading  | 100                     | 100  | e      |
|   | TXC Europe GmbH  | Marketing activities   | 100                     | 100  | j      |
|   | TXC (Ningbo) Corporation (TXC-Ningbo)  | Research and development, manufacture, and sale of quartz elements and related electronic products | 100                     | 100  | d      |
|   | TXC (Ningbo) Corporation   | Research and development, manufacture, and sale of quartz elements and related electronic products | 100                     | 100  | f      |
| TXC (Ningbo) Corporation                        | TXC (Chongqing) Corporation (TXC-Chongqing)  | Research and development, manufacture, and sale of quartz elements and related electronic products | 100                     | 100  | f      |
|   | Chongqing Zhongyang Properties Co., Ltd. (Chongqing Zhongyang)   | Properties development   | 100                     | 100  | g      |
|   | Ningbo Beilun Jingyu Trading Corporation (Beilun Jingyu)   | International trading  | 100                     | 100  | h      |
|   | Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited (Ding Kai Investment) | Investment management  | 100                     | 100  | i      |
|   | TETC CORP. NINGBO (TETC-NINGBO)  | Research and development, manufacture, and sale of quartz elements and related electronic products | 100                     | 100  | l      |
| Chongqing Zhongyang Properties Co., Ltd.        | PT TXC TECHNOLOGY INDONESIA (SUB)  | Research and development, manufacture, and sale of quartz elements and related electronic products | 80                      | 81   | n      |
|   | TETC CORP. NINGBO  | Marketing activities and technical services  | 100                     | 100  | m      |

- a. Taiwan Crystal Technology International Limited was incorporated on December 23, 1998 in Samoa.
- b. TXC Technology, Inc. was incorporated on December 1, 2000 in California, U.S.A.
- c. TXC Japan Corporation was incorporated on September 13, 2005 in Yokohama, Japan.
- d. TXC (Ningbo) Corporation was incorporated on March 12, 1999 in Ningbo, China.
- e. Taiwan Crystal Technology (HK) Limited was incorporated on July 6, 2010 in Hong Kong Special Administrative Region, China.
- f. TXC (Chongqing) Corporation was incorporated on October 11, 2010 in Chongqing, China.
- g. Chongqing Zhongyang Properties Co., Ltd. was incorporated on February 14, 2011 in Chongqing, China.
- h. Ningbo Beilun Jingyu Trading Corporation was incorporated on September 7, 2011 in Ningbo, China.
- i. Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited was incorporated on May 12, 2017 in Beilun District, Ningbo, China.

- j. TXC Europe GmbH was founded in Germany on August 17, 2018.
- k. ChongQing Dingsen Commercial Management Co., Ltd. was incorporated on February 21, 2019 in Chongqing, China.
- l. TETC CORP. NINGBO was incorporated on December 30, 2020 in Ningbo, China.
- m. Shanghai JCH Co., Ltd. was registered on October 13, 2022 in Shanghai, China.
- n. PT TXC Technology Indonesia was registered on March 6, 2024 in Surabaya, Indonesia.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|   | <u>December 31</u> |                   |
|---|--------------------|-------------------|
|   | <u>2025</u>        | <u>2024</u>       |
| Investments in associates and join ventures | <u>\$ 445,948</u>  | <u>\$ 464,962</u> |

a. Investment in associates

|   | <u>December 31</u> |                   |
|---|--------------------|-------------------|
|   | <u>2025</u>        | <u>2024</u>       |
| Associates that are not individually material | <u>\$ 424,120</u>  | <u>\$ 428,728</u> |

|   | <u>For the Year Ended December 31</u> |                  |
|---|---------------------------------------|------------------|
|   | <u>2025</u>                           | <u>2024</u>      |
| The Group's share of:                   |                                       |                  |
| Profit from continuing operations       | \$ 20,925                             | \$ 30,280        |
| Other comprehensive (loss) income       | <u>(3,527)</u>                        | <u>18,101</u>    |
| Total comprehensive income for the year | <u>\$ 17,398</u>                      | <u>\$ 48,381</u> |

Refer to Table 4 "name, locations, and related information of investees on which the Company exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associates.

b. Investment joint venture

|   | <u>December 31</u> |                  |
|---|--------------------|------------------|
|   | <u>2025</u>        | <u>2024</u>      |
| Joint ventures that are not individually material | <u>\$ 21,828</u>   | <u>\$ 36,234</u> |

|                                       | <u>For the Year Ended December 31</u> |                    |
|---------------------------------------|---------------------------------------|--------------------|
|                                       | <u>2025</u>                           | <u>2024</u>        |
| The Group's share of:                 |                                       |                    |
| Loss from continuing operations       | <u>\$ (13,296)</u>                    | <u>\$ (14,080)</u> |
| Total comprehensive loss for the year | <u>\$ (13,296)</u>                    | <u>\$ (14,080)</u> |

Refer to Table 5 “information on investment in mainland China” for the nature of activities, principal place of business and country of incorporation of the joint venture.

## 15. PROPERTY, PLANT AND EQUIPMENT

|   | Freehold Land     | Land Improvements | Buildings           | Machinery and Equipment | Transportation Equipment | Office Equipment  | Property under Construction | Total                |
|---|-------------------|-------------------|---------------------|-------------------------|--------------------------|-------------------|-----------------------------|----------------------|
| <b>Cost</b>                                     |                   |                   |                     |                         |                          |                   |                             |                      |
| Balance at January 1, 2024                      | \$ 621,855        | \$ 3,024          | \$ 2,898,736        | \$ 11,137,193           | \$ 24,059                | \$ 433,368        | \$ 283,196                  | \$ 15,401,431        |
| Additions                                       | 79,407            | -                 | 262,532             | 1,108,506               | 3,809                    | 151,600           | 592,734                     | 2,198,588            |
| Disposals                                       | -                 | -                 | (3,684)             | (365,942)               | -                        | (9,998)           | -                           | (379,624)            |
| Reclassified from intangible assets             | -                 | -                 | -                   | -                       | -                        | 6,165             | -                           | 6,165                |
| Reclassified                                    | -                 | -                 | 90                  | 5,053                   | -                        | (5,053)           | (90)                        | -                    |
| Effect of foreign currency exchange differences | 1,982             | -                 | 67,830              | 341,378                 | 1,229                    | 17,914            | 27,888                      | 458,221              |
| Balance at December 31, 2024                    | <u>\$ 703,244</u> | <u>\$ 3,024</u>   | <u>\$ 3,225,504</u> | <u>\$ 12,226,188</u>    | <u>\$ 29,097</u>         | <u>\$ 593,996</u> | <u>\$ 903,728</u>           | <u>\$ 17,684,781</u> |
| <b>Accumulated depreciation and impairment</b>  |                   |                   |                     |                         |                          |                   |                             |                      |
| Balance at January 1, 2024                      | \$ -              | \$ 1,898          | \$ 1,476,351        | \$ 7,817,454            | \$ 18,861                | \$ 316,536        | \$ -                        | \$ 9,631,100         |
| Disposals                                       | -                 | -                 | (3,684)             | (311,989)               | -                        | (9,824)           | -                           | (325,497)            |
| Depreciation expenses                           | -                 | 312               | 136,543             | 939,370                 | 2,875                    | 51,226            | -                           | 1,130,326            |
| Reversal of impairment losses                   | -                 | -                 | -                   | (5,617)                 | -                        | -                 | -                           | (5,617)              |
| Effect of foreign currency exchange differences | -                 | -                 | 35,636              | 222,189                 | 982                      | 11,558            | -                           | 270,365              |
| Balance at December 31, 2024                    | <u>\$ -</u>       | <u>\$ 2,210</u>   | <u>\$ 1,644,846</u> | <u>\$ 8,661,407</u>     | <u>\$ 22,718</u>         | <u>\$ 369,496</u> | <u>\$ -</u>                 | <u>\$ 10,700,677</u> |
| Carrying value at December 31, 2024             | <u>\$ 703,244</u> | <u>\$ 814</u>     | <u>\$ 1,580,658</u> | <u>\$ 3,564,781</u>     | <u>\$ 6,379</u>          | <u>\$ 224,500</u> | <u>\$ 903,728</u>           | <u>\$ 6,984,104</u>  |
| <b>Cost</b>                                     |                   |                   |                     |                         |                          |                   |                             |                      |
| Balance at January 1, 2025                      | \$ 703,244        | \$ 3,024          | \$ 3,225,504        | \$ 12,226,188           | \$ 29,097                | \$ 593,996        | \$ 903,728                  | \$ 17,684,781        |
| Additions                                       | -                 | -                 | 346,771             | 803,556                 | 161                      | 32,401            | 15,578                      | 1,198,467            |
| Disposals                                       | -                 | (1,599)           | (21,887)            | (394,841)               | -                        | (14,471)          | -                           | (432,798)            |
| Reclassified as investment properties           | -                 | -                 | (8,519)             | -                       | -                        | -                 | -                           | (8,519)              |
| Reclassified                                    | -                 | -                 | 865,763             | (1,171)                 | -                        | 1,502             | (866,094)                   | -                    |
| Reclassified from prepayments for equipment     | -                 | -                 | -                   | 462,544                 | -                        | -                 | -                           | 462,544              |
| Effect of foreign currency exchange differences | (7,731)           | -                 | (6,461)             | (125,711)               | (561)                    | (8,451)           | (51,414)                    | (200,329)            |
| Balance at December 31, 2025                    | <u>\$ 695,513</u> | <u>\$ 1,425</u>   | <u>\$ 4,401,171</u> | <u>\$ 12,970,565</u>    | <u>\$ 28,697</u>         | <u>\$ 604,977</u> | <u>\$ 1,798</u>             | <u>\$ 18,704,146</u> |
| <b>Accumulated depreciation and impairment</b>  |                   |                   |                     |                         |                          |                   |                             |                      |
| Balance at January 1, 2025                      | \$ -              | \$ 2,210          | \$ 1,644,846        | \$ 8,661,407            | \$ 22,718                | \$ 369,496        | \$ -                        | \$ 10,700,677        |
| Disposals                                       | -                 | (1,599)           | (21,887)            | (310,344)               | -                        | (13,028)          | -                           | (346,858)            |
| Depreciation expenses                           | -                 | 213               | 188,697             | 942,330                 | 2,379                    | 64,676            | -                           | 1,198,295            |
| Reversal of impairment losses                   | -                 | -                 | -                   | (296)                   | -                        | -                 | -                           | (296)                |
| Reclassified as investment properties           | -                 | -                 | (6,157)             | -                       | -                        | -                 | -                           | (6,157)              |
| Reclassified                                    | -                 | -                 | (282)               | 217                     | -                        | 65                | -                           | -                    |
| Effect of foreign currency exchange differences | -                 | -                 | (11,806)            | (80,441)                | (552)                    | (3,997)           | -                           | (96,596)             |
| Balance at December 31, 2025                    | <u>\$ -</u>       | <u>\$ 824</u>     | <u>\$ 1,793,411</u> | <u>\$ 9,212,873</u>     | <u>\$ 24,745</u>         | <u>\$ 417,212</u> | <u>\$ -</u>                 | <u>\$ 11,449,065</u> |
| Carrying value at December 31, 2025             | <u>\$ 695,513</u> | <u>\$ 601</u>     | <u>\$ 2,607,760</u> | <u>\$ 3,757,692</u>     | <u>\$ 3,952</u>          | <u>\$ 187,765</u> | <u>\$ 1,798</u>             | <u>\$ 7,255,081</u>  |

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

|                             |            |
|-----------------------------|------------|
| Land improvements           | 7 years    |
| Buildings                   | 3-51 years |
| Equipment                   |            |
| Major production equipments | 1-10 years |
| Temperature control systems | 4-7 years  |
| Transportation equipments   | 4-7 years  |
| Transportation equipments   | 4-5 years  |
| Office equipment            | 2-8 years  |

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 30.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

|   | <b>December 31</b>                    |                   |
|---|---------------------------------------|-------------------|
|   | <b>2025</b>                           | <b>2024</b>       |
| <u>Carrying amounts</u>   |                                       |                   |
| Land use right  | \$ 188,330                            | \$ 196,807        |
| Buildings   | 3,858                                 | 6,430             |
| Transportation equipment  | <u>2,510</u>                          | <u>4,872</u>      |
|   | <u>\$ 194,698</u>                     | <u>\$ 208,109</u> |
|   | <b>For the Year Ended December 31</b> |                   |
|   | <b>2025</b>                           | <b>2024</b>       |
| Additions to right-of-use assets  | <u>\$ -</u>                           | <u>\$ 11,923</u>  |
| Depreciation charge for right-of-use assets                                   |                                       |                   |
| Land use right  | \$ 4,555                              | \$ 4,685          |
| Buildings   | 2,572                                 | 3,152             |
| Transportation equipment  | <u>2,362</u>                          | <u>1,894</u>      |
|   | <u>\$ 9,489</u>                       | <u>\$ 9,731</u>   |
| Income from the subleasing of right-of-use assets (presented in other income) | <u>\$ (1,075)</u>                     | <u>\$ (1,106)</u> |

Right-of-use assets pledged as collateral for bank borrowings are set out in Note 30.

### b. Lease liabilities

|                         | <b>December 31</b> |                  |
|-------------------------|--------------------|------------------|
|                         | <b>2025</b>        | <b>2024</b>      |
| <u>Carrying amounts</u> |                    |                  |
| Current                 | \$ 6,500           | \$ 8,400         |
| Non-current             | <u>1,814</u>       | <u>8,349</u>     |
|                         | <u>\$ 8,314</u>    | <u>\$ 16,749</u> |

Range of discount rates for lease liabilities was as follows:

|                          | <b>December 31</b> |             |
|--------------------------|--------------------|-------------|
|                          | <b>2025</b>        | <b>2024</b> |
| Buildings                | 2.49%-3.45%        | 1.27%-3.85% |
| Transportation equipment | 3%-3.14%           | 3%-3.14%    |

c. Material lease-in activities and terms

The Group purchased the land use right for the construction of plants, offices and retail stores with use term of 50 years in mainland China and its payments was paid fully at the time of contract signed and can be renewed upon the expiration of the period. The Group does not have purchase options to acquire the land and buildings at the end of the contract.

d. Other lease information

|  | <b><u>For the Year Ended December 31</u></b> |                   |
|--|--|-------------------|
|  | <b>2025</b>                                  | <b>2024</b>       |
| Expenses relating to short-term leases | <u>\$ 396</u>                                | <u>\$ 366</u>     |
| Total cash outflow for leases          | <u>\$ (9,011)</u>                            | <u>\$ (9,079)</u> |

The Group leases certain buildings which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

**17. INVESTMENT PROPERTIES**

|   | <b>Completed<br/>Investment<br/>Properties</b> |
|---|--|
| <u>Cost</u>                                     |  |
| Balance at January 1, 2024                      | \$ 627,280                                     |
| Transfer from inventories                       | 66,433   |
| Effect of foreign currency exchange differences | <u>31,952</u>                                  |
| Balance at December 31, 2024                    | <u>\$ 725,665</u>                              |
| <u>Accumulated depreciation and impairment</u>  |  |
| Balance at January 1, 2024                      | \$ (87,038)                                    |
| Depreciation expenses                           | (23,589)                                       |
| Effect of foreign currency exchange differences | <u>(4,348)</u>                                 |
| Balance at December 31, 2024                    | <u>\$ (114,975)</u>                            |
| Carrying amounts at December 31, 2024           | <u>\$ 610,690</u>                              |
| <u>Cost</u>                                     |  |
| Balance at January 1, 2025                      | \$ 725,665                                     |
| Disposal  | (783)  |
| Transfer from property, plant and equipment     | 8,519  |
| Effect of foreign currency exchange differences | <u>(13,125)</u>                                |
| Balance at December 31, 2025                    | <u>\$ 720,276</u>                              |

(Continued)

|   | <b>Completed<br/>Investment<br/>Properties</b> |
|---|--|
| <u>Accumulated depreciation and impairment</u>  |  |
| Balance at January 1, 2025                      | \$ (114,975)                                   |
| Disposal  | 783  |
| Transfer from property, plant and equipment     | (6,157)  |
| Depreciation expenses                           | (24,757)                                       |
| Effect of foreign currency exchange differences | <u>1,041</u>                                   |
| Balance at December 31, 2025                    | <u>\$ (144,065)</u>                            |
| Carrying amounts at December 31, 2025           | <u>\$ 576,211</u><br>(Concluded)               |

The investment real estate held by the combined company is mainly located in Pingzhen District of Taoyuan City and Ningbo City, Mainland China, and some of the factories and offices are leased to collect rents. The other part of the investment real estate is located in Chongqing City, mainland China, and is mainly self-built shopping malls to collect rents.

The investment properties held by the Group are depreciated using the straight-line method over their useful lives of 3-60 years.

The fair value of the Group's investment properties as of December 31, 2025 and 2024 was \$270,434 thousand and \$1,209,444 thousand, respectively. The determination of fair value was not performed by independent qualified professional valuers; however, the management of the Group used the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment properties were freehold properties. The investment properties pledged as collateral for bank borrowing are set out in Note 30.

## 18. BORROWINGS

### a. Short-term borrowings

|                             | <u>December 31</u> |                   |
|-----------------------------|--------------------|-------------------|
|                             | <u>2025</u>        | <u>2024</u>       |
| <u>Unsecured borrowings</u> |                    |                   |
| Bank loans                  | \$ 296,231         | \$ 135,441        |
| Letters of credit           | <u>99,249</u>      | <u>70,685</u>     |
| Short-term borrowings       | <u>\$ 395,480</u>  | <u>\$ 206,126</u> |

The interest rates on the bank loans and letters of credit were 1.70%-4.48% and 2.20%-3.20% per annum as of December 31, 2025 and 2024, respectively.

b. Long-term borrowings

|                                     | <u>December 31</u>      |                        |
|-------------------------------------|-------------------------|------------------------|
|                                     | <u>2025</u>             | <u>2024</u>            |
| <u>Secured borrowings (Note 30)</u> |                         |                        |
| Bank loans                          | \$ -                    | \$ 493,627             |
| Less: Current portion               | -                       | (59,284)               |
|                                     | <u>-</u>                | <u>434,343</u>         |
| <u>Unsecured borrowings</u>         |                         |                        |
| Bank loans                          | 1,666,717               | 1,421,589              |
| Less: Current portion               | (385,281)               | (668,905)              |
|                                     | <u>1,281,436</u>        | <u>752,684</u>         |
| Long-term borrowings                | <u>\$ 1,281,436</u>     | <u>\$ 1,187,027</u>    |
| Detail of borrowings                |                         |                        |
| Interest rate                       | 0.98%-2.85%             | 0.98%-3.85%            |
| Maturity date                       | Due by<br>December 2029 | Due by<br>October 2028 |

**19. OTHER LIABILITIES**

|   | <u>December 31</u>  |                     |
|---|---------------------|---------------------|
|   | <u>2025</u>         | <u>2024</u>         |
| <u>Current</u>                                  |                     |                     |
| Other payables                                  |                     |                     |
| Payables for bonuses to employees and directors | \$ 257,241          | \$ 281,492          |
| Payables for commissions                        | 28,943              | 20,655              |
| Payables for salaries                           | 179,366             | 185,907             |
| Payables for bonuses                            | 545,291             | 510,759             |
| Payables for annual leave                       | 44,835              | 48,950              |
| Payables for purchases of equipment             | 122,273             | 95,250              |
| Others  | <u>173,235</u>      | <u>168,284</u>      |
|   | <u>\$ 1,351,184</u> | <u>\$ 1,311,297</u> |
| Deferred revenue                                |                     |                     |
| Arising from government grants (Note 26)        | \$ 51,309           | \$ 43,616           |
| Others  | <u>647</u>          | <u>1,130</u>        |
|   | <u>\$ 51,956</u>    | <u>\$ 44,746</u>    |
| <u>Non-current</u>                              |                     |                     |
| Deferred revenue                                |                     |                     |
| Arising from government grants (Note 26)        | \$ 159,919          | \$ 61,369           |
| Others  | <u>-</u>            | <u>659</u>          |
|   | <u>\$ 159,919</u>   | <u>\$ 62,028</u>    |

## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

### b. Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 9% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2025</b>        | <b>2024</b>       |
| Present value of defined benefit obligation | \$ -               | \$ 73,551         |
| Fair value of plan assets                   | <u>-</u>           | <u>(78,778)</u>   |
| Net defined benefit liabilities             | <u>\$ -</u>        | <u>\$ (5,227)</u> |

Movements in net defined benefit liabilities (assets) were as follows:

|  | <b>Present Value<br/>of the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liabilities<br/>(Assets)</b> |
|--|--|--|---|
| Balance on January 1, 2024   | <u>\$ 176,155</u>  | <u>\$ (156,050)</u>                      | <u>\$ 20,105</u>  |
| Service cost   |  |  |   |
| Current service cost   | 791  | -  | 791   |
| Past service cost  | 2,005  | -  | 2,005   |
| Past service cost and loss (gain) on settlements                   | (996)  | 700                                      | (296)   |
| Net interest expense (income)                                      | <u>2,088</u>   | <u>(2,077)</u>                           | <u>11</u>   |
| Recognized in profit or loss                                       | <u>3,888</u>   | <u>(1,377)</u>                           | <u>2,511</u>  |
| Remeasurement  |  |  |   |
| Return on plan assets (excluding amounts included in net interest) | -  | (12,908)                                 | (12,908)  |
| Actuarial (gain) loss - changes in financial assumptions           | (6,261)  | -  | (6,261)   |
| Actuarial (gain) loss - experience adjustments                     | <u>(1,214)</u>   | <u>-</u>                                 | <u>(1,214)</u>  |
| Recognized in other comprehensive income                           | <u>(7,475)</u>   | <u>(12,908)</u>                          | <u>(20,383)</u>   |
| Contributions from the employer                                    | -  | (7,460)                                  | (7,460)   |
| Benefits paid  | <u>(99,017)</u>  | <u>99,017</u>                            | <u>-</u>  |
| Balance on December 31, 2024                                       | <u>73,551</u>  | <u>(78,778)</u>                          | <u>(5,227)</u>  |
| Service cost   |  |  |   |
| Current service cost   | 720  | -  | 720   |
| Net interest expense (income)                                      | <u>1,103</u>   | <u>(1,196)</u>                           | <u>(93)</u>   |
| Recognized in profit or loss                                       | <u>1,823</u>   | <u>(1,196)</u>                           | <u>627</u>  |
| Remeasurement  |  |  |   |
| Return on plan assets (excluding amounts included in net interest) | -  | (8,677)                                  | (8,677)   |
| Actuarial (gain) loss - experience adjustments                     | <u>(6,632)</u>   | <u>-</u>                                 | <u>(6,632)</u>  |
| Recognized in other comprehensive income                           | <u>(6,632)</u>   | <u>(8,677)</u>                           | <u>(15,309)</u>   |
| Contributions from the employer                                    | -  | (856)                                    | (856)   |
| Benefits paid  | (68,742)   | 68,742                                   | -   |
| Recovered plan assets  | <u>-</u>   | <u>20,765</u>                            | <u>20,765</u>   |
| Balance on December 31, 2025                                       | <u>\$ -</u>  | <u>\$ -</u>                              | <u>\$ -</u>   |

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

|                                     | <b>For the Year Ended December 31</b> |                 |
|-------------------------------------|---------------------------------------|-----------------|
|                                     | <b>2025</b>                           | <b>2024</b>     |
| Cost of goods sold                  | \$ 362                                | \$ 1,344        |
| Selling and marketing expenses      | 127                                   | 219             |
| General and administrative expenses | 77                                    | 355             |
| Research and development expenses   | <u>61</u>                             | <u>593</u>      |
|                                     | <u>\$ 627</u>                         | <u>\$ 2,511</u> |

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the (government/corporate) bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

|                                     | <u>December 31</u> |       |
|-------------------------------------|--------------------|-------|
|                                     | 2025               | 2024  |
| Discount rate(s)                    | 1.25%              | 1.50% |
| Expected rate(s) of salary increase | 2.50%              | 2.50% |

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

|                                     | <u>December 31</u> |                   |
|-------------------------------------|--------------------|-------------------|
|                                     | 2025               | 2024              |
| Discount rate(s)                    |                    |                   |
| 0.25% increase                      | <u>\$ -</u>        | <u>\$ (1,411)</u> |
| 0.25% decrease                      | <u>\$ -</u>        | <u>\$ 1,455</u>   |
| Expected rate(s) of salary increase |                    |                   |
| 0.25% increase                      | <u>\$ -</u>        | <u>\$ 1,418</u>   |
| 0.25% decrease                      | <u>\$ -</u>        | <u>\$ (1,382)</u> |

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

|  | <u>December 31</u> |                 |
|--|--------------------|-----------------|
|  | 2025               | 2024            |
| Expected contributions to the plan for the next year | <u>\$ -</u>        | <u>\$ 2,052</u> |
| Average duration of the defined benefit obligation   | -                  | 9.1 years       |

## 21. EQUITY

### a. Share capital - ordinary shares

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2025</b>         | <b>2024</b>         |
| Shares authorized (in thousands of shares)                  | <u>500,000</u>      | <u>500,000</u>      |
| Shares authorized, par value \$10 (in thousands of dollars) | <u>\$ 5,000,000</u> | <u>\$ 5,000,000</u> |
| Shares issued and fully paid (in thousands of shares)       | <u>342,993</u>      | <u>342,993</u>      |
| Shares issued and fully paid (in thousands of dollars)      | <u>\$ 3,429,930</u> | <u>\$ 3,429,930</u> |

In order to align with long-term operational development, the Company introduced strategic partners, strengthened operational capital, and enhanced its financial structure. Considering the cost of raising funds and the timeliness and convenience of the introduction, the shareholders' meeting held on May 28, 2024, approved a private placement of up to 25,000 thousand shares of common stock through a cash capital increase. On June 20, 2024, the Board of Directors approved the issuance of 25,000 thousand common shares through a cash capital increase, with all shares to be subscribed for in cash by specific individuals, at a premium price of \$93.5 per share. The total amount raised through the private placement was \$2,337,500 thousand. The capital increase was registered and completed with the effective date set as July 2, 2024.

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The Company's 30,000 thousand shares authorized were reserved for the issuance of convertible bonds and employee share options.

### b. Capital surplus

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2025</b>         | <b>2024</b>         |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>   |                     |                     |
| Issuance of ordinary shares   | \$ 2,699,275        | \$ 2,699,275        |
| Conversion of bonds   | 1,814,500           | 1,814,500           |
| Overdue options   | 80,518              | 80,518              |
| The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 331                 | 331                 |
| <u>May only be used to offset a deficit</u>   |                     |                     |
| Share of changes in capital surplus of associates or joint venture  | 23,981              | 23,981              |
| Other   | <u>3,432</u>        | <u>3,532</u>        |
|   | <u>\$ 4,622,037</u> | <u>\$ 4,622,137</u> |

\* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on May 27, 2025 and in that meeting, resolved the amendments to the Articles. The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of six months of the fiscal year. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles, profit distribution or offset of deficit can be made after the end of each half of the fiscal year, relevant proposals shall be formulated by the Board of Directors and, in accordance with applicable laws, regulations, and the principles set forth in the Articles of Incorporation, be reported to or submitted for approval at the shareholders' meeting.

Under the dividends policy as set forth in the Articles before the amendments, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders.

For the policies on distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 23(g).

The Corporation's dividend policy takes into account the current and future investment environment, funding requirements, domestic and international competitiveness, and capital budgeting, while balancing shareholder interests and the Corporation's long-term financial planning. Accordingly, distributable earnings for the year shall be allocated as shareholders' dividends, which may be distributed in the form of cash or stock. Among them, cash dividends shall not be less than 50% of the total dividends.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When distributing the surplus, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other equity interests in accordance with legal provisions (e.g., exchange differences on the translation of financial statements of foreign operating institutions, accumulated balances of unrealized gains and losses on financial assets at fair value through other comprehensive income). If there is a subsequent decrease in the amount of deductions from other equity items, the decrease can be transferred back to unappropriated earnings from the special surplus reserve.

The appropriations of earnings for 2024 and 2023, which were approved in the shareholders' meetings on May 27, 2025 and May 28, 2024, respectively, were as follows:

|                 | <b>Appropriation of Earnings</b> |                                 | <b>Dividends Per Share<br/>(NT\$)</b> |                                 |
|-----------------|----------------------------------|---------------------------------|---------------------------------------|---------------------------------|
|                 | <b>For Fiscal<br/>Year 2024</b>  | <b>For Fiscal<br/>Year 2023</b> | <b>For Fiscal<br/>Year 2024</b>       | <b>For Fiscal<br/>Year 2023</b> |
| Legal reserve   | \$ 215,395                       | \$ 194,468                      | \$ -                                  | \$ -                            |
| Special reserve | (304,974)                        | 384,696                         | -                                     | -                               |
| Cash dividends  | 1,783,563                        | 1,393,911                       | 5.2                                   | 4.5                             |

The appropriations of earnings for 2025 were as follows:

|                 | <b>Appropriation<br/>of Earnings</b> | <b>Dividends Per<br/>Share (NT\$)</b> |
|-----------------|--------------------------------------|---------------------------------------|
| Legal reserve   | \$ 204,430                           | \$ -                                  |
| Special reserve | 251,307                              | -                                     |
| Cash dividends  | 1,461,970                            | 4.3                                   |

In addition, on March 9, 2026, the Board of Directors resolved to distribute cash of \$169,996 thousand from capital surplus. The above cash dividends were approved for distribution by the Board on March 9, 2026. The remaining items of earnings distribution were approved at the shareholders' meeting on May 27, 2026.

d. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2025</b>                           | <b>2024</b>         |
| Balance on January 1  | \$ (140,531)                          | \$ (582,706)        |
| Exchange differences on the translation of the financial statements of foreign operations | (224,852)                             | 424,239             |
| Share from associates accounted for using the equity method                               | <u>(3,775)</u>                        | <u>17,936</u>       |
| Balance on December 31  | <u>\$ (369,158)</u>                   | <u>\$ (140,531)</u> |

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

|   | <b>For the Year Ended December 31</b> |                  |
|---|---------------------------------------|------------------|
|   | <b>2025</b>                           | <b>2024</b>      |
| Balance on January 1  | \$ 67,671                             | \$ 54,939        |
| Recognized for the year   |                                       |                  |
| Unrealized gain (loss) - equity instruments   | 54,661                                | 12,793           |
| Share from associates accounted for using the equity method                                       | <u>(38)</u>                           | <u>(61)</u>      |
| Other comprehensive income (loss) recognized for the year   | <u>54,623</u>                         | <u>12,732</u>    |
| Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal | <u>(227,236)</u>                      | <u>-</u>         |
| Balance on December 31  | <u>\$ (104,942)</u>                   | <u>\$ 67,671</u> |

3) Non-controlling interests

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2025</b>                           | <b>2024</b>       |
| Balance on January 1   | \$ 119,824                            | \$ -              |
| Share in profit for the year   | (195)                                 | (876)             |
| Other comprehensive income for the year  |                                       |                   |
| Foreign currency translation differences on financial statements of foreign operations | (11,803)                              | -                 |
| Acquisition of non-controlling interests in subsidiaries                               | <u>9,231</u>                          | <u>120,700</u>    |
| Balance on December 31   | <u>\$ 117,057</u>                     | <u>\$ 119,824</u> |

e. Treasury shares

| <b>Purpose of Buy-back</b>            | <b>Shares Transferred to Employees (In Thousands of Shares)</b> |
|---------------------------------------|---|
| Number of shares on January 1, 2025   | -   |
| Increase during the year              | <u>3,000</u>  |
| Number of shares at December 31, 2025 | <u>3,000</u>  |

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

**22. REVENUE**

|                                       | <b>For the Year Ended December 31</b> |                      |
|---------------------------------------|---------------------------------------|----------------------|
|                                       | <b>2025</b>                           | <b>2024</b>          |
| Revenue from contracts with customers |                                       |                      |
| Sale of goods                         | \$ 13,334,425                         | \$ 12,658,408        |
| Revenue from leases                   | <u>14,476</u>                         | <u>13,850</u>        |
|                                       | <u>\$ 13,348,901</u>                  | <u>\$ 12,672,258</u> |

**Contract Balances**

|                                | <b>December 31, 2025</b> | <b>December 31, 2024</b> | <b>January 1, 2024</b> |
|--------------------------------|--------------------------|--------------------------|------------------------|
| Trade receivables (Note 10)    | <u>\$ 3,455,231</u>      | <u>\$ 3,569,450</u>      | <u>\$ 3,167,780</u>    |
| Contract liabilities - current |                          |                          |                        |
| Construction of properties     | \$ -                     | \$ 42                    | \$ 40                  |
| Sale of goods                  | <u>17,579</u>            | <u>17,886</u>            | <u>31,550</u>          |
|                                | <u>\$ 17,579</u>         | <u>\$ 17,928</u>         | <u>\$ 31,590</u>       |

The contract liabilities were unearned sales revenue and accounted for other current liabilities.

### 23. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

|                                    | <b>For the Year Ended December 31</b> |                  |
|------------------------------------|---------------------------------------|------------------|
|                                    | <b>2025</b>                           | <b>2024</b>      |
| Bank deposits                      | \$ 37,818                             | \$ 50,268        |
| Financial assets at amortized cost | 6,171                                 | 7,143            |
| Others                             | <u>9,672</u>                          | <u>15,006</u>    |
|                                    | <u>\$ 53,661</u>                      | <u>\$ 72,417</u> |

b. Other income

|                                | <b>For the Year Ended December 31</b> |                   |
|--------------------------------|---------------------------------------|-------------------|
|                                | <b>2025</b>                           | <b>2024</b>       |
| Income from government grants  | \$ 106,656                            | \$ 98,173         |
| Dividends                      | 1,072                                 | 4,651             |
| Equipment procurement projects | 37,914                                | -                 |
| Others                         | <u>75,992</u>                         | <u>34,549</u>     |
|                                | <u>\$ 221,634</u>                     | <u>\$ 137,373</u> |

c. Other gains and losses

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2025</b>                           | <b>2024</b>       |
| Gain (loss) on disposal of property, plant and equipment         | \$ 11,500                             | \$ (332)          |
| Fair value changes of financial assets and financial liabilities |                                       |                   |
| Financial assets mandatorily at FVTPL                            | 26,455                                | 31,998            |
| Net foreign exchange (losses) gains                              | (41,083)                              | 259,956           |
| Reversal of impairment losses on property, plant and equipment   | 296                                   | 5,617             |
| Depreciation of investment properties                            | (5,772)                               | (5,566)           |
| Others   | <u>(30,858)</u>                       | <u>(23,164)</u>   |
|  | <u>\$ (39,462)</u>                    | <u>\$ 268,509</u> |

d. Finance costs

|                               | <b>For the Year Ended December 31</b> |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>2025</b>                           | <b>2024</b>      |
| Interest on bank loans        | \$ 66,419                             | \$ 49,617        |
| Interest on convertible bonds | -                                     | 6,022            |
| Interest on lease liabilities | <u>387</u>                            | <u>504</u>       |
|                               | <u>\$ 66,806</u>                      | <u>\$ 56,143</u> |

e. Depreciation and amortization

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2025</b>                           | <b>2024</b>         |
| Property, plant and equipment               | \$ 1,198,295                          | \$ 1,130,326        |
| Investment properties                       | 24,757                                | 23,589              |
| Right-of-use assets                         | 9,489                                 | 9,731               |
| Intangible assets                           | <u>15,095</u>                         | <u>17,946</u>       |
|   | <u>\$ 1,247,636</u>                   | <u>\$ 1,181,592</u> |
| <br>An analysis of deprecation by function  |                                       |                     |
| Operating costs                             | \$ 912,082                            | \$ 860,398          |
| Operating expenses                          | 314,687                               | 297,682             |
| Other gains and losses                      | <u>5,772</u>                          | <u>5,566</u>        |
|   | <u>\$ 1,232,541</u>                   | <u>\$ 1,163,646</u> |
| <br>An analysis of amortization by function |                                       |                     |
| Operating costs                             | \$ 1,734                              | \$ 143              |
| Operating expenses                          | <u>13,361</u>                         | <u>17,803</u>       |
|   | <u>\$ 15,095</u>                      | <u>\$ 17,946</u>    |

f. Employee benefits expense

|                                    | <b>For the Year Ended December 31</b> |                     |
|------------------------------------|---------------------------------------|---------------------|
|                                    | <b>2025</b>                           | <b>2024</b>         |
| Post-employment benefits (Note 20) |                                       |                     |
| Defined contribution plans         | \$ 149,844                            | \$ 134,786          |
| Defined benefit plans              | <u>627</u>                            | <u>2,511</u>        |
|                                    | <u>150,471</u>                        | <u>137,297</u>      |
| Other employee benefits            |                                       |                     |
| Payroll expense                    | 2,941,636                             | 2,722,425           |
| Labor and health insurance         | 183,194                               | 146,564             |
| Others                             | <u>133,106</u>                        | <u>117,073</u>      |
|                                    | <u>3,257,936</u>                      | <u>2,986,062</u>    |
|                                    | <u>\$ 3,408,407</u>                   | <u>\$ 3,123,359</u> |

(Continued)

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2025</b>                           | <b>2024</b>         |
| An analysis of employee benefits expense by function |                                       |                     |
| Operating costs                                      | \$ 2,061,023                          | \$ 1,827,338        |
| Operating expenses                                   | <u>1,347,384</u>                      | <u>1,296,021</u>    |
|  | <u>\$ 3,408,407</u>                   | <u>\$ 3,123,359</u> |
|  |                                       | (Concluded)         |

g. Employees' compensation and remuneration of directors for 2025 and 2024

The Company accrued employees' compensation and remuneration of directors at the rates no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 35% of the compensation of employees as compensation distributions for non-executive employees.

The employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2024 which were approved by the Company's board of directors on March 9, 2026 and March 10, 2025, respectively, were as follows:

Accrual rate

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2025</b>                           | <b>2024</b> |
| Employees' compensation   | 9.0%                                  | 9.0%        |
| Remuneration of directors | 1.5%                                  | 1.5%        |

Amount

|                           | <b>For the Year Ended December 31</b> |              |             |              |
|---------------------------|---------------------------------------|--------------|-------------|--------------|
|                           | <b>2025</b>                           |              | <b>2024</b> |              |
|                           | <b>Cash</b>                           | <b>Share</b> | <b>Cash</b> | <b>Share</b> |
| Employees' compensation   | \$ 201,897                            | \$ -         | \$ 241,279  | \$ -         |
| Remuneration of directors | 33,649                                | -            | 40,213      | -            |

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2025</b>                           | <b>2024</b>       |
| Current tax                                     |                                       |                   |
| In respect of the current year                  | \$ 397,592                            | \$ 395,111        |
| Income tax on unappropriated earnings           | 7,750                                 | -                 |
| Adjustments for prior year                      | <u>(10,644)</u>                       | <u>(7,782)</u>    |
|   | <u>394,698</u>                        | <u>387,329</u>    |
| Deferred tax                                    |                                       |                   |
| In respect of the current year                  | <u>1,287</u>                          | <u>50,972</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 395,985</u>                     | <u>\$ 438,301</u> |

A reconciliation of accounting profit and current income tax expenses is as follows:

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2025</b>                           | <b>2024</b>         |
| Profit before tax from continuing operations                                    | <u>\$ 2,200,324</u>                   | <u>\$ 2,574,840</u> |
| Income tax expense calculated at the statutory rate                             | \$ 440,065                            | \$ 514,968          |
| Tax effect of adjusting items:  |                                       |                     |
| Non-deductible expenses in determining taxable income                           | 33,610                                | 5,415               |
| Tax-exempt income   | (4,399)                               | (6,986)             |
| Deferred tax effect of earnings of subsidiaries                                 | 96,465                                | 101,531             |
| Income tax on unappropriated earnings   | 7,750                                 | -                   |
| Unrecognized temporary differences  | 160                                   | (1,857)             |
| Unrecognized loss carryforwards   | 3,962                                 | 5,858               |
| Investment tax credit   | (102,478)                             | (100,501)           |
| Effect of different tax rate of group entities operating in other jurisdictions | (68,506)                              | (72,345)            |
| Adjustment for prior years' tax   | <u>(10,644)</u>                       | <u>(7,782)</u>      |
| Income tax expense recognized in profit or loss                                 | <u>\$ 395,985</u>                     | <u>\$ 438,301</u>   |

### b. Income tax expense recognized in other comprehensive income

|  | <b>For the Year Ended December 31</b> |                 |
|--|---------------------------------------|-----------------|
|  | <b>2025</b>                           | <b>2024</b>     |
| <u>Deferred tax</u>                    |                                       |                 |
| In respect of the current year         |                                       |                 |
| Remeasurement of defined benefit plans | <u>\$ 3,062</u>                       | <u>\$ 4,077</u> |

c. Current tax assets and liabilities

|                         | <b>December 31</b> |                  |
|-------------------------|--------------------|------------------|
|                         | <b>2025</b>        | <b>2024</b>      |
| Current tax assets      |                    |                  |
| Tax refund receivable   | <u>\$ 78,982</u>   | <u>\$ 78,982</u> |
| Current tax liabilities |                    |                  |
| Income tax payable      | <u>\$ 109,474</u>  | <u>\$ 96,968</u> |

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

|   | <b>Opening<br/>Balance</b> | <b>Recognize in<br/>Profit or Loss</b> | <b>Recognize in<br/>Other<br/>Comprehensive<br/>Income</b> | <b>Exchange<br/>Differences</b> | <b>Closing Balance</b> |
|---|----------------------------|--|--|---------------------------------|------------------------|
| <u>Deferred tax assets</u>                                    |                            |  |  |                                 |                        |
| Unrealized loss on inventories                                | \$ 8,097                   | \$ 23                                  | \$ -   | \$ (25)                         | \$ 8,095               |
| Payables for annual leave                                     | 8,355                      | (534)                                  | -  | (60)                            | 7,761                  |
| Determine benefit obligation                                  | 1,317                      | (46)                                   | (1,271)  | -                               | -                      |
| Property, plant and equipment                                 | 2,413                      | (43)                                   | -  | (48)                            | 2,322                  |
| Financial liabilities at fair value<br>through profit or loss | 910                        | (811)                                  | -  | -                               | 99                     |
| Deferred revenue  | 7,885                      | 5,775                                  | -  | 28                              | 13,688                 |
| Others  | <u>10,179</u>              | <u>(5,474)</u>                         | <u>-</u>   | <u>(42)</u>                     | <u>4,663</u>           |
|   | <u>\$ 39,156</u>           | <u>\$ (1,110)</u>                      | <u>\$ (1,271)</u>  | <u>\$ (147)</u>                 | <u>\$ 36,628</u>       |
| <u>Deferred tax liabilities</u>                               |                            |  |  |                                 |                        |
| Associates  | \$ 98,457                  | \$ 6,089                               | \$ -   | \$ -                            | \$ 104,546             |
| Unrealized exchange gains                                     | 9,910                      | (1,598)                                | -  | -                               | 8,312                  |
| Determine benefit obligation                                  | -                          | -                                      | 1,791  | -                               | 1,791                  |
| Financial assets at fair value through<br>profit or loss      | 940                        | 692                                    | -  | 19                              | 1,651                  |
| Property, plant and equipment                                 | <u>30,121</u>              | <u>(5,006)</u>                         | <u>-</u>   | <u>(738)</u>                    | <u>24,377</u>          |
|   | <u>\$ 139,428</u>          | <u>\$ 177</u>                          | <u>\$ 1,791</u>  | <u>\$ (719)</u>                 | <u>\$ 140,677</u>      |

For the year ended December 31, 2024

|   | <b>Opening<br/>Balance</b> | <b>Recognize in<br/>Profit or Loss</b> | <b>Recognize in<br/>Other<br/>Comprehensive<br/>Income</b> | <b>Exchange<br/>Differences</b> | <b>Closing Balance</b> |
|---|----------------------------|--|--|---------------------------------|------------------------|
| <u>Deferred tax assets</u>                                    |                            |  |  |                                 |                        |
| Unrealized loss on inventories                                | \$ 8,748                   | \$ (705)                               | \$ -   | \$ 54                           | \$ 8,097               |
| Unrealized exchange loss                                      | 16,235                     | (16,235)                               | -  | -                               | -                      |
| Payables for annual leave                                     | 7,594                      | 676                                    | -  | 85                              | 8,355                  |
| Determine benefit obligation                                  | 6,384                      | (990)                                  | (4,077)  | -                               | 1,317                  |
| Property, plant and equipment                                 | 3,114                      | (842)                                  | -  | 141                             | 2,413                  |
| Financial liabilities at fair value<br>through profit or loss | 4,950                      | (4,040)                                | -  | -                               | 910                    |
| Deferred revenue  | 12,373                     | (5,007)                                | -  | 519                             | 7,885                  |
| Others  | <u>7,910</u>               | <u>2,175</u>                           | <u>-</u>   | <u>94</u>                       | <u>10,179</u>          |
|   | <u>\$ 67,308</u>           | <u>\$ (24,968)</u>                     | <u>\$ (4,077)</u>  | <u>\$ 893</u>                   | <u>\$ 39,156</u>       |

(Continued)

|  | Opening<br>Balance | Recognize in<br>Profit or Loss | Recognize in<br>Other<br>Comprehensive<br>Income | Exchange<br>Differences | Closing Balance   |
|--|--------------------|--------------------------------|--|-------------------------|-------------------|
| <u>Deferred tax liabilities</u>                          |                    |                                |  |                         |                   |
| Associates   | \$ 77,494          | \$ 20,963                      | \$ -   | \$ -                    | \$ 98,457         |
| Unrealized exchange gains                                | -                  | 9,910                          | -  | -                       | 9,910             |
| Financial assets at fair value through<br>profit or loss | 222                | 697                            | -  | 21                      | 940               |
| Property, plant and equipment                            | <u>34,076</u>      | <u>(5,566)</u>                 | <u>-</u>   | <u>1,611</u>            | <u>30,121</u>     |
|  | <u>\$ 111,792</u>  | <u>\$ 26,004</u>               | <u>\$ -</u>                                      | <u>\$ 1,632</u>         | <u>\$ 139,428</u> |
|  |                    |                                |  |                         | (Concluded)       |

e. Income tax assessments

The income tax returns through 2022 had been assessed by the tax authorities.

## 25. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

### Net Profit for the Year

|  | <u>For the Year Ended December 31</u> |                     |
|--|---------------------------------------|---------------------|
|  | 2025                                  | 2024                |
| Profit for the period attributable to owners of the Company    | \$ 1,804,534                          | \$ 2,137,415        |
| Interest on convertible bonds after tax                        | <u>-</u>                              | <u>4,817</u>        |
| Earnings used in the computation of diluted earnings per share | <u>\$ 1,804,534</u>                   | <u>\$ 2,142,232</u> |

Weighted average number of ordinary shares outstanding (in thousand shares):

|   | <u>For the Year Ended December 31</u> |                |
|---|---------------------------------------|----------------|
|   | 2025                                  | 2024           |
| Weighted average number of ordinary shares in the computation of<br>basic earnings per share        | 341,977                               | 326,292        |
| Effect of potentially dilutive ordinary shares:   |                                       |                |
| Convertible bonds   | -                                     | 6,340          |
| Employees' compensation   | <u>2,966</u>                          | <u>2,764</u>   |
| Weighted average number of ordinary shares used in the<br>computation of diluted earnings per share | <u>344,943</u>                        | <u>335,396</u> |

The Group may settle the compensation paid to employees by cash or shares; therefore, the Group presumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the shares had a dilutive effect. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

## 26. GOVERNMENT GRANTS

As of December 31, 2025 and 2024, the Group received a government grant of \$147,236 thousand and \$23,860 thousand for its investment of equipment. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset.

## 27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

## 28. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2025

|   | Level 1          | Level 2             | Level 3           | Total               |
|---|------------------|---------------------|-------------------|---------------------|
| Financial assets at FVTPL                                 |                  |                     |                   |                     |
| Beneficiary certificate                                   | \$ 306           | \$ -                | \$ -              | \$ 306              |
| Floating-rate investment products                         | -                | 1,940,403           | -                 | 1,940,403           |
| Convertible bonds   | <u>17,353</u>    | <u>-</u>            | <u>-</u>          | <u>17,353</u>       |
|   | <u>\$ 17,659</u> | <u>\$ 1,940,403</u> | <u>\$ -</u>       | <u>\$ 1,958,062</u> |
| Financial assets at FVTOCI                                |                  |                     |                   |                     |
| Domestic unlisted shares                                  | \$ -             | \$ -                | \$ 34,176         | \$ 34,176           |
| Foreign unlisted shares                                   | <u>-</u>         | <u>-</u>            | <u>98,674</u>     | <u>98,674</u>       |
|   | <u>\$ -</u>      | <u>\$ -</u>         | <u>\$ 132,850</u> | <u>\$ 132,850</u>   |
| Financial liabilities at FVTPL                            |                  |                     |                   |                     |
| Foreign exchange forward contracts and exchange contracts | <u>\$ -</u>      | <u>\$ 274</u>       | <u>\$ -</u>       | <u>\$ 274</u>       |

December 31, 2024

|   | Level 1          | Level 2             | Level 3           | Total               |
|---|------------------|---------------------|-------------------|---------------------|
| Financial assets at FVTPL                                 |                  |                     |                   |                     |
| Domestic listed shares                                    | \$ 43,000        | \$ -                | \$ -              | \$ 43,000           |
| Foreign exchange forward contracts and exchange contracts | -                | 1,415               | -                 | 1,415               |
| Beneficiary certificate                                   | 308              | -                   | -                 | 308                 |
| Floating-rate investment products                         | -                | 1,405,617           | -                 | 1,405,617           |
| Convertible bonds   | <u>17,550</u>    | <u>-</u>            | <u>-</u>          | <u>17,550</u>       |
|   | <u>\$ 60,858</u> | <u>\$ 1,407,032</u> | <u>\$ -</u>       | <u>\$ 1,467,890</u> |
| Financial assets at FVTOCI                                |                  |                     |                   |                     |
| Domestic listed shares                                    | \$ 40,678        | \$ -                | \$ -              | \$ 40,678           |
| Domestic unlisted shares                                  | -                | -                   | 49,292            | 49,292              |
| Foreign unlisted shares                                   | <u>-</u>         | <u>-</u>            | <u>310,933</u>    | <u>310,933</u>      |
|   | <u>\$ 40,678</u> | <u>\$ -</u>         | <u>\$ 360,225</u> | <u>\$ 400,903</u>   |

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

|   | <b>Financial Assets<br/>at FVTOCI<br/>Equity<br/>Instruments</b> |
|---|--|
| <u>Financial assets</u>   |  |
| Balance on January 1, 2025  | \$ 360,225   |
| Recognized in other comprehensive income (including in unrealized gain on financial assets at FVTOCI) | (192,253)  |
| Disposal  | (23,110)   |
| Effect of foreign currency exchange differences   | <u>(12,012)</u>  |
| Balance on December 31, 2025  | <u>\$ 132,850</u>  |

For the year ended December 31, 2024

|  | <b>Financial Assets<br/>at FVTOCI</b> |
|--|---------------------------------------|
|  | <b>Equity<br/>Instruments</b>         |
| <u>Financial assets</u>  |                                       |
| Balance at January 1, 2024   | \$ 302,913                            |
| Recognized in other comprehensive income (including in<br>unrealized gain on financial assets at FVTOCI) | 44,959                                |
| Effect of foreign currency exchange differences  | <u>12,353</u>                         |
| Balance at December 31, 2024   | <u>\$ 360,225</u>                     |

3) Valuation techniques and inputs applied for Level 2 fair value measurement

| <u>Financial Instruments</u>  | <u>Valuation Techniques and Inputs</u>  |
|---|---|
| Derivatives - foreign exchange<br>forward contracts and<br>exchange contracts | Discounted cash flow.<br><br>Future cash flows are estimated based on observable forward<br>exchange rates at the end of the reporting period and contract<br>forward rates, discounted at a rate that reflects the credit risk<br>of various counterparties. |
| Floating-rate investment<br>products  | Discounted cash flow.<br><br>Future cash flows are discounted at a rate that reflects current<br>borrowing interest rates of the bond issuers at the end of the<br>reporting period   |

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The Group uses price-book ratio approach, comparing the net value per share with other public companies among similar industries or evaluating share price based on average price-book ratio of other competitors, to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

The fair values of unlisted equity securities - ROC were determined using income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. The significant unobservable inputs used are listed in the table below. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in the WACC or discount for lack of marketability used in isolation would result in an increase in the fair value.

c. Categories of financial instruments

|  | <b>December 31</b> |              |
|--|--------------------|--------------|
|  | <b>2025</b>        | <b>2024</b>  |
| <u>Financial assets</u>                |                    |              |
| FVTPL                                  |                    |              |
| Mandatorily classified as at FVTPL (1) | \$ 1,958,062       | \$ 1,467,890 |
| Financial assets at amortized cost (2) | 7,961,642          | 8,064,873    |
| Financial assets at FVTOCI             |                    |              |
| Equity instruments                     | 132,850            | 400,903      |
| <u>Financial liabilities</u>           |                    |              |
| FVTPL                                  |                    |              |
| Mandatorily classified as at FVTPL (3) | 274                | -            |
| Amortized cost (4)                     | 5,261,764          | 5,271,083    |

- 1) The balances include beneficiary certificate, foreign exchange forward contracts and exchange contracts, floating-rate investment products and investment of equity instruments.
- 2) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits.
- 3) The balances include foreign exchange forward contract and exchange contracts.
- 4) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, trade payables, other payables and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, notes receivables, trade receivables, other receivables, trade payables, other payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including: Foreign exchange forward contracts to hedge the exchange rate risk arising on the Group's foreign currency monetary.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which exposes the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The sensitivity analysis included external loans/borrowings as well as loans/borrowings to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in post-tax profit and other equity associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit and other equity and the balances below would be negative.

|                | <b>USD Impact</b>         |             | <b>JPY Impact</b>         |             |
|----------------|---------------------------|-------------|---------------------------|-------------|
|                | <b>For the Year Ended</b> |             | <b>For the Year Ended</b> |             |
|                | <b>December 31</b>        |             | <b>December 31</b>        |             |
|                | <b>2025</b>               | <b>2024</b> | <b>2025</b>               | <b>2024</b> |
| Profit or loss | \$ 23,744                 | \$ 30,607   | \$ (1,855)                | \$ (1,136)  |

- i. The result was mainly attributable to the exposure on outstanding monetary items in USD that were not hedged at the end of the reporting period.
- ii. The result was mainly attributable to the exposure on outstanding monetary items in JPY that were not hedged at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group deposit and borrow funds at floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

|                               | <b>December 31</b> |              |
|-------------------------------|--------------------|--------------|
|                               | <b>2025</b>        | <b>2024</b>  |
| Fair value interest rate risk |                    |              |
| Financial assets              | \$ 708,074         | \$ 1,414,244 |
| Financial liabilities         | 395,480            | 242,126      |
| Cash flow interest rate risk  |                    |              |
| Financial assets              | 3,515,612          | 2,811,300    |
| Financial liabilities         | 1,666,717          | 1,879,216    |

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would have increased/(decreased) by \$4,622 thousand and \$2,429 thousand, respectively, which was mainly a result of its floating rate bank deposits and bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Group had available unutilized short-term bank loan facilities of \$9,566,246 thousand and \$9,135,693 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2025

|                                      | Weighted<br>Average<br>Effective<br>Interest Rate<br>(%) | Less than<br>1 Year | 2-3 Years | 4-5 Years | 5+ Years | Total        |
|--------------------------------------|--|---------------------|-----------|-----------|----------|--------------|
| Non-derivative financial liabilities |  |                     |           |           |          |              |
| Trade payables                       | -  | \$ 1,717,485        | \$ -      | \$ -      | \$ -     | \$ 1,717,485 |
| Other payables                       | -  | 1,352,558           | -         | -         | -        | 1,352,558    |
| Lease liabilities                    | 2.49-3.45  | 6,500               | 1,814     | -         | -        | 8,314        |
| Variable interest rate liabilities   | 0.98-2.85  | 385,281             | 1,268,126 | 13,130    | -        | 1,666,537    |
| Fixed interest rate liabilities      | 1.70-4.48  | 395,480             | -         | -         | -        | 395,480      |

December 31, 2024

|                                      | Weighted<br>Average<br>Effective<br>Interest Rate<br>(%) | Less than<br>1 Year | 2-3 Years | 4-5 Years | 5+ Years | Total        |
|--------------------------------------|--|---------------------|-----------|-----------|----------|--------------|
| Non-derivative financial liabilities |  |                     |           |           |          |              |
| Trade payables                       | -  | \$ 1,690,849        | \$ -      | \$ -      | \$ -     | \$ 1,690,849 |
| Other payables                       | -  | 1,328,286           | -         | -         | -        | 1,328,286    |
| Lease liabilities                    | 1.27-3.85  | 8,400               | 8,349     | -         | -        | 16,749       |
| Variable interest rate liabilities   | 0.98-3.85  | 692,189             | 1,071,323 | 115,704   | -        | 1,879,216    |
| Fixed interest rate liabilities      | 1.22-3.2   | 242,126             | -         | -         | -        | 242,126      |

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2025

|   | <b>On Demand<br/>or Less Than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b> | <b>5+ Years</b> |
|---|---|-------------------|-------------------------------|------------------|-----------------|
| <u>Net settled</u>  |   |                   |                               |                  |                 |
| Foreign exchange forward contracts and exchange contracts | \$ <u>534</u>                                 | \$ <u>(808)</u>   | \$ <u>-</u>                   | \$ <u>-</u>      | \$ <u>-</u>     |

December 31, 2024

|   | <b>On Demand<br/>or Less Than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b> | <b>5+ Years</b> |
|---|---|-------------------|-------------------------------|------------------|-----------------|
| <u>Net settled</u>  |   |                   |                               |                  |                 |
| Foreign exchange forward contracts and exchange contracts | \$ <u>519</u>                                 | \$ <u>896</u>     | \$ <u>-</u>                   | \$ <u>-</u>      | \$ <u>-</u>     |

## 29. TRANSACTIONS WITH RELATED PARTY

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related Party Name and Category

| <u>Related Party Name</u>              | <u>Related Party Category</u> |
|--|-------------------------------|
| Tai Shing Electronics Components Corp. | Associate                     |
| TSE Technology (Ningbo) Co., Ltd.      | Associate                     |
| Liang Shing Eclife Corp.               | Other associate               |
| LFC (Ningbo) Semiconductor Limited     | Other associate               |
| PETER LIN                              | Chairman of the Company       |

b. Sales of goods

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>2025</b>                           | <b>2024</b>      |
| Associates                    | \$ 36,252                             | \$ 28,609        |
| Other associates              | <u>7,485</u>                          | <u>6,398</u>     |
|                               | <u>\$ 43,737</u>                      | <u>\$ 35,007</u> |

Selling prices and payment terms offered to related parties were similar with those offered to third parties.

c. Purchases of goods

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |                 |
|-------------------------------|---------------------------------------|-----------------|
|                               | <b>2025</b>                           | <b>2024</b>     |
| Associates                    | \$ 46,332                             | \$ 290          |
| Other associates              | <u>5,230</u>                          | <u>4,987</u>    |
|                               | <u>\$ 51,562</u>                      | <u>\$ 5,277</u> |

Purchase prices and payment terms offered by related parties were similar with those offered by third parties.

d. Other income

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |               |
|-------------------------------|---------------------------------------|---------------|
|                               | <b>2025</b>                           | <b>2024</b>   |
| Associates                    | <u>\$ 84</u>                          | <u>\$ 101</u> |

e. Operating expenses

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |                 |
|-------------------------------|---------------------------------------|-----------------|
|                               | <b>2025</b>                           | <b>2024</b>     |
| Other associates              | <u>\$ 1,973</u>                       | <u>\$ 1,587</u> |

f. Commission revenue

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |                 |
|-------------------------------|---------------------------------------|-----------------|
|                               | <b>2025</b>                           | <b>2024</b>     |
| Associates                    | <u>\$ 1,535</u>                       | <u>\$ 1,515</u> |

g. Rental revenue

|  | <b>Related Party</b>                         | <b>Location</b>  | <b>Rent Collection</b>                         | <b>For the Year Ended December 31</b> |                                   |                 |                                   |
|--|--|--|--|---------------------------------------|-----------------------------------|-----------------|-----------------------------------|
|  |  |  |  | <b>2025</b>                           | <b>% to Total Account Balance</b> | <b>2024</b>     | <b>% to Total Account Balance</b> |
|  | TSE Technology (Ningbo) Co., Ltd.            | Building P5, 1F., No. 189, Huangshan W. Rd., Beilun Dist., Ningbo City | Based on contract, and paid on a monthly basis | \$ 8,856                              | -                                 | \$ 4,589        | -                                 |
|  | LFC (Ningbo) Semiconductor Limited           | Building D4, No. 189, Huangshan W. Rd., Beilun Dist., Ningbo City      | Based on contract, and paid on a monthly basis | 371                                   | -                                 | 382             | -                                 |
|  | Tai-Shing Electronics Components Corporation | 6F., No. 4, Gongye 6th Rd., Pingzhen Dist., Taoyuan City 324, Taiwan   | Based on contract, and paid on a monthly basis | <u>3,682</u>                          | -                                 | <u>3,619</u>    | -                                 |
|  |  |  |  | <u>\$ 12,909</u>                      |                                   | <u>\$ 8,590</u> |                                   |

There is no significant difference in transaction terms between related parties and unrelated parties.

h. Receivables from related parties (excluding loans to related parties)

| <b>Related Party Category</b>       | <b>December 31</b> |                 |
|-------------------------------------|--------------------|-----------------|
|                                     | <b>2025</b>        | <b>2024</b>     |
| Associates                          | \$ 16,779          | \$ 7,638        |
| Other associates                    | 2,761              | 1,333           |
| Less: Allowance for impairment loss | <u>(68)</u>        | <u>(68)</u>     |
|                                     | <u>\$ 19,472</u>   | <u>\$ 8,903</u> |

The outstanding trade receivables from related parties are unsecured.

i. Payables to related parties (excluding loans from related parties)

| <b>Related Party Category</b> | <b>December 31</b> |                 |
|-------------------------------|--------------------|-----------------|
|                               | <b>2025</b>        | <b>2024</b>     |
| Other associates              | \$ 20,743          | \$ 1,458        |
| Associates                    | <u>941</u>         | <u>309</u>      |
|                               | <u>\$ 21,684</u>   | <u>\$ 1,767</u> |

The outstanding trade payables from related parties are unsecured.

Payment term of the transactions to related parties were similar to those for third parties.

j. Other receivables from related parties

| <b>Related Party Category</b> | <b>December 31</b> |               |
|-------------------------------|--------------------|---------------|
|                               | <b>2025</b>        | <b>2024</b>   |
| Associates                    | \$ 845             | \$ 820        |
| Other                         | <u>9</u>           | <u>14</u>     |
|                               | <u>\$ 854</u>      | <u>\$ 834</u> |

k. Other payables to related parties

| <b>Related Party Category</b> | <b>December 31</b> |                  |
|-------------------------------|--------------------|------------------|
|                               | <b>2025</b>        | <b>2024</b>      |
| Other associates              | \$ 1,190           | \$ 16,817        |
| Chairman of the Company       | <u>184</u>         | <u>172</u>       |
|                               | <u>\$ 1,374</u>    | <u>\$ 16,989</u> |

l. Prepayments for equipment

| <b>Related Party Category</b> | <b>December 31</b> |               |
|-------------------------------|--------------------|---------------|
|                               | <b>2025</b>        | <b>2024</b>   |
| Other associates              | \$ <u>-</u>        | \$ <u>809</u> |

m. Acquisitions of property, plant and equipment

| <b>Related Party Category</b> | <b>Purchase Price</b>                 |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>For the Year Ended December 31</b> |                  |
|                               | <b>2025</b>                           | <b>2024</b>      |
| Other associates              | \$ <u>9,522</u>                       | \$ <u>38,114</u> |

n. Lease arrangements - Group is lessee

| <b>Line Item</b>                | <b>Related Party Category</b>        | <b>December 31</b> |                 |
|---------------------------------|--------------------------------------|--------------------|-----------------|
|                                 |                                      | <b>2025</b>        | <b>2024</b>     |
| Lease liabilities - current     | Chairman of the Company<br>PETER LIN | \$ <u>864</u>      | \$ <u>1,735</u> |
| Lease liabilities - non-current | Chairman of the Company<br>PETER LIN | \$ <u>-</u>        | \$ <u>910</u>   |

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |                 |
|-------------------------------|---------------------------------------|-----------------|
|                               | <b>2025</b>                           | <b>2024</b>     |
| <u>Interest expense</u>       |                                       |                 |
| Chairman of the Company       | \$ <u>73</u>                          | \$ <u>131</u>   |
| <u>Lease expense</u>          |                                       |                 |
| Chairman of the Company       | \$ <u>1,734</u>                       | \$ <u>1,707</u> |

o. Remuneration of key management personnel

|                              | <b>For the Year Ended December 31</b> |                   |
|------------------------------|---------------------------------------|-------------------|
|                              | <b>2025</b>                           | <b>2024</b>       |
| Short-term employee benefits | \$ 156,509                            | \$ 155,090        |
| Post-employment benefits     | <u>1,934</u>                          | <u>3,057</u>      |
|                              | \$ <u>158,443</u>                     | \$ <u>158,147</u> |

The remuneration of directors and key executives was determined by the remuneration committee, is based on the performance of individuals and market trends.

### 30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for forward exchange transactions and bank borrowings:

|                             | <b>December 31</b> |                   |
|-----------------------------|--------------------|-------------------|
|                             | <b>2025</b>        | <b>2024</b>       |
| Building and equipment, net | \$ 251,644         | \$ 294,997        |
| Investment properties       | 10,494             | 10,266            |
| Pledged deposits            | 88,703             | 104,092           |
| Pledged time deposits       | 40,000             | -                 |
| Right-of-use assets         | <u>9,731</u>       | <u>10,307</u>     |
|                             | <u>\$ 400,572</u>  | <u>\$ 419,662</u> |

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at December 31, 2024 were as follows:

- a. On November 8, 2021, the board of directors of the Company approved its subsidiary TETC CORP. NINGBO to construct a plant project, with an estimated investment of RMB145,000 thousand. On April 19, 2022, the Company signed a construction contract. On June 25, 2024, due to a modification of the project design, an additional amount append to RMB123,000 thousand was recorded. The total contract amount divided into paid and unpaid is as follows:

|                               | <b>Contract<br/>Amount<br/>(Tax Included)</b> | <b>Paid Amount<br/>(Tax Included)</b> | <b>Unpaid Amount<br/>(Tax Included)</b> |
|-------------------------------|---|---------------------------------------|---|
| Property, plant and equipment | <u>RMB 123,000</u>                            | <u>RMB 111,983</u>                    | <u>RMB 11,017</u>                       |

- b. As of December 31, 2025, unrecognized commitments of the Group were as follows:

|  | <b>Contract<br/>Amount<br/>(Tax Excluded)</b> | <b>Paid Amount<br/>(Tax Excluded)</b> | <b>Unpaid Amount<br/>(Tax Excluded)</b> |
|--|---|---------------------------------------|---|
| Acquisition of machinery and equipment | <u>\$ 137,800</u>                             | <u>\$ 111,325</u>                     | <u>\$ 26,475</u>                        |
| Acquisition of machinery and equipment | <u>RMB 48,738</u>                             | <u>RMB 19,409</u>                     | <u>RMB 29,329</u>                       |
| Acquisition of machinery and equipment | <u>JPY 209,675</u>                            | <u>JPY 142,590</u>                    | <u>JPY 67,085</u>                       |
| Acquisition of machinery and equipment | <u>USD 2,071</u>                              | <u>USD 1,975</u>                      | <u>USD 96</u>                           |
| Acquisition of machinery and equipment | <u>IDR 40,764,939</u>                         | <u>IDR 38,882,421</u>                 | <u>IDR 1,882,518</u>                    |

### 32. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

- a. On February 9, 2026, the Board of Directors approved the disposal of all ordinary shares of Taisheng Electronics Co., Ltd. held by the Company. The Company plans to dispose of 8,802 thousand shares at a price of NT\$48 per share, with a total transaction amount of approximately NT\$422,496 thousand.

- b. On March 9, 2026, the Board of Directors approved a proposal to conduct a private placement of ordinary shares in accordance with Article 43-6 of the Securities and Exchange Act and other applicable regulations, in order to support the Company’s long-term business development and strengthen working capital, while considering fundraising costs as well as efficiency and flexibility in introducing new capital. The Company intends to seek authorization from the shareholders’ meeting to allow the Board of Directors to determine, based on negotiations with specific parties and prevailing market conditions, the timing of the private placement, within a limit of up to 50,000,000 shares, and to carry out the private placement in one or more tranches (up to two tranches) within one year from the date of the shareholders’ approval.

### 33. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fee will be levied starting from January 1, 2025. Based on the emissions of the Group in 2024, the Group expects that it will not be the entity subject to carbon fees.

### 34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

**Unit: In Thousands of Foreign Currencies and New Taiwan Dollars**

December 31, 2025

|                              | Foreign<br>Currency | Exchange Rate    | Carrying<br>Amount |
|------------------------------|---------------------|------------------|--------------------|
| <u>Financial assets</u>      |                     |                  |                    |
| Monetary items               |                     |                  |                    |
| USD                          | \$ 81,549           | 31.438 (USD:NTD) | \$ 2,563,737       |
| USD                          | 13,194              | 7.0289 (USD:RMB) | 414,793            |
| USD                          | 1,251               | 16,634 (USD:IDR) | 39,329             |
| JPY                          | 1,284,322           | 0.2008 (JPY:NTD) | 257,892            |
| JPY                          | 1,517,249           | 0.0449 (JPY:RMB) | 304,664            |
| JPY                          | 176,188             | 0.0064 (JPY:USD) | 35,379             |
| <u>Financial liabilities</u> |                     |                  |                    |
| Monetary items               |                     |                  |                    |
| USD                          | 18,535              | 31.438 (USD:NTD) | 582,703            |
| USD                          | 1,285               | 7.0289 (USD:RMB) | 40,398             |
| USD                          | 648                 | 16,634 (USD:IDR) | 20,372             |
| JPY                          | 1,528,126           | 0.2008 (JPY:NTD) | 306,848            |
| JPY                          | 2,254,302           | 0.0449 (JPY:RMB) | 452,664            |
| JPY                          | 119,300             | 0.0064 (JPY:USD) | 23,955             |

December 31, 2024

|                              | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u>      |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | \$ 93,304                   | 32.7810 (USD:NTD)    | \$ 3,058,598               |
| USD                          | 10,218                      | 7.1883 (USD:RMB)     | 334,956                    |
| JPY                          | 1,409,219                   | 0.2098 (JPY:NTD)     | 295,654                    |
| JPY                          | 977,152                     | 0.0460 (JPY:RMB)     | 205,006                    |
| JPY                          | 635,293                     | 0.0064 (JPY:USD)     | 133,284                    |
| <u>Financial liabilities</u> |                             |                      |                            |
| Monetary items               |                             |                      |                            |
| USD                          | 8,959                       | 32.7810 (USD:NTD)    | 293,685                    |
| USD                          | 1,196                       | 7.1883 (USD:RMB)     | 39,206                     |
| JPY                          | 1,340,041                   | 0.2098 (JPY:NTD)     | 281,141                    |
| JPY                          | 2,054,247                   | 0.0460 (JPY:RMB)     | 430,981                    |
| JPY                          | 168,827                     | 0.0064 (JPY:USD)     | 35,420                     |

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange gains (losses) were \$(41,083) thousand and \$259,956 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the group.

### **36. SEPARATELY DISCLOSED ITEMS**

a. Information on significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (None)
- 3) Significant marketable securities held. (Table 1)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20 percent of the paid-in capital. (Table 2)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20 percent of the paid-in capital. (Table 3)
- 6) Intercompany relationships and significant intercompany transactions. (Table 7)

b. Information on investees. (Table 4)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 6)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

### 36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

a. Crystal segment

The chief operating decision maker see every crystal selling unit in Taiwan and China as an operating segment. While preparing the financial report, the Group considers the following reasons:

- 1) The similar gross profit between the selling units.
- 2) The similar product's nature and manufacturing process.
- 3) The same product's delivery type.

b. Real estate development segment

The department and sales of real estate, along with mall space leasing in Chongqing is considered a separate operating segment by the chief operating decision maker (CODM).

Segment revenue and results

|                                   | <u>Segment Revenue</u>    |                      | <u>Segment Profit</u>     |                     |
|-----------------------------------|---------------------------|----------------------|---------------------------|---------------------|
|                                   | <u>For the Year Ended</u> |                      | <u>For the Year Ended</u> |                     |
|                                   | <u>December 31</u>        |                      | <u>December 31</u>        |                     |
|                                   | <u>2025</u>               | <u>2024</u>          | <u>2025</u>               | <u>2024</u>         |
| Crystal segment                   | \$ 13,334,425             | \$ 12,658,408        | \$ 2,041,843              | \$ 2,158,283        |
| Real estate development           |                           |                      |                           |                     |
| segment                           | <u>14,476</u>             | <u>13,850</u>        | <u>(18,175)</u>           | <u>(21,799)</u>     |
| Continuing operations             | <u>\$ 13,348,901</u>      | <u>\$ 12,672,258</u> | 2,023,668                 | 2,136,484           |
| Interest income                   |                           |                      | 53,661                    | 72,417              |
| Other income                      |                           |                      | 221,634                   | 137,373             |
| Other gains and losses            |                           |                      | (39,462)                  | 268,509             |
| Finance costs                     |                           |                      | (66,806)                  | (56,143)            |
| Share of profit of associates and |                           |                      |                           |                     |
| joint ventures for using the      |                           |                      |                           |                     |
| equity method                     |                           |                      | <u>7,629</u>              | <u>16,200</u>       |
| Profit before tax (continuing     |                           |                      |                           |                     |
| operations)                       |                           |                      | <u>\$ 2,200,324</u>       | <u>\$ 2,574,840</u> |

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years ended December 31, 2025 and 2024.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, gains recognized on disposal of interests in former associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

c. Revenue from major products and services

|                               | <u>For the Year Ended December 31</u> |                      |
|-------------------------------|---------------------------------------|----------------------|
|                               | <u>2025</u>                           | <u>2024</u>          |
| Crystals                      | \$ 9,806,017                          | \$ 9,819,322         |
| Oscillators                   | 3,071,723                             | 2,370,901            |
| Construction contract revenue | 14,476                                | 13,850               |
| Others                        | <u>456,685</u>                        | <u>468,185</u>       |
|                               | <u>\$ 13,348,901</u>                  | <u>\$ 12,672,258</u> |

d. Geographical information

The Group operates in two principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below:

|         | <b>Revenue from<br/>External Customers</b> |                      | <b>Non-current Assets</b> |                     |
|---------|--|----------------------|---------------------------|---------------------|
|         | <b>For the Year Ended December 31</b>      |                      | <b>December 31</b>        |                     |
|         | <b>2025</b>                                | <b>2024</b>          | <b>2025</b>               | <b>2024</b>         |
| Taiwan  | \$ 547,397                                 | \$ 456,826           | \$ 2,865,495              | \$ 2,940,252        |
| Asia    | 12,016,856                                 | 11,618,139           | 5,387,957                 | 5,548,445           |
| America | 417,529                                    | 332,402              | 1,206                     | 1,307               |
| Europe  | 356,492                                    | 258,781              | 690                       | 424                 |
| Others  | <u>10,627</u>                              | <u>6,110</u>         | <u>-</u>                  | <u>-</u>            |
|         | <u>\$ 13,348,901</u>                       | <u>\$ 12,672,258</u> | <u>\$ 8,255,348</u>       | <u>\$ 8,490,428</u> |

Non-current assets exclude financial instruments and deferred tax assets.

e. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

|         | <b>For the Year Ended December 31</b> |                     |
|---------|---------------------------------------|---------------------|
|         | <b>2025</b>                           | <b>2024</b>         |
| F Group | <u>\$ 2,061,669</u>                   | <u>\$ 1,992,216</u> |

## TXC CORPORATION AND SUBSIDIARIES

## SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

| Holding Company Name                              | Type and Name of Marketable Securities                                       | Relationship with the Holding Company   | Financial Statement Account   | December 31, 2025   |                 |                         |            | Note   |
|---|--|---|---|---|-----------------|-------------------------|------------|--------|
|   |  |   |   | Shares  | Carrying Amount | Percentage of Ownership | Fair Value |        |
| TXC (Ningbo) Corporation                          | <u>Shares overseas - unlisted company</u><br>Ningbo SJ Electronics Co., Ltd. | None  | Financial assets at fair value through other comprehensive income - non-current | 63  | \$ 32,153       | 1                       | \$ 32,153  |        |
|   | <u>Floating-rate investment products</u><br>Agricultural Bank of China.      | None  | Financial assets at fair value through profit or loss - current                 | RMB 61,166  | 273,576         | -                       | 273,576    |        |
|   | Bank of Ningbo   | "   | "   | RMB 50,609  | 226,360         | -                       | 226,360    |        |
|   | Bank of Communications   | "   | "   | RMB 50,542  | 226,060         | -                       | 226,060    |        |
|   | China Everbright Bank  | "   | "   | RMB 10,025  | 44,841          | -                       | 44,841     |        |
|   | Cathay United Bank   | "   | "   | RMB 20,118  | 89,983          | -                       | 89,983     |        |
| TXC (Chongqing) Corporation                       | <u>Floating-rate investment products</u><br>China Construction Bank          | None  | Financial assets at fair value through profit or loss - current                 | RMB 30,558  | 136,675         | -                       | 136,675    |        |
|   | CTBC Bank  | "   | "   | RMB 47,271  | 211,430         | -                       | 211,430    |        |
|   | Bank of China  | "   | "   | RMB 81,808  | 365,901         | -                       | 365,901    |        |
|   | Hua Xia Bank   | "   | "   | RMB 20,004  | 89,472          | -                       | 89,472     |        |
|   | China Merchants Bank   | "   | "   | RMB 4,031   | 18,031          | -                       | 18,031     |        |
|   | Area Ding Kai Investment Management Company Limited                          | <u>Shares overseas - unlisted company</u><br>Zhejiang Bright Semiconductor Technology Co., Ltd. | None  | Financial assets at fair value through other comprehensive income - non-current | 7,004           | 62,618                  | 3          | 62,618 |
| Chongqing Zhongyang Properties Co., Ltd.          | <u>Floating-rate investment products</u><br>Chongqing Rural Commercial Bank  | None  | Financial assets at fair value through profit or loss - current                 | RMB 9,123   | 40,805          | -                       | 40,805     |        |
|   | China Construction Bank  | "   | "   | RMB 6,049   | 27,056          | -                       | 27,056     |        |
| ChongQing Dingsen Commercial Management Co., Ltd. | <u>Floating-rate investment products</u><br>China Construction Bank          | None  | Financial assets at fair value through profit or loss - current                 | RMB 1,398   | 6,251           | -                       | 6,251      |        |
| TETC Corp. Ningbo                                 | <u>Floating-rate investment products</u><br>Agricultural Bank of China.      | None  | Financial assets at fair value through profit or loss - current                 | RMB 30,873  | 138,085         | -                       | 138,085    |        |
|   | Bank of Ningbo   | "   | "   | RMB 10,257  | 45,877          | -                       | 45,877     |        |

**TXC CORPORATION AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

| Buyer                    | Related Party               | Relationship | Transaction Details |              |            |   | Abnormal Transaction                                       |   | Notes/Accounts Payable or Receivable |            | Note |
|--------------------------|-----------------------------|--------------|---------------------|--------------|------------|---|--|---|--------------------------------------|------------|------|
|                          |                             |              | Purchase/Sale       | Amount       | % to Total | Payment Terms                                     | Unit Price   | Payment Terms                                     | Ending Balance                       | % to Total |      |
| TXC Corporation          | TXC (Ningbo) Corporation    | Subsidiary   | Purchase            | \$ 2,417,019 | 34         | No significant differences with the third parties | Its trading price depends on its function within the Group | No significant differences with the third parties | \$ (611,868)                         | (35)       |      |
|                          | TXC (Ningbo) Corporation    | "            | Sale                | 934,818      | 10         | "   | "  | "   | 239,634                              | 8          |      |
|                          | TXC (Chongqing) Corporation | "            | Purchase            | 1,348,205    | 19         | "   | "  | "   | (367,807)                            | (21)       |      |
|                          | TETC CORP. Ningbo           | "            | Purchase            | 446,771      | 6          | "   | "  | "   | (108,099)                            | (6)        |      |
|                          | TETC CORP. Ningbo           | "            | Sale                | 270,063      | 3          | "   | "  | "   | 48,185                               | 2          |      |
|                          | PT TXC Technology Indonesia | "            | Purchase            | 111,158      | 2          | "   | "  | "   | (52,590)                             | (3)        |      |
| TXC (Ningbo) Corporation | TXC (Chongqing) Corporation | "            | Purchase            | 361,024      | 13         | "   | "  | "   | (64,449)                             | (8)        |      |
|                          | TETC CORP. Ningbo           | "            | Sale                | 136,833      | 3          | "   | "  | "   | 45,534                               | 4          |      |

**TXC CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

| Company Name                | Related Party            | Relationship  | Ending Balance | Turnover Rate | Overdue |              | Amount Received in Subsequent Period | Allowance for Impairment Loss |
|-----------------------------|--------------------------|---------------|----------------|---------------|---------|--------------|--------------------------------------|-------------------------------|
|                             |                          |               |                |               | Amount  | Action Taken |                                      |                               |
| TXC Corporation             | TXC (Ningbo) Corporation | Subsidiary    | \$ 239,634     | 3.68          | \$ -    | -            | \$ 60,226                            | \$ -                          |
| TXC (Ningbo) Corporation    | TXC Corporation          | Parent entity | 611,868        | 3.83          | -       | -            | 408,530                              | -                             |
| TXC (Chongqing) Corporation | TXC Corporation          | Parent entity | 367,807        | 3.85          | -       | -            | 222,541                              | -                             |
| TETC CORP. Ningbo           | TXC Corporation          | Parent entity | 108,099        | 4.01          | -       | -            | 62,291                               | -                             |

**TXC CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**

**DECEMBER 31, 2025**

(In Thousands of New Taiwan Dollars or U.S. Dollars)

| Investor Company         | Investee Company                             | Location      | Main Businesses and Products   | Original Investment Amount |                   | As of December 31, 2025 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|--------------------------|--|---------------|--|----------------------------|-------------------|-------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                          |  |               |  | December 31, 2025          | December 31, 2024 | Shares (In Thousands)   | Percentage of Ownership | Carrying Value |                                   |                         |      |
| TXC Corporation          | Taiwan Crystal Technology International Ltd. | Western Samoa | Investment management  | \$ 1,390,461               | \$ 1,390,461      | 42,835                  | 100.00                  | \$ 9,419,443   | \$ 1,139,383                      | \$ 1,156,482            |      |
|                          | Taiwan Crystal Technology (HK) Limited       | Hong Kong     | International trading  | 2,371                      | 2,371             | 80                      | 100.00                  | 204,048        | 2,886                             | 2,886                   |      |
|                          | TXC Japan Corporation                        | Japan         | Marketing activities   | 6,172                      | 6,172             | 2                       | 100.00                  | 28,989         | (743)                             | (743)                   |      |
|                          | TXC Technology Inc.                          | U.S.A.        | Marketing activities   | 9,879                      | 9,879             | 300                     | 100.00                  | 22,254         | (832)                             | (832)                   |      |
|                          | Tai-Shing Electronics Components Corporation | Taiwan        | Manufacture and sales of electronics products  | 373,432                    | 373,432           | 8,802                   | 33.34                   | 424,120        | 62,761                            | 20,925                  |      |
|                          | TXC Europe GmbH                              | Germany       | Marketing activities   | 1,746                      | 1,746             | 50                      | 100.00                  | 18,319         | 3,921                             | 3,921                   |      |
| TXC (Ningbo) Corporation | PT TXC Technology Indonesia                  | Indonesia     | Research and development, manufacture, and sale of quartz elements and related electronic products | 517,840                    | 517,840           | 16,000                  | 80.00                   | 468,229        | (1,206)                           | (1,011)                 |      |

## TXC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars or U.S. Dollars)

1. Name of the investees in mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in mainland China:

| Investee Company   | Main Businesses and Products   | Paid-in Capital | Method of Investment  | Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2025 (In Thousand) | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (In Thousand) | Net Income (Loss) of the Investee | Percentage of Ownership | Investment Gain (Loss) | Carrying Amount as of December 31, 2025 | Accumulated Repatriation of Investment Income as of December 31, 2025 |
|--|--|-----------------|---|--|---------------------|--------|---|-----------------------------------|-------------------------|------------------------|---|---|
|  |  |                 |   |  | Outward             | Inward |   |                                   |                         |                        |   |   |
| TXC (Ningbo) Corporation   | Research and development, manufacture, and sale of quartz elements and related electronic products | \$ 2,350,052    | Indirect investment of the Corporation in mainland China through the Corporation's subsidiary in a third region | \$ 1,427,630   | \$ -                | \$ -   | \$ 1,427,630  | \$ 1,139,403                      | 100.00                  | \$ 1,139,403           | \$ 9,478,528                            | \$ 2,159,384  |
| TXC (Chongqing) Corporation  | Research and development, manufacture, and sale of quartz elements and related electronic products | 1,162,074       | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | 233,159                           | 100.00                  | 233,159                | 1,995,987                               | 306,500   |
| TETC CORP. NINGBO  | Research and development, manufacture, and sale of quartz elements and related electronic products | 656,740         | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | 475,891                           | 100.00                  | 475,891                | 2,311,229                               | -   |
| Chongqing Zhongyang Properties Co., Ltd.   | Properties development   | 684,908         | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | (15,847)                          | 100.00                  | (15,847)               | 763,545                                 | -   |
| Ningbo Beilun Jingyu Trading Corporation   | International trading  | 7,090           | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | 5                                 | 100.00                  | 5                      | 6,547                                   | -   |
| LFC (Ningbo) Semiconductor Limited   | Research and development in integrated circuit   | 246,257         | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | (45,272)                          | 29.37                   | (13,296)               | 21,828                                  | -   |
| Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited | Investment management  | 160,043         | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | -                                 | 100.00                  | -                      | 62,893                                  | -   |
| ChongQing Dingsen Commercial Management Co., Ltd.                                  | Property management  | 4,390           | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | 2,348                             | 100.00                  | 2,348                  | 3,738                                   | -   |
| Shanghai JCH Co., Ltd  | Marketing activities and technical services  | 2,238           | Other investment of the Corporation in mainland China   | -  | -                   | -      | -   | 4,009                             | 100.00                  | 4,009                  | 23,675                                  | -   |

2. The limited amounts of the investment in mainland China

| Accumulated Outward Remittance for Investments in mainland China as of December 31, 2025 | Investment Amounts Authorized by the Investments Commission, MOEA | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA |
|--|---|--|
| \$ 1,427,630   | \$ 2,350,052  | \$ -   |

Note: The investment in mainland China has no maximum limit since the Company has acquired the approval from the Industrial Development Bureau for the establishment of the Company's operating headquarters in Taiwan.

## TXC CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY,  
AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

| Company Name    | Investee Company            | Transaction Type | Purchase/Sale |    | Price  | Transaction Details        |  | Accounts/Notes Receivable (Payable) |      | Unrealized (Gain) Loss | Note |
|-----------------|-----------------------------|------------------|---------------|----|--|----------------------------|--|-------------------------------------|------|------------------------|------|
|                 |                             |                  | Amount        | %  |  | Payment Terms              | Comparison with Normal Transactions                        | Ending Balance                      | %    |                        |      |
| TXC Corporation | TXC (Ningbo) Corporation    | Purchase         | \$ 2,417,019  | 34 | Its trading price depends on its function within the Group | Similar with third parties | Its trading price depends on its function within the Group | \$ (611,868)                        | (35) | \$ 21,567              |      |
|                 | TXC (Ningbo) Corporation    | Sale             | 934,818       | 10 | "  | "                          | "  | 239,634                             | 8    | 9,480                  |      |
|                 | TXC (Chongqing) Corporation | Purchase         | 1,348,205     | 19 | "  | "                          | "  | (367,807)                           | (21) | 20,257                 |      |
|                 | TETC CORP. NINGBO           | Purchase         | 446,771       | 6  | "  | "                          | "  | (108,099)                           | (6)  | 5,154                  |      |
|                 | TETC CORP. NINGBO           | Sale             | 270,063       | 3  | "  | "                          | "  | 48,185                              | 2    | 2,704                  |      |
|                 | PT TXC Technology Indonesia | Purchase         | 111,158       | 2  | "  | "                          | "  | (52,590)                            | (3)  | 3,146                  |      |

1. The transactions of properties and the profit or loss: None.
2. Endorsements guarantees or collateral directly or indirectly provided to the investees: None.
3. Financing directly or indirectly provided to the investees: None.
4. Other transactions that significantly impacted the current year's profit or loss or financial position: None.

**TXC CORPORATION AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

| No. | Company Name             | Counterparty                | Relationship<br>(Note 1) | Transaction Details          |            |                                  |  |
|-----|--------------------------|-----------------------------|--------------------------|------------------------------|------------|----------------------------------|--|
|     |                          |                             |                          | Financial Statement Accounts | Amount     | Payment Terms<br>(Notes 1 and 2) | Percentage of Total<br>Sales or Assets (%) |
| 0   | TXC Corporation          | TXC (Ningbo) Corporation    | a                        | Sales                        | \$ 934,818 | a                                | 7  |
|     |                          |                             |                          | Purchase                     | 2,417,019  | a                                | 18   |
|     |                          |                             |                          | Trade receivables            | 239,634    | a                                | 1  |
|     |                          |                             |                          | Trade payables               | 611,868    | a                                | 3  |
|     |                          | TXC (Chongqing) Corporation | a                        | Purchase                     | 1,348,205  | a                                | 10   |
|     |                          |                             |                          | Trade payables               | 367,807    | a                                | 2  |
|     |                          | TETC CORP. NINGBO           | a                        | Sales                        | 270,063    | a                                | 2  |
|     |                          |                             |                          | Purchase                     | 446,771    | a                                | 3  |
|     |                          |                             |                          | Trade receivables            | 48,185     | a                                | -  |
|     |                          |                             |                          | Trade payables               | 108,099    | a                                | -  |
|     |                          | PT TXC Technology Indonesia | a                        | Purchase                     | 111,158    | a                                | 1  |
|     |                          |                             |                          | Trade payables               | 52,590     | a                                | -  |
| 1   | TXC (Ningbo) Corporation | TXC (Chongqing) Corporation | c                        | Purchase                     | 361,024    | c                                | 3  |
|     |                          |                             |                          | Trade payables               | 64,449     | c                                | -  |
|     |                          | TETC CORP. NINGBO           | c                        | Sales                        | 136,833    | c                                | 1  |
|     |                          |                             |                          | Trade receivables            | 45,534     | c                                | -  |

Note 1: a. Represent the transactions from parent company to subsidiary.  
c. Represent the transactions between subsidiaries.

Note 2: In 2025, the selling price and purchasing price were not significantly different from those of third parties, except those for TXC (Ningbo) Corporation, TXC (Chongqing) Corporation, TETC CORP. NINGBO and PT TXC Technology Indonesia which is depending on its function within the Group.

Note 3: The Company may decide whether to list the material transactions in this table according to the principle of materiality.

**TXC Corporation**

**Parent Company Only Financial Statements for the  
Years Ended December 31, 2025 and 2024 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
TXC Corporation

### **Opinion**

We have audited the accompanying parent company only financial statements of TXC Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2025 is stated as follows:

The authenticity of sales revenue from specific customers

Sales revenue is the primary indicator used by management to evaluate business performance. We analyzed customer-specific sales revenue information and identified customers that met certain criteria. Based on our assessment, the sales revenue of these customers was subject to higher risk; therefore, the authenticity of revenue recognition from these customers was identified as a key audit matter.

The key audit procedures that we performed included the following:

1. We obtained an understanding for specific customers and tested the appropriateness of the design and the implementation of internal control system that is related to revenue recognition.
2. We selected samples from the revenue details of specific customers, checked the sales orders, delivery notes, shipping documents and invoices of the relevant transactions and reconcile them with the recorded amounts to confirm the authenticity of the revenue.
3. Obtain the subsequent receipt details for specific customers, verify the related supporting documents, and examine whether there are any anomalies between the sales counterparties and the payment counterparties to ensure the authenticity of revenue.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Chung Hsieh and Yi-Hua Peng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2026

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

# TXC CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

| ASSETS  | 2025                 |            | 2024                 |            |
|---|----------------------|------------|----------------------|------------|
|   | Amount               | %          | Amount               | %          |
| <b>CURRENT ASSETS</b>   |                      |            |                      |            |
| Cash and cash equivalents (Notes 4 and 6)   | \$ 1,998,906         | 10         | \$ 2,296,766         | 11         |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7)                 | 17,353               | -          | 61,965               | -          |
| Financial assets at amortized cost - current (Notes 4 and 9)                                    | 104,016              | 1          | 78,674               | -          |
| Trade receivables (Notes 4 and 10)  | 2,536,036            | 13         | 2,703,385            | 14         |
| Trade receivables from related parties (Notes 4, 10 and 26)                                     | 309,873              | 2          | 351,713              | 2          |
| Other receivables (Notes 4 and 10)  | 55,114               | -          | 60,308               | -          |
| Other receivables from related parties (Notes 4 and 26)   | 9                    | -          | 1,086                | -          |
| Current tax assets (Notes 4 and 22)   | 78,982               | -          | 78,982               | -          |
| Inventories (Notes 4 and 11)  | 1,489,550            | 8          | 1,503,653            | 8          |
| Other current assets  | 18,164               | -          | 129,062              | 1          |
| Total current assets  | <u>6,608,003</u>     | <u>34</u>  | <u>7,265,594</u>     | <u>36</u>  |
| <b>NON-CURRENT ASSETS</b>   |                      |            |                      |            |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8) | 38,079               | -          | 96,392               | 1          |
| Investments accounted for using the equity method (Notes 4 and 12)                              | 10,117,173           | 51         | 9,587,307            | 48         |
| Property, plant and equipment (Notes 4 and 13)  | 2,709,173            | 14         | 2,482,549            | 13         |
| Right-of-use assets (Notes 4 and 14)  | 6,368                | -          | 11,302               | -          |
| Investment properties (Notes 4 and 15)  | 14,745               | -          | 15,966               | -          |
| Intangible assets (Note 4)  | 15,424               | -          | 9,130                | -          |
| Deferred tax assets (Notes 4 and 22)  | 15,914               | -          | 23,383               | -          |
| Prepayment for equipment  | 116,306              | 1          | 412,507              | 2          |
| Refundable deposits   | 3,480                | -          | 3,572                | -          |
| Net defined benefit assets - non-current (Notes 4 and 18)                                       | -                    | -          | 5,227                | -          |
| Total non-current assets  | <u>13,036,662</u>    | <u>66</u>  | <u>12,647,335</u>    | <u>64</u>  |
| <b>TOTAL</b>  | <u>\$ 19,644,665</u> | <u>100</u> | <u>\$ 19,912,929</u> | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>   |                      |            |                      |            |
| <b>CURRENT LIABILITIES</b>  |                      |            |                      |            |
| Short-term borrowings (Note 16)   | \$ 251,504           | 1          | \$ -                 | -          |
| Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)            | 274                  | -          | -                    | -          |
| Trade payables  | 592,965              | 3          | 545,977              | 3          |
| Trade payables to related parties (Note 26)   | 1,140,374            | 6          | 1,100,132            | 6          |
| Other payables (Note 17)  | 700,409              | 4          | 692,348              | 4          |
| Other payables to related parties (Note 26)   | 1,193                | -          | 16,852               | -          |
| Current tax liabilities (Notes 4 and 22)  | 21,751               | -          | 49,629               | -          |
| Lease liabilities - current (Notes 4 and 14)  | 4,697                | -          | 4,896                | -          |
| Current portion of long-term borrowings and bonds payable (Note 16)                             | 33,333               | -          | 419,333              | 2          |
| Other current liabilities   | 26,905               | -          | 71,630               | -          |
| Total current liabilities   | <u>2,773,405</u>     | <u>14</u>  | <u>2,900,797</u>     | <u>15</u>  |
| <b>NON-CURRENT LIABILITIES</b>  |                      |            |                      |            |
| Long-term borrowings (Note 16)  | 800,000              | 4          | 533,333              | 3          |
| Deferred tax liabilities (Notes 4 and 22)   | 114,647              | 1          | 108,649              | -          |
| Lease liabilities - non-current (Notes 4 and 14)  | 1,814                | -          | 6,511                | -          |
| Guarantee deposits received   | 35,061               | -          | 39,284               | -          |
| Total non-current liabilities   | <u>951,522</u>       | <u>5</u>   | <u>687,777</u>       | <u>3</u>   |
| Total liabilities   | <u>3,724,927</u>     | <u>19</u>  | <u>3,588,574</u>     | <u>18</u>  |
| <b>EQUITY (Note 19)</b>   |                      |            |                      |            |
| Ordinary shares   | 3,429,930            | 17         | 3,429,930            | 17         |
| Capital surplus   | 4,622,037            | 23         | 4,622,137            | 23         |
| Retained earnings   |                      |            |                      |            |
| Legal reserve   | 2,653,110            | 14         | 2,437,715            | 12         |
| Special reserve   | 222,793              | 1          | 527,767              | 3          |
| Unappropriated earnings   | 5,729,985            | 29         | 5,379,666            | 27         |
| Total retained earnings   | <u>8,605,888</u>     | <u>44</u>  | <u>8,345,148</u>     | <u>42</u>  |
| Other equity  |                      |            |                      |            |
| Exchange differences on translating the financial statements of foreign operations              | (369,158)            | (2)        | (140,531)            | (1)        |
| Unrealized gain on financial assets at fair value through other comprehensive income            | (104,942)            | -          | 67,671               | 1          |
| Total other equity  | <u>(474,100)</u>     | <u>(2)</u> | <u>(72,860)</u>      | <u>-</u>   |
| Treasury shares   | (264,017)            | (1)        | -                    | -          |
| Total equity  | <u>15,919,738</u>    | <u>81</u>  | <u>16,324,355</u>    | <u>82</u>  |
| <b>TOTAL</b>  | <u>\$ 19,644,665</u> | <u>100</u> | <u>\$ 19,912,929</u> | <u>100</u> |

The accompanying notes are an integral part of the parent company only financial statements.

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|   | 2025             |           | 2024             |           |
|---|------------------|-----------|------------------|-----------|
|   | Amount           | %         | Amount           | %         |
| SALES (Notes 4, 20 and 26)  | \$ 9,812,882     | 100       | \$ 9,821,044     | 100       |
| COST OF GOODS SOLD (Notes 11, 21 and 26)                              | <u>7,780,915</u> | <u>79</u> | <u>7,672,257</u> | <u>78</u> |
| GROSS PROFIT  | 2,031,967        | 21        | 2,148,787        | 22        |
| UNREALIZED GAIN ON TRANSACTIONS WITH<br>ASSOCIATES/AND JOINT VENTURES | (13,234)         | -         | (14,091)         | -         |
| REALIZED GAIN ON TRANSACTIONS WITH<br>ASSOCIATES/AND JOINT VENTURES   | <u>14,091</u>    | <u>-</u>  | <u>9,266</u>     | <u>-</u>  |
| REALIZED GROSS PROFIT   | <u>2,032,824</u> | <u>21</u> | <u>2,143,962</u> | <u>22</u> |
| OPERATING EXPENSES (Notes 4, 21 and 26)                               |                  |           |                  |           |
| Selling and marketing expenses  | 261,174          | 2         | 261,769          | 3         |
| General and administrative expenses                                   | 266,320          | 3         | 247,924          | 2         |
| Research and development expenses                                     | <u>694,855</u>   | <u>7</u>  | <u>723,146</u>   | <u>7</u>  |
| Total operating expenses  | <u>1,222,349</u> | <u>12</u> | <u>1,232,839</u> | <u>12</u> |
| PROFIT FROM OPERATIONS  | <u>810,475</u>   | <u>9</u>  | <u>911,123</u>   | <u>10</u> |
| NON-OPERATING INCOME AND EXPENSES                                     |                  |           |                  |           |
| Interest income (Note 21)   | 37,180           | -         | 44,432           | -         |
| Other income (Notes 21 and 26)  | 51,324           | -         | 26,943           | -         |
| Other gains and losses (Notes 21 and 26)                              | (37,826)         | -         | 194,291          | 2         |
| Finance costs (Note 21)   | (36,043)         | -         | (38,206)         | -         |
| Shares of profits of associates and joint ventures<br>(Note 12)       | <u>1,182,639</u> | <u>12</u> | <u>1,260,804</u> | <u>13</u> |
| Total non-operating income and expenses                               | <u>1,197,274</u> | <u>12</u> | <u>1,488,264</u> | <u>15</u> |
| PROFIT BEFORE INCOME TAX  | 2,007,749        | 21        | 2,399,387        | 25        |
| INCOME TAX EXPENSE (Notes 4 and 22)                                   | <u>203,215</u>   | <u>2</u>  | <u>261,972</u>   | <u>3</u>  |
| NET PROFIT FOR THE YEAR   | <u>1,804,534</u> | <u>19</u> | <u>2,137,415</u> | <u>22</u> |

(Continued)

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|   | 2025                |            | 2024                |           |
|---|---------------------|------------|---------------------|-----------|
|   | Amount              | %          | Amount              | %         |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>  |                     |            |                     |           |
| Items that will not be reclassified subsequently to profit or loss:   |                     |            |                     |           |
| Remeasurement of defined benefit plans  | \$ 12,247           | -          | \$ 16,307           | -         |
| Unrealized loss on investments in equity instruments at fair value through other comprehensive income                 | 6,027               | -          | (74,943)            | (1)       |
| Share of the other comprehensive income of associates and joint ventures accounted for using the equity method        | <u>48,882</u>       | <u>1</u>   | <u>87,901</u>       | <u>1</u>  |
|   | <u>67,156</u>       | <u>1</u>   | <u>29,265</u>       | <u>-</u>  |
| Items that may be reclassified subsequently to profit or loss:  |                     |            |                     |           |
| Exchange differences on translation of the financial statements of foreign operations                                 | (224,852)           | (3)        | 424,239             | 5         |
| Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | <u>(3,775)</u>      | <u>-</u>   | <u>17,936</u>       | <u>-</u>  |
|   | <u>(228,627)</u>    | <u>(3)</u> | <u>442,175</u>      | <u>5</u>  |
| Other comprehensive income (loss) for the year, net of income tax   | <u>(161,471)</u>    | <u>(2)</u> | <u>471,440</u>      | <u>5</u>  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  | <u>\$ 1,643,063</u> | <u>17</u>  | <u>\$ 2,608,855</u> | <u>27</u> |
| <b>EARNINGS PER SHARE (Note 23)</b>   |                     |            |                     |           |
| From continuing operations  |                     |            |                     |           |
| Basic   | <u>\$ 5.28</u>      |            | <u>\$ 6.55</u>      |           |
| Diluted   | <u>\$ 5.23</u>      |            | <u>\$ 6.39</u>      |           |

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

**TXC CORPORATION**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

|   | Equity Attributable to Owners of the Company |                |                             |                 |                   |                 |                         | Others   |   | Treasury shares | Total Equity  |
|---|--|----------------|-----------------------------|-----------------|-------------------|-----------------|-------------------------|--|---|-----------------|---------------|
|   | Shares (In Thousands)                        | Share Capital  |                             | Capital Surplus | Retained Earnings |                 |                         | Exchange Differences on Translating the Financial Statements of Foreign Operations | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income |                 |               |
|   |  | Ordinary Share | Bond Conversion Entitlement |                 | Legal Reserve     | Special Reserve | Unappropriated Earnings |  |   |                 |               |
| BALANCE ON JANUARY 1, 2024  | 309,758                                      | \$ 3,097,570   | \$ 9                        | \$ 1,718,693    | \$ 2,243,247      | \$ 143,071      | \$ 5,198,793            | \$ (582,706)   | \$ 54,939   | \$ -            | \$ 11,873,616 |
| Appropriation of 2023 earnings (Note 19)  |  |                |                             |                 |                   |                 |                         |  |   |                 |               |
| Legal reserve   | -  | -              | -                           | -               | 194,468           | -               | (194,468)               | -  | -   | -               | -             |
| Special reserve   | -  | -              | -                           | -               | -                 | 384,696         | (384,696)               | -  | -   | -               | -             |
| Cash dividends distributed by the Company   | -  | -              | -                           | -               | -                 | -               | (1,393,911)             | -  | -   | -               | (1,393,911)   |
| Net profit for the year ended December 31, 2024   | -  | -              | -                           | -               | -                 | -               | 2,137,415               | -  | -   | -               | 2,137,415     |
| Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax | -  | -              | -                           | -               | -                 | -               | 16,533                  | 442,175  | 12,732  | -               | 471,440       |
| Total comprehensive income (loss) for the year ended December 31, 2024                    | -  | -              | -                           | -               | -                 | -               | 2,153,948               | 442,175  | 12,732  | -               | 2,608,855     |
| Convertible bond converted to ordinary shares   | 8,235  | 82,360         | (9)                         | 816,091         | -                 | -               | -                       | -  | -   | -               | 898,442       |
| Donations from shareholders   | -  | -              | -                           | (147)           | -                 | -               | -                       | -  | -   | -               | (147)         |
| Issuance of ordinary shares for cash  | 25,000                                       | 250,000        | -                           | 2,087,500       | -                 | -               | -                       | -  | -   | -               | 2,337,500     |
| BALANCE ON DECEMBER 31, 2024  | 342,993                                      | 3,429,930      | -                           | 4,622,137       | 2,437,715         | 527,767         | 5,379,666               | (140,531)  | 67,671  | -               | 16,324,355    |
| Appropriation of 2024 earnings (Note 19)  |  |                |                             |                 |                   |                 |                         |  |   |                 |               |
| Legal reserve   | -  | -              | -                           | -               | 215,395           | -               | (215,395)               | -  | -   | -               | -             |
| Special reserve   | -  | -              | -                           | -               | -                 | (304,974)       | 304,974                 | -  | -   | -               | -             |
| Cash dividends distributed by the Company   | -  | -              | -                           | -               | -                 | -               | (1,783,563)             | -  | -   | -               | (1,783,563)   |
| Net profit for the year ended December 31, 2025   | -  | -              | -                           | -               | -                 | -               | 1,804,534               | -  | -   | -               | 1,804,534     |
| Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax | -  | -              | -                           | -               | -                 | -               | 12,533                  | (228,627)  | 54,623  | -               | (161,471)     |
| Total comprehensive income (loss) for the year ended December 31, 2025                    | -  | -              | -                           | -               | -                 | -               | 1,817,067               | (228,627)  | 54,623  | -               | 1,643,063     |
| Donations from shareholders   | -  | -              | -                           | (100)           | -                 | -               | -                       | -  | -   | -               | (100)         |
| Disposal of equity instruments at fair value through other comprehensive income           | -  | -              | -                           | -               | -                 | -               | 227,236                 | -  | (227,236)   | -               | -             |
| Buy-back of treasury shares   | -  | -              | -                           | -               | -                 | -               | -                       | -  | -   | (264,017)       | (264,017)     |
| BALANCE ON DECEMBER 31, 2025  | 342,993                                      | \$ 3,429,930   | \$ -                        | \$ 4,622,037    | \$ 2,653,110      | \$ 222,793      | \$ 5,729,985            | \$ (369,158)   | \$ (104,942)  | \$ (264,017)    | \$ 15,919,738 |

The accompanying notes are an integral part of the parent company only financial statements.

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|  | 2025             | 2024             |
|--|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                  |                  |
| Income before income tax   | \$ 2,007,749     | \$ 2,399,387     |
| Adjustments for:   |                  |                  |
| Depreciation expenses  | 497,768          | 510,508          |
| Amortization expenses  | 7,498            | 10,821           |
| Net loss (profit) on fair value changes of financial assets and liabilities at fair value through profit or loss | 1,581            | (5,103)          |
| Finance costs  | 36,043           | 38,206           |
| Interest income  | (37,180)         | (44,432)         |
| Dividend income  | (1,072)          | (4,651)          |
| Share of profit of associates and joint ventures   | (1,182,639)      | (1,260,804)      |
| Gain on disposal of property, plant and equipment  | (885)            | (2,200)          |
| Write-down of inventories  | 9,963            | 8,644            |
| Unrealized gain on the transactions with subsidiaries, associates and joint ventures                             | 13,234           | 14,091           |
| Realized gain on the transactions with subsidiaries, associates and joint ventures                               | (14,091)         | (9,266)          |
| Changes in operating assets and liabilities:   |                  |                  |
| Trade receivables  | 167,349          | (155,062)        |
| Trade receivables from related parties   | 41,840           | (131,723)        |
| Other receivables  | 4,669            | (33,761)         |
| Other receivables from related parties   | 1,077            | 6,742            |
| Inventories  | 4,140            | (46,228)         |
| Other current assets   | 110,898          | (114,151)        |
| Trade payables   | 46,988           | 39,180           |
| Trade payables to related parties  | 40,242           | 25,173           |
| Other payables   | 8,052            | 67,308           |
| Other payables to related parties  | (15,659)         | 14,983           |
| Other current liabilities  | (44,725)         | 41,297           |
| Net defined benefit assets   | 20,536           | (4,948)          |
| Cash generated from operations   | 1,723,376        | 1,364,011        |
| Interest paid  | (36,034)         | (32,737)         |
| Income taxes paid  | (220,688)        | (165,853)        |
| Net cash generated from operating activities   | <u>1,466,654</u> | <u>1,165,421</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                  |                  |
| Proceeds from sale of financial assets at fair value through other comprehensive income                          | 64,340           | -                |
| Purchase of financial assets at amortized cost   | (104,170)        | -                |
| Proceeds from sale of financial assets at amortized cost   | 74,860           | 1,372            |
| Purchase of financial assets at fair value through profit or loss  | -                | (75,185)         |
| Proceeds from sale of financial assets at fair value through profit or loss                                      | 43,305           | -                |
| Payments for property, plant and equipment   | (425,540)        | (409,048)        |

(Continued)

# TXC CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

|   | 2025                       | 2024                       |
|---|----------------------------|----------------------------|
| Proceeds from disposal of property, plant and equipment                                       | \$ 4,389                   | \$ 6,128                   |
| Increase in refundable deposits   | -                          | (1,006)                    |
| Decrease in refundable deposits   | 92                         | -                          |
| Payments for intangible assets  | (13,792)                   | (6,358)                    |
| Increase in prepayment for equipment  | -                          | (153,282)                  |
| Interest received   | 37,695                     | 44,266                     |
| Dividend received from associates   | 451,880                    | 402,840                    |
| Other dividends received  | <u>23,087</u>              | <u>22,215</u>              |
| Net cash (used in) generated from investing activities  | <u>156,146</u>             | <u>(168,058)</u>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                            |                            |
| Proceeds from short-term borrowings   | 228,953                    | -                          |
| Repayments of bonds payable   | -                          | (301,400)                  |
| Proceeds from long-term borrowings  | 2,100,000                  | 3,000,000                  |
| Repayments of long-term borrowings  | (2,219,333)                | (4,336,088)                |
| Proceeds from guarantee deposits received   | -                          | 29,734                     |
| Refund of guarantee deposits received   | (4,223)                    | -                          |
| Repayments of principle portion of lease liabilities  | (4,896)                    | (4,418)                    |
| Dividends paid to owners of the company   | (1,783,563)                | (1,393,911)                |
| Proceeds from issuance of ordinary shares   | -                          | 2,337,500                  |
| Buy-back of treasury shares   | (264,017)                  | -                          |
| Other changes in capital surplus  | <u>(100)</u>               | <u>(147)</u>               |
| Net cash used in financing activities   | <u>(1,947,179)</u>         | <u>(668,730)</u>           |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE<br/>OF CASH HELD IN FOREIGN CURRENCIES</b> |                            |                            |
|   | <u>26,519</u>              | <u>(4,704)</u>             |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH<br/>EQUIVALENTS</b>                               | <b>(297,860)</b>           | <b>323,929</b>             |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br/>YEAR</b>                             | <u><b>2,296,766</b></u>    | <u><b>1,972,837</b></u>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                                       | <u><b>\$ 1,998,906</b></u> | <u><b>\$ 2,296,766</b></u> |

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

# TXC CORPORATION

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. ORGANIZATION AND OPERATIONS

TXC Corporation (the “Company”) was incorporated in the Republic of China (ROC) on December 28, 1983.

TXC specializes in producing high quality crystals and crystal oscillator (CXO) as well as develops a variety of sensors by core technology to satisfy the market demand. Sensors are applied to various applications including mobile communication, information and storage device, internet of things, vehicle electronics, telecommunication equipment, smart home, AI, medical care, and 5G, etc.

TXC’s shares have been listed on the Taiwan Stock Exchange since August 26, 2002.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

To ensure the rights and interests of investors through full disclosure of operational governance, the Company applied for the Corporate Governance Assessment held by the Taiwan Corporate Governance Association (TCGA). For the “Corporate Governance Evaluation” jointly held by the Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange, under the category of listed companies, the Company was awarded as the top 20 percent in 2014, top 5 percent from 2015 to 2017, and top 6 to 20 percent from 2018 to 2024. The Company will continue to strengthen corporate governance with the intention to achieve international standards for protection of public interest. Since 2009, the Company has continuously prepared its Corporate Social Responsibility (CSR) Report voluntarily in accordance with the GRI Standards. In 2021, the Company formally established the Sustainability Development Committee (ESG Committee) and simultaneously transformed the CSR Report into the Sustainability Report (ESG Report). The Company has obtained assurance from the third-party verification body, the British Standards Institution (BSI), and has incorporated the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) standards to align its sustainability disclosures with international practices.

In response to global sustainability trends and growing customer expectations regarding supply chain responsibility, the Company fully adopted the ISO 20400 Sustainable Procurement Guidelines beginning in 2025. The relevant operational procedures have been established and certified, and the Company continues to enhance sustainable supply chain governance through a structured and institutionalized management framework.

In the area of climate change and energy management, the Company has established an ISO 50001 Energy Management System and has progressively completed the ISO 14064-1 organizational greenhouse gas inventory and the ISO 14067 product carbon footprint assessment. Through systematic energy data management and monitoring mechanisms, the Company has enhanced energy-use efficiency. At the same time, the Company has adopted a dual-track strategy of procuring external renewable energy and installing in-house solar power generation systems. In 2025, the Group’s overall renewable energy usage rate reached 15.4%. Looking ahead, the Company will continue to increase the proportion of renewable energy consumption through this dual-track approach.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 9, 2026.

## 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS, AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

### Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026.

| <u>New, Amended Revised Standards and Interpretations</u>   | <u>Effective Date Announced by IASB</u> |
|---|---|
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" | January 1, 2026                         |
| Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"                        | January 1, 2026                         |
| Annual Improvements to IFRS Accounting Standards - Volume 11  | January 1, 2026                         |
| IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)                           | January 1, 2023                         |

### Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

#### The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- 1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
  - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
  - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- 2) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- 3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

| <u>New, Amended and Revised Standards and Interpretations</u>  | <u>Effective Date<br/>Announced by IASB (Note 1)</u> |
|--|--|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB                             |
| IFRS 18 "Presentation and Disclosure in Financial Statements"  | January 1, 2027 (Note 2)                             |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)             | January 1, 2027                                      |
| Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"  | January 1, 2027                                      |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### **b. Basis of preparation**

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the specific identification of cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has a significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

#### h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

#### i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

## 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

### a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

#### i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 25.

#### ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, note and trade receivables at amortized cost, other receivables, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits and repurchase agreement with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

#### iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

## 2) Financial liabilities

### a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method.

- Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. Fair value is determined in the manner described in Note 25.

### b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

## 3) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contract and exchange contracts, interest rate swaps and options.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

## m. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

### Revenue from the sale of goods

Revenue from the sale of goods comes from sales of crystals frequency control devices and sensors. Sales of crystals frequency control devices and sensors are recognized as revenue when the goods are delivered to the customer's specific location, the goods are shipped and the goods are picked up by customers because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants related to income are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs and other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

## 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## 3) Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination and the acquisition of a subsidiary, the tax effect is included in the accounting for the business combination and investments in a subsidiary.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of US reciprocal tariffs and other possible impacts on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 6. CASH AND CASH EQUIVALENTS

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2025</b>         | <b>2024</b>         |
| Cash on hand  | \$ 378              | \$ 479              |
| Checking accounts and demand deposits   | 1,548,528           | 1,217,903           |
| Cash equivalents (investments with original maturities of less than three months) |                     |                     |
| Time deposits   | 300,000             | 978,384             |
| Repurchase agreements collateralized by bonds                                     | <u>150,000</u>      | <u>100,000</u>      |
|   | <u>\$ 1,998,906</u> | <u>\$ 2,296,766</u> |

The market rate intervals of cash in bank at the end of the reporting period were as follows:

|   | <b>December 31</b> |              |
|---|--------------------|--------------|
|   | <b>2025</b>        | <b>2024</b>  |
| Demand deposits                               | 0.005%-3.35%       | 0.001%-3.76% |
| Time deposits                                 | 1.65%              | 1.5%-4.61%   |
| Repurchase agreements collateralized by bonds | 1.40%-1.41%        | 1.47%        |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|   | <b>December 31</b> |                  |
|---|--------------------|------------------|
|   | <b>2025</b>        | <b>2024</b>      |
| <u>Financial assets at FVTPL - current</u>                    |                    |                  |
| Financial assets mandatorily classified as at FVTPL           |                    |                  |
| Derivative financial instruments (not under hedge accounting) |                    |                  |
| Foreign exchange forward contracts and exchange contracts (*) | \$ -               | \$ 1,415         |
| Non-derivative financial assets                               |                    |                  |
| Domestic listed shares  | -                  | 43,000           |
| Hybrid financial assets                                       |                    |                  |
| Convertible bonds   | <u>17,353</u>      | <u>17,550</u>    |
|   | <u>17,353</u>      | <u>60,550</u>    |
|   | <u>\$ 17,353</u>   | <u>\$ 61,965</u> |
| <u>Financial liabilities at FVTPL - current</u>               |                    |                  |
| Financial liabilities mandatorily classified as at FVTPL      |                    |                  |
| Derivative financial instruments (not under hedge accounting) |                    |                  |
| Foreign exchange forward contracts and exchange contracts (*) | \$ 274             | \$ -             |

\* At the end of the reporting period, outstanding foreign exchange forward contracts and exchange contracts not under hedge accounting were as follows:

|                                   | Currency | Maturity Date         | Contract Amount<br>(In Thousands) |
|-----------------------------------|----------|-----------------------|-----------------------------------|
| <u>December 31, 2025</u>          |          |                       |                                   |
| Knock-out forward                 | USD/RMB  | 2026.01.19-2026.03.16 | USD9,000/RMB64,442                |
| Exchange contracts                | USD/NTD  | 2026.01.14            | USD2,000/NTD59,716                |
| Foreign exchange currency options | USD/NTD  | 2026.01.20-2026.02.24 | USD8,000/NTD249,800               |
| <u>December 31, 2024</u>          |          |                       |                                   |
| Knock-out forward                 | USD/RMB  | 2025.01.13            | USD4,000/RMB29,030                |
| Exchange contracts                | USD/NTD  | 2025.01.21-2025.02.04 | USD7,000/NTD222,583               |
| Foreign exchange currency options | USD/NTD  | 2025.01.03-2025.02.05 | USD7,000/NTD225,900               |

The Company entered into foreign exchange forward contracts and exchange contracts during the years ended December 31, 2025 and 2024 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|  | <u>December 31</u> |                  |
|--|--------------------|------------------|
|  | 2025               | 2024             |
| <u>Non-current</u>                     |                    |                  |
| Domestic investments                   |                    |                  |
| Listed shares                          |                    |                  |
| Win Win Precision Technology Co., Ltd. | \$ -               | \$ 40,678        |
| Unlisted shares                        | 34,176             | 49,292           |
| Foreign investments                    |                    |                  |
| Unlisted shares                        | <u>3,903</u>       | <u>6,422</u>     |
|  | <u>\$ 38,079</u>   | <u>\$ 96,392</u> |

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In 2025, the Company sold its shares in Win Win Precision Technology Co., Ltd. in order to manage credit concentration risk. The shares sold had a fair value of \$64,340 thousand and its related unrealized gain of \$3,984 thousand was transferred from other equity to retained earnings.

In 2025, the Company's subsidiary, TXC (Ningbo) Corporation, sold its shares in Ningbo SJ Electronics Co., Ltd. in order to manage credit concentration risk. The shares sold had a fair value of \$246,361 thousand and its related unrealized gain of \$223,252 thousand was transferred from other equity to retained earnings.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|                                | <u>December 31</u> |                  |
|--------------------------------|--------------------|------------------|
|                                | <u>2025</u>        | <u>2024</u>      |
| <u>Current</u>                 |                    |                  |
| Domestic investments           |                    |                  |
| Pledge deposits (a)            | \$ 64,016          | \$ 78,674        |
| Pledge time deposits (a and b) | <u>40,000</u>      | <u>-</u>         |
|                                | <u>\$ 104,016</u>  | <u>\$ 78,674</u> |

- a. Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.
- b. As of December 31, 2025, the range of interest rates for pledged time deposits was 0.66%.

## 10. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

|  | <u>December 31</u>  |                     |
|--|---------------------|---------------------|
|  | <u>2025</u>         | <u>2024</u>         |
| <u>Trade receivables (including related parties)</u> |                     |                     |
| At amortized cost                                    |                     |                     |
| Gross carrying amount                                | \$ 2,855,280        | \$ 3,064,469        |
| Less: Allowance for impairment loss                  | <u>(9,371)</u>      | <u>(9,371)</u>      |
|  | <u>\$ 2,845,909</u> | <u>\$ 3,055,098</u> |
| <u>Other receivables</u>                             |                     |                     |
| Tax refund receivable                                | \$ 27,470           | \$ 29,846           |
| Others   | <u>27,644</u>       | <u>30,462</u>       |
|  | <u>\$ 55,114</u>    | <u>\$ 60,308</u>    |

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base. The Company recognizes 100% loss allowance for trade receivables of greater than 120 days past due and unsecured.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2025

|                               | Not Past Due        | 1 to 60 Days      | 61 to 120 Days | 121 to 180 Days | Over 180 Days | Total               |
|-------------------------------|---------------------|-------------------|----------------|-----------------|---------------|---------------------|
| Expected credit loss rate     | 0.34%               | 0.02%-0.66%       | 9.09%-13.64%   | 100%            | 100%          |                     |
| Gross carrying amount         | \$ 2,719,090        | \$ 135,732        | \$ 458         | \$ -            | \$ -          | \$ 2,855,280        |
| Loss allowance (Lifetime ECL) | <u>(9,247)</u>      | <u>(62)</u>       | <u>(62)</u>    | <u>-</u>        | <u>-</u>      | <u>(9,371)</u>      |
| Amortized cost                | <u>\$ 2,709,843</u> | <u>\$ 135,670</u> | <u>\$ 396</u>  | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ 2,845,909</u> |

December 31, 2024

|                               | Not Past Due        | 1 to 60 Days      | 61 to 120 Days | 121 to 180 Days | Over 180 Days | Total               |
|-------------------------------|---------------------|-------------------|----------------|-----------------|---------------|---------------------|
| Expected credit loss rate     | 0.32%               | 0.02%-0.66%       | 100%           | 100%            | 100%          |                     |
| Gross carrying amount         | \$ 2,893,421        | \$ 171,048        | \$ -           | \$ -            | \$ -          | \$ 3,064,469        |
| Loss allowance (Lifetime ECL) | <u>(9,324)</u>      | <u>(47)</u>       | <u>-</u>       | <u>-</u>        | <u>-</u>      | <u>(9,371)</u>      |
| Amortized cost                | <u>\$ 2,884,097</u> | <u>\$ 171,001</u> | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ 3,055,098</u> |

The movements of the loss allowance of trade receivables were as follows:

|                           | <u>For the Year Ended December 31</u> |                 |
|---------------------------|---------------------------------------|-----------------|
|                           | <u>2025</u>                           | <u>2024</u>     |
| Balance on January 1      | \$ 9,371                              | \$ 10,053       |
| Less: Amounts written off | <u>-</u>                              | <u>(682)</u>    |
| Balance on December 31    | <u>\$ 9,371</u>                       | <u>\$ 9,371</u> |

## 11. INVENTORIES

|                          | <u>December 31</u>  |                     |
|--------------------------|---------------------|---------------------|
|                          | <u>2025</u>         | <u>2024</u>         |
| Finished goods           | \$ 261,647          | \$ 269,942          |
| Work in process          | 475,200             | 391,022             |
| Raw materials            | 274,378             | 324,394             |
| Supplies and spare parts | 105,992             | 112,410             |
| Merchandise              | 344,001             | 394,739             |
| Inventory in transit     | <u>28,332</u>       | <u>11,146</u>       |
|                          | <u>\$ 1,489,550</u> | <u>\$ 1,503,653</u> |

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 was \$7,780,915 thousand and \$7,672,257 thousand, respectively. The cost of goods sold for the 2025 and 2024 included inventory write-downs of \$9,963 thousand and \$8,644 thousand, respectively.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                             | <b>December 31</b>   |                     |
|-----------------------------|----------------------|---------------------|
|                             | <b>2025</b>          | <b>2024</b>         |
| Investments in subsidiaries | \$ 9,693,053         | \$ 9,158,579        |
| Investments in associates   | <u>424,120</u>       | <u>428,728</u>      |
|                             | <u>\$ 10,117,173</u> | <u>\$ 9,587,307</u> |

### Investments in Subsidiaries

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2025</b>         | <b>2024</b>         |
| Unlisted companies                              |                     |                     |
| Taiwan Crystal Technology International Limited | \$ 9,419,443        | \$ 8,879,763        |
| TXC Technology Inc.                             | 22,254              | 24,078              |
| TXC Japan Corporation                           | 28,989              | 31,865              |
| Taiwan Crystal Technology (HK) Limited          | 204,048             | 209,731             |
| TXC Europe GmbH                                 | <u>18,319</u>       | <u>13,142</u>       |
|   | <u>\$ 9,693,053</u> | <u>\$ 9,158,579</u> |

The proportion of the Company's ownership was as follows:

|  | <b>December 31</b> |             |
|--|--------------------|-------------|
|  | <b>2025</b>        | <b>2024</b> |
| <u>Unlisted shares</u>                       |                    |             |
| Taiwan Crystal Technology International Ltd. | 100                | 100         |
| TXC Technology Inc.                          | 100                | 100         |
| TXC Japan Corporation                        | 100                | 100         |
| Taiwan Crystal Technology (HK) Limited       | 100                | 100         |
| TXC Europe GmbH                              | 100                | 100         |

### Investments in Associates

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2025</b>        | <b>2024</b>       |
| Associate that is not individually material | <u>\$ 424,120</u>  | <u>\$ 428,728</u> |

|   | <b>For the Year Ended December 31</b> |                  |
|---|---------------------------------------|------------------|
|   | <b>2025</b>                           | <b>2024</b>      |
| The Company's share of:                 |                                       |                  |
| Profit from continuing operations       | \$ 20,925                             | \$ 30,280        |
| Other comprehensive income (loss)       | <u>(3,527)</u>                        | <u>18,101</u>    |
| Total comprehensive income for the year | <u>\$ 17,398</u>                      | <u>\$ 48,381</u> |

Refer to Table 4 “name, locations, and related information of investees on which the Company exercises significant influence” for the nature of activities, principal place of business and country of incorporation of the associates.

### 13. PROPERTY, PLANT AND EQUIPMENT

|   | Freehold Land     | Land Improvements | Buildings           | Machinery and Equipment | Transportation Equipment | Office Equipment  | Total               |
|---|-------------------|-------------------|---------------------|-------------------------|--------------------------|-------------------|---------------------|
| <u>Cost</u>                                     |                   |                   |                     |                         |                          |                   |                     |
| Balance on January 1, 2024                      | \$ 621,855        | \$ 3,024          | \$ 1,632,809        | \$ 4,714,693            | \$ 1,610                 | \$ 122,374        | \$ 7,096,365        |
| Additions                                       | -                 | -                 | 117,545             | 253,235                 | -                        | 38,268            | 409,048             |
| Disposals                                       | -                 | -                 | (3,684)             | (156,138)               | -                        | (4,114)           | (163,936)           |
| Balance on December 31, 2024                    | <u>\$ 621,855</u> | <u>\$ 3,024</u>   | <u>\$ 1,746,670</u> | <u>\$ 4,811,790</u>     | <u>\$ 1,610</u>          | <u>\$ 156,528</u> | <u>\$ 7,341,477</u> |
| <u>Accumulated depreciation and impairment</u>  |                   |                   |                     |                         |                          |                   |                     |
| Balance on January 1, 2024                      | \$ -              | \$ 1,899          | \$ 806,310          | \$ 3,604,626            | \$ 758                   | \$ 100,583        | \$ 4,514,176        |
| Disposals                                       | -                 | -                 | (3,684)             | (152,210)               | -                        | (4,114)           | (160,008)           |
| Depreciation expenses                           | -                 | 312               | 67,755              | 425,514                 | 173                      | 11,006            | 504,760             |
| Balance on December 31, 2024                    | <u>\$ -</u>       | <u>\$ 2,211</u>   | <u>\$ 870,381</u>   | <u>\$ 3,877,930</u>     | <u>\$ 931</u>            | <u>\$ 107,475</u> | <u>\$ 4,858,928</u> |
| Carrying amount on December 31, 2024            | <u>\$ 621,855</u> | <u>\$ 813</u>     | <u>\$ 876,289</u>   | <u>\$ 933,860</u>       | <u>\$ 679</u>            | <u>\$ 49,053</u>  | <u>\$ 2,482,549</u> |
| <u>Cost</u>                                     |                   |                   |                     |                         |                          |                   |                     |
| Balance on January 1, 2025                      | \$ 621,855        | \$ 3,024          | \$ 1,746,670        | \$ 4,811,790            | \$ 1,610                 | \$ 156,528        | \$ 7,341,477        |
| Additions                                       | -                 | -                 | 293,637             | 121,298                 | -                        | 10,605            | 425,540             |
| Disposals                                       | -                 | (1,599)           | (21,887)            | (143,724)               | -                        | (5,041)           | (172,251)           |
| Reclassification from prepayments for equipment | -                 | -                 | -                   | 296,200                 | -                        | -                 | 296,200             |
| Balance on December 31, 2025                    | <u>\$ 621,855</u> | <u>\$ 1,425</u>   | <u>\$ 2,018,420</u> | <u>\$ 5,085,564</u>     | <u>\$ 1,610</u>          | <u>\$ 162,092</u> | <u>\$ 7,890,966</u> |
| <u>Accumulated depreciation and impairment</u>  |                   |                   |                     |                         |                          |                   |                     |
| Balance on January 1, 2025                      | \$ -              | \$ 2,211          | \$ 870,381          | \$ 3,877,930            | \$ 931                   | \$ 107,475        | \$ 4,858,928        |
| Disposals                                       | -                 | (1,599)           | (21,887)            | (140,221)               | -                        | (5,041)           | (168,748)           |
| Depreciation expenses                           | -                 | 213               | 80,049              | 398,585                 | 173                      | 12,593            | 491,613             |
| Balance on December 31, 2025                    | <u>\$ -</u>       | <u>\$ 825</u>     | <u>\$ 928,543</u>   | <u>\$ 4,136,294</u>     | <u>\$ 1,104</u>          | <u>\$ 115,027</u> | <u>\$ 5,181,793</u> |
| Carrying amount on December 31, 2025            | <u>\$ 621,855</u> | <u>\$ 600</u>     | <u>\$ 1,089,877</u> | <u>\$ 949,270</u>       | <u>\$ 506</u>            | <u>\$ 47,065</u>  | <u>\$ 2,709,173</u> |

There was no impairment assessment was performed for the years ended December 31, 2025 and 2024 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

|                             |            |
|-----------------------------|------------|
| Land improvements           | 7 years    |
| Buildings                   | 3-51 years |
| Equipment                   |            |
| Major production equipments | 2-10 years |
| Temperature control systems | 4-7 years  |
| Transportation equipments   | 4-7 years  |
| Transportation equipments   | 5 years    |
| Office equipments           | 2-8 years  |

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

|   | <u>December 31</u>                    |                  |
|---|---------------------------------------|------------------|
|   | <u>2025</u>                           | <u>2024</u>      |
| <u>Carrying amounts</u>                     |                                       |                  |
| Buildings                                   | \$ 3,858                              | \$ 6,430         |
| Transportation equipment                    | <u>2,510</u>                          | <u>4,872</u>     |
|   | <u>\$ 6,368</u>                       | <u>\$ 11,302</u> |
|   | <u>For the Year Ended December 31</u> |                  |
|   | <u>2025</u>                           | <u>2024</u>      |
| Additions to right-of-use assets            | <u>\$ -</u>                           | <u>\$ 11,923</u> |
| Depreciation charge for right-of-use assets |                                       |                  |
| Buildings                                   | \$ 2,572                              | \$ 2,595         |
| Transportation equipment                    | <u>2,362</u>                          | <u>1,894</u>     |
|   | <u>\$ 4,934</u>                       | <u>\$ 4,489</u>  |

### b. Lease liabilities

|                         | <u>December 31</u> |                  |
|-------------------------|--------------------|------------------|
|                         | <u>2025</u>        | <u>2024</u>      |
| <u>Carrying amounts</u> |                    |                  |
| Current                 | \$ 4,697           | \$ 4,896         |
| Non-current             | <u>1,814</u>       | <u>6,511</u>     |
|                         | <u>\$ 6,511</u>    | <u>\$ 11,407</u> |

Range of discount rates for lease liabilities was as follows:

|                          | <u>December 31</u> |             |
|--------------------------|--------------------|-------------|
|                          | <u>2025</u>        | <u>2024</u> |
| Buildings                | 2.49%              | 2.49%       |
| Transportation equipment | 3.00%-3.14%        | 3.00%-3.14% |

### c. Material leasing activities and terms

The Company leases certain warehouses in economic zone with lease term of 3 years, and leases car for business use with lease term of 3 years. The Company does not have a bargain purchase option to acquire the leased warehouse at the expire of the lease period.

d. Other lease information

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2025</b>                           | <b>2024</b>       |
| Expenses relating to short-term leases | \$ <u>396</u>                         | \$ <u>366</u>     |
| Total cash outflow for leases          | \$ <u>(5,532)</u>                     | \$ <u>(5,013)</u> |

The Company's leases of certain building qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

**15. INVESTMENT PROPERTIES**

|  | <b>Completed<br/>Investment<br/>Properties</b> |
|--|--|
| <u>Cost</u>                                    |  |
| Balance on January 1, 2024                     | \$ 28,577                                      |
| Additions                                      | -  |
| Disposals                                      | <u>-</u>                                       |
| Balance on December 31, 2024                   | <u>\$ 28,577</u>                               |
| <u>Accumulated depreciation and impairment</u> |  |
| Balance on January 1, 2024                     | \$ (11,352)                                    |
| Disposals                                      | -  |
| Depreciation expenses                          | <u>(1,259)</u>                                 |
| Balance on December 31, 2024                   | <u>\$ (12,611)</u>                             |
| Carrying amounts on December 31, 2024          | <u>\$ 15,966</u>                               |
| <u>Cost</u>                                    |  |
| Balance on January 1, 2025                     | \$ 28,577                                      |
| Disposals                                      | <u>(783)</u>                                   |
| Balance on December 31, 2025                   | <u>\$ 27,794</u>                               |
| <u>Accumulated depreciation and impairment</u> |  |
| Balance on January 1, 2025                     | \$ (12,611)                                    |
| Disposals                                      | 783  |
| Depreciation expenses                          | <u>(1,221)</u>                                 |
| Balance on December 31, 2025                   | <u>\$ (13,049)</u>                             |
| Carrying amounts on December 31, 2025          | <u>\$ 14,745</u>                               |

The investment properties are depreciated using the straight-line method over their estimated useful lives of 3-51 years.

The fair value of the Company’s investment properties as of December 31, 2025 and 2024 was \$78,482 thousand and \$88,212 thousand, respectively. The determination of fair value valuation had not been performed by independent qualified professional valuers; however, the management of the Company had used the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Company’s investment properties were freehold properties.

**16. BORROWINGS**

a. Short-term borrowings

|                             | <u>December 31</u> |             |
|-----------------------------|--------------------|-------------|
|                             | <b>2025</b>        | <b>2024</b> |
| <u>Unsecured borrowings</u> |                    |             |
| Bank borrowings             | <u>\$ 251,504</u>  | <u>\$ -</u> |

The range of interest rates on bank loans was 4.40%-4.48% per annum on December 31, 2025.

b. Long-term borrowings

|                             | <u>December 31</u>       |                       |
|-----------------------------|--------------------------|-----------------------|
|                             | <b>2025</b>              | <b>2024</b>           |
| <u>Unsecured borrowings</u> |                          |                       |
| Line of credit borrowings   | \$ 833,333               | \$ 952,666            |
| Less: Current portions      | <u>(33,333)</u>          | <u>(419,333)</u>      |
| Long-term borrowings        | <u>\$ 800,000</u>        | <u>\$ 533,333</u>     |
| Detail of borrowings        |                          |                       |
| Annual interest rate        | 0.98%-1.77%              | 0.98%-1.79%           |
| Maturity date               | Due by<br>September 2027 | Due by<br>August 2026 |

## 17. OTHER LIABILITIES

|   | <u>December 31</u> |                   |
|---|--------------------|-------------------|
|   | <u>2025</u>        | <u>2024</u>       |
| <u>Current</u>                                  |                    |                   |
| Other payables                                  |                    |                   |
| Payables for bonuses to employees and directors | \$ 257,241         | \$ 281,492        |
| Payables for commissions                        | 28,943             | 20,655            |
| Payables for salaries                           | 41,223             | 43,106            |
| Payables for bonuses                            | 199,362            | 190,227           |
| Payables for annual leave                       | 31,506             | 31,146            |
| Payables for purchases of equipment             | 48,914             | 31,598            |
| Others  | <u>93,220</u>      | <u>94,124</u>     |
|   | <u>\$ 700,409</u>  | <u>\$ 692,348</u> |

## 18. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Company has set up appointed manager's pension fund and contributes monthly an amount of not less than 8% of the appointed manager's monthly salaries and wages to the Bank of Taiwan.

### b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 9% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans are as follows:

|   | <u>December 31</u> |                   |
|---|--------------------|-------------------|
|   | <u>2025</u>        | <u>2024</u>       |
| Present value of defined benefit obligation | \$ -               | \$ 73,551         |
| Fair value of plan assets                   | <u>-</u>           | <u>(78,778)</u>   |
| Net defined benefit (assets) liabilities    | <u>\$ -</u>        | <u>\$ (5,227)</u> |

Movements in net defined benefit liabilities (assets) were as follows:

|  | <b>Present Value<br/>of the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liabilities<br/>(Assets)</b> |
|--|--|--|---|
| Balance on January 1, 2024   | \$ 176,155   | \$ (156,050)                             | \$ 20,105   |
| Service cost   |  |  |   |
| Current service cost   | 791  | -  | 791   |
| Past service cost  | 2,005  | -  | 2,005   |
| Past service cost and loss (gain) on settlements                   | (996)  | 700                                      | (296)   |
| Net interest expense (income)                                      | <u>2,088</u>   | <u>(2,077)</u>                           | <u>11</u>   |
| Recognized in profit or loss                                       | <u>3,888</u>   | <u>(1,377)</u>                           | <u>2,511</u>  |
| Remeasurement  |  |  |   |
| Return on plan assets (excluding amounts included in net interest) | -  | (12,908)                                 | (12,908)  |
| Actuarial (gain) loss - changes in financial assumptions           | (6,261)  | -  | (6,261)   |
| Actuarial (gain) loss - experience adjustments                     | <u>(1,214)</u>   | <u>-</u>                                 | <u>(1,214)</u>  |
| Recognized in other comprehensive income                           | <u>(7,475)</u>   | <u>(12,908)</u>                          | <u>(20,383)</u>   |
| Contributions from the employer                                    | -  | (7,460)                                  | (7,460)   |
| Benefits paid  | <u>(99,017)</u>  | <u>99,017</u>                            | <u>-</u>  |
| Balance on December 31, 2024                                       | <u>73,551</u>  | <u>(78,778)</u>                          | <u>(5,227)</u>  |
| Service cost   |  |  |   |
| Current service cost   | 720  | -  | 720   |
| Net interest expense (income)                                      | <u>1,103</u>   | <u>(1,196)</u>                           | <u>(93)</u>   |
| Recognized in profit or loss                                       | <u>1,823</u>   | <u>(1,196)</u>                           | <u>627</u>  |
| Remeasurement  |  |  |   |
| Return on plan assets (excluding amounts included in net interest) | -  | (8,677)                                  | (8,677)   |
| Actuarial (gain) loss - experience adjustments                     | <u>(6,632)</u>   | <u>-</u>                                 | <u>(6,632)</u>  |
| Recognized in other comprehensive income                           | <u>(6,632)</u>   | <u>(8,677)</u>                           | <u>(15,309)</u>   |
| Contributions from the employer                                    | -  | (856)                                    | (856)   |
| Benefits paid  | (68,742)   | 68,742                                   | -   |
| Receipt of plan assets   | <u>-</u>   | <u>20,765</u>                            | <u>20,765</u>   |
| Balance at December 31, 2025                                       | <u>\$ -</u>  | <u>\$ -</u>                              | <u>\$ -</u>   |

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

|                                     | <b>For the Year Ended December 31</b> |                 |
|-------------------------------------|---------------------------------------|-----------------|
|                                     | <b>2025</b>                           | <b>2024</b>     |
| Cost of goods sold                  | \$ 362                                | \$ 1,344        |
| Selling and marketing expenses      | 127                                   | 219             |
| General and administrative expenses | 77                                    | 355             |
| Research and development expenses   | <u>61</u>                             | <u>593</u>      |
|                                     | <u>\$ 627</u>                         | <u>\$ 2,511</u> |

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

|                                     | <u>December 31</u> |             |
|-------------------------------------|--------------------|-------------|
|                                     | <b>2025</b>        | <b>2024</b> |
| Discount rate(s)                    | 1.25%              | 1.50%       |
| Expected rate(s) of salary increase | 2.50%              | 2.50%       |

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

|                                     | <u>December 31</u> |                   |
|-------------------------------------|--------------------|-------------------|
|                                     | <b>2025</b>        | <b>2024</b>       |
| Discount rate(s)                    |                    |                   |
| 0.25% increase                      | <u>\$ -</u>        | <u>\$ (1,411)</u> |
| 0.25% decrease                      | <u>\$ -</u>        | <u>\$ 1,455</u>   |
| Expected rate(s) of salary increase |                    |                   |
| 0.25% increase                      | <u>\$ -</u>        | <u>\$ 1,418</u>   |
| 0.25% decrease                      | <u>\$ -</u>        | <u>\$ (1,382)</u> |

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

|   | <u>December 31</u> |                 |
|---|--------------------|-----------------|
|   | <b>2025</b>        | <b>2024</b>     |
| Expected contributions to the plans for the next year | <u>\$ -</u>        | <u>\$ 2,052</u> |
| Average duration of the defined benefit obligation    | -                  | 9.1 years       |

## 19. EQUITY

### a. Share capital

#### Ordinary shares

|   | <u>December 31</u>  |                     |
|---|---------------------|---------------------|
|   | <u>2025</u>         | <u>2024</u>         |
| Shares authorized (in thousands of shares)                  | <u>500,000</u>      | <u>500,000</u>      |
| Shares authorized, par value \$10 (in thousands of dollars) | <u>\$ 5,000,000</u> | <u>\$ 5,000,000</u> |
| Shares issued and fully paid (in thousands of shares)       | <u>342,993</u>      | <u>342,993</u>      |
| Shares issued and fully paid (in thousands of dollars)      | <u>\$ 3,429,930</u> | <u>\$ 3,429,930</u> |

In order to align with long-term operational development, the Company introduced strategic partners, strengthened operational capital, and enhanced its financial structure. Considering the cost of raising funds and the timeliness and convenience of the introduction, the shareholders' meeting held on May 28, 2024, approved a private placement of up to 25,000 thousand shares of common stock through a cash capital increase. On June 20, 2024, the Board of Directors approved the issuance of 25,000 thousand common shares through a cash capital increase, with all shares to be subscribed for in cash by specific individuals, at a premium price of \$93.5 per share. The total amount raised through the private placement was \$2,337,500 thousand. The capital increase was registered and completed with the effective date set as July 2, 2024.

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The Company's 30,000 thousand shares authorized were reserved for the issuance of convertible bonds and employee share options.

### b. Capital surplus

|   | <u>December 31</u>  |                     |
|---|---------------------|---------------------|
|   | <u>2025</u>         | <u>2024</u>         |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>   |                     |                     |
| Issuance of ordinary shares   | \$ 2,699,275        | \$ 2,699,275        |
| Conversion of bonds   | 1,814,500           | 1,814,500           |
| Overdue options   | 80,518              | 80,518              |
| The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 331                 | 331                 |
| <u>May only be used to offset a deficit</u>   |                     |                     |
| Share of changes in capital surplus of associates or joint venture  | 23,981              | 23,981              |
| Other   | <u>3,432</u>        | <u>3,532</u>        |
|   | <u>\$ 4,622,037</u> | <u>\$ 4,622,137</u> |

\* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on May 27, 2025 and in that meeting, resolved the amendments to the Articles. The amendments explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of six months of the fiscal year. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles, profit distribution or offset of deficit can be made after the end of each half of the fiscal year, relevant proposals shall be formulated by the Board of Directors and, in accordance with applicable laws, regulations, and the principles set forth in the Articles of Incorporation, be reported to or submitted for approval at the shareholders' meeting.

Under the dividends policy as set forth in the Articles before the amendments, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors as stipulated in the Articles of Incorporation, refer to compensation of employees and remuneration of directors in Note 21(g).

The Corporation's dividend policy takes into account the current and future investment environment, funding requirements, domestic and international competitiveness, and capital budgeting, while balancing shareholder interests and the Corporation's long-term financial planning. Accordingly, distributable earnings for the year shall be allocated as shareholders' dividends, which may be distributed in the form of cash or stock. Among them, cash dividends shall not be less than 50% of the total dividends.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When distributing the surplus, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other equity interests in accordance with legal provisions (e.g., exchange differences on the translation of financial statements of foreign operating institutions, accumulated balances of unrealized gains and losses on financial assets at fair value through other comprehensive income). If there is a subsequent decrease in the amount of deductions from other equity items, the decrease can be transferred back to unappropriated earnings from the special surplus reserve.

The appropriations of earnings for 2024 and 2023, which were approved by the shareholders' meetings on May 27, 2025 and May 28, 2024, respectively, were as follows:

|                 | <b>Appropriation of Earnings</b> |                                 | <b>Dividends Per Share<br/>(NT\$)</b> |                                 |
|-----------------|----------------------------------|---------------------------------|---------------------------------------|---------------------------------|
|                 | <b>For Fiscal<br/>Year 2024</b>  | <b>For Fiscal<br/>Year 2023</b> | <b>For Fiscal<br/>Year 2024</b>       | <b>For Fiscal<br/>Year 2023</b> |
| Legal reserve   | \$ 215,395                       | \$ 194,468                      | \$ -                                  | \$ -                            |
| Special reserve | (304,974)                        | 384,696                         | -                                     | -                               |
| Cash dividends  | 1,783,563                        | 1,393,911                       | 5.2                                   | 4.5                             |

The appropriations of earnings for 2025, were as follows:

|                 | <b>Appropriation<br/>of Earnings</b> | <b>Dividends<br/>Per Share<br/>(NT\$)</b> |
|-----------------|--------------------------------------|---|
| Legal reserve   | \$ 204,430                           | \$ -                                      |
| Special reserve | 251,307                              | -   |
| Cash dividends  | 1,461,970                            | 4.3                                       |

In addition, on March 9, 2026, the Board of Directors resolved to distribute cash of \$169,996 thousand from capital surplus. The above cash dividends were approved for distribution by the Board on March 9, 2026. The remaining items of earnings distribution were approved at the shareholders' meeting on May 27, 2026.

d. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2025</b>                           | <b>2024</b>         |
| Balance on January 1   | \$ (140,531)                          | \$ (582,706)        |
| Exchange differences on the translation of financial<br>statements of foreign operations | (224,852)                             | 424,239             |
| Share from associates accounted for using the equity method                              | <u>(3,775)</u>                        | <u>17,936</u>       |
| Balance on December 31   | <u>\$ (369,158)</u>                   | <u>\$ (140,531)</u> |

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

|  | <b>For the Year Ended December 31</b> |                  |
|--|---------------------------------------|------------------|
|  | <b>2025</b>                           | <b>2024</b>      |
| Balance on January 1   | \$ 67,671                             | \$ 54,939        |
| Recognized for the year  |                                       |                  |
| Unrealized loss - equity instruments   | 6,027                                 | (74,943)         |
| Share from subsidiaries and associates accounted for using<br>the equity method                      | <u>48,596</u>                         | <u>87,675</u>    |
| Other comprehensive income (loss) recognized for the year  | <u>54,623</u>                         | <u>12,732</u>    |
| Cumulative unrealized gain of equity instruments transferred<br>to retained earnings due to disposal | <u>(227,236)</u>                      | <u>-</u>         |
| Balance on December 31   | <u>\$ (104,942)</u>                   | <u>\$ 67,671</u> |

e. Treasury shares

| <b>Purpose of Buy-Back</b>            | <b>Shares<br/>Transferred to<br/>Employees<br/>(In Thousands<br/>of Shares)</b> |
|---------------------------------------|---|
| Number of shares on January 1, 2025   | -   |
| Additions                             | <u>3,000</u>  |
| Number of shares on December 31, 2025 | <u><u>3,000</u></u>   |

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

## 20. REVENUE

|                                       | <b>For the Year Ended December 31</b> |                              |                            |
|---------------------------------------|---------------------------------------|------------------------------|----------------------------|
|                                       | <b>2025</b>                           | <b>2024</b>                  |                            |
| Revenue from contracts with customers |                                       |                              |                            |
| Revenue from sale of goods            | <u>\$ 9,812,882</u>                   | <u>\$ 9,821,044</u>          |                            |
| <b>Contract Balances</b>              |                                       |                              |                            |
|                                       | <b>December 31,<br/>2025</b>          | <b>December 31,<br/>2024</b> | <b>January 1,<br/>2024</b> |
| Trade receivables (Note 10)           | <u>\$ 2,845,909</u>                   | <u>\$ 3,055,098</u>          | <u>\$ 2,768,313</u>        |

## 21. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations attributable to:

a. Interest income

|                                    | <b>For the Year Ended December 31</b> |                  |
|------------------------------------|---------------------------------------|------------------|
|                                    | <b>2025</b>                           | <b>2024</b>      |
| Bank deposits                      | \$ 31,445                             | \$ 34,072        |
| Financial assets at amortized cost | -                                     | 725              |
| Others                             | <u>5,735</u>                          | <u>9,635</u>     |
|                                    | <u>\$ 37,180</u>                      | <u>\$ 44,432</u> |

b. Other income

|                               | <b>For the Year Ended December 31</b> |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>2025</b>                           | <b>2024</b>      |
| Rental income                 | \$ 6,220                              | \$ 6,079         |
| Dividends                     | 1,072                                 | 4,651            |
| Income from government grants | 1,029                                 | 10,944           |
| Equipment procurement project | 37,914                                | -                |
| Others                        | <u>5,089</u>                          | <u>5,269</u>     |
|                               | <u>\$ 51,324</u>                      | <u>\$ 26,943</u> |

c. Other gains and losses

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2025</b>                           | <b>2024</b>       |
| Gain on disposal of property, plant and equipment                | \$ 885                                | \$ 2,200          |
| Fair value changes of financial assets and financial liabilities |                                       |                   |
| Financial assets mandatorily at FVTPL                            | (1,581)                               | 5,103             |
| Net foreign exchange gains                                       | (31,761)                              | 188,689           |
| Depreciation of investment properties                            | (1,221)                               | (1,259)           |
| Others   | <u>(4,148)</u>                        | <u>(442)</u>      |
|  | <u>\$ (37,826)</u>                    | <u>\$ 194,291</u> |

d. Finance costs

|                               | <b>For the Year Ended December 31</b> |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>2025</b>                           | <b>2024</b>      |
| Interest on bank loans        | \$ 35,803                             | \$ 31,955        |
| Interest on convertible bonds | -                                     | 6,022            |
| Interest on lease liabilities | <u>240</u>                            | <u>229</u>       |
|                               | <u>\$ 36,043</u>                      | <u>\$ 38,206</u> |

e. Depreciation and amortization

|                               | <b>For the Year Ended December 31</b> |                   |
|-------------------------------|---------------------------------------|-------------------|
|                               | <b>2025</b>                           | <b>2024</b>       |
| Property, plant and equipment | \$ 491,613                            | \$ 504,760        |
| Investment properties         | 1,221                                 | 1,259             |
| Right-of-use assets           | 4,934                                 | 4,489             |
| Intangible assets             | <u>7,498</u>                          | <u>10,821</u>     |
|                               | <u>\$ 505,266</u>                     | <u>\$ 521,329</u> |

(Continued)

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2025</b>                           | <b>2024</b>       |
| An analysis of deprecation by function  |                                       |                   |
| Operating costs                         | \$ 280,555                            | \$ 295,462        |
| Operating expenses                      | 215,992                               | 213,787           |
| Non-operating expenses                  | <u>1,221</u>                          | <u>1,259</u>      |
|   | <u>\$ 497,768</u>                     | <u>\$ 510,508</u> |
| An analysis of amortization by function |                                       |                   |
| Operating costs                         | \$ 1,560                              | \$ 47             |
| Operating expenses                      | <u>5,938</u>                          | <u>10,774</u>     |
|   | <u>\$ 7,498</u>                       | <u>\$ 10,821</u>  |

(Concluded)

f. Employee benefits expense

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2025</b>                           | <b>2024</b>         |
| Post-employment benefits                             |                                       |                     |
| Defined contribution plans                           | \$ 30,101                             | \$ 29,753           |
| Defined benefit plans (Note 18)                      | <u>627</u>                            | <u>2,511</u>        |
|  | <u>30,728</u>                         | <u>32,264</u>       |
| Other employee benefits                              |                                       |                     |
| Payroll expense                                      | 1,038,759                             | 1,097,808           |
| Labor and health insurance                           | 78,389                                | 76,983              |
| Others   | <u>34,307</u>                         | <u>30,455</u>       |
|  | <u>1,151,455</u>                      | <u>1,205,246</u>    |
| Total employee benefits expense                      | <u>\$ 1,182,183</u>                   | <u>\$ 1,237,510</u> |
| An analysis of employee benefits expense by function |                                       |                     |
| Operating costs                                      | \$ 624,682                            | \$ 658,529          |
| Operating expenses                                   | <u>557,501</u>                        | <u>578,981</u>      |
|  | <u>\$ 1,182,183</u>                   | <u>\$ 1,237,510</u> |

g. Employees' compensation and remuneration of directors for 2025 and 2024

The Company accrued employees' compensation and remuneration of directors at the rates no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 35% of the compensation of employees as compensation distributions for non-executive employees.

The employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2024 which were approved by the Company's board of directors on March 9, 2026 and March 10, 2025, respectively, were as follows:

Accrual rate

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2025</b>                           | <b>2024</b> |
| Employees' compensation   | 9.0%                                  | 9.0%        |
| Remuneration of directors | 1.5%                                  | 1.5%        |

Amount

|                           | <b>For the Year Ended December 31</b> |                    |                   |                    |
|---------------------------|---------------------------------------|--------------------|-------------------|--------------------|
|                           | <b>2025</b>                           |                    | <b>2024</b>       |                    |
|                           | <b>Cash Bonus</b>                     | <b>Share Bonus</b> | <b>Cash Bonus</b> | <b>Share Bonus</b> |
| Employees' compensation   | \$ 201,897                            | \$ -               | \$ 241,279        | \$ -               |
| Remuneration of directors | 33,649                                | -                  | 40,213            | -                  |

If there is a change in the amounts after the annual parent company only financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors for 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2025</b>                           | <b>2024</b>       |
| <u>Current tax</u>                              |                                       |                   |
| In respect of the current year                  | \$ 197,827                            | \$ 225,552        |
| Income tax on unappropriated earnings           | 7,750                                 | -                 |
| Adjustments for prior year                      | (12,767)                              | (15,022)          |
|   | <u>192,810</u>                        | <u>210,530</u>    |
| <u>Deferred tax</u>                             |                                       |                   |
| In respect of the current year                  | <u>10,405</u>                         | <u>51,442</u>     |
| Income tax expense recognized in profit or loss | <u>\$ 203,215</u>                     | <u>\$ 261,972</u> |

A reconciliation of accounting profit and income tax expense is as follows:

|  | <b><u>For the Year Ended December 31</u></b> |                     |
|--|--|---------------------|
|  | <b>2025</b>                                  | <b>2024</b>         |
| Profit before tax from continuing operations         | \$ <u>2,007,749</u>                          | \$ <u>2,399,387</u> |
| Income tax expense calculated at the statutory rate  | \$ 401,550                                   | \$ 479,877          |
| Nondeductible expenses in determining taxable income | (3,578)                                      | 799                 |
| Income tax on unappropriated earnings                | 7,750  | -                   |
| Tax-exempt income                                    | (233,322)                                    | (254,252)           |
| Deferred tax effect on earnings of subsidiaries      | 96,465                                       | 101,530             |
| Investment tax credits                               | (52,883)                                     | (50,960)            |
| Adjustment for prior years' tax                      | <u>(12,767)</u>                              | <u>(15,022)</u>     |
| Income tax expense recognized in profit or loss      | \$ <u>203,215</u>                            | \$ <u>261,972</u>   |

b. Income tax expense recognized in other comprehensive income

|  | <b><u>For the Year Ended December 31</u></b> |                 |
|--|--|-----------------|
|  | <b>2025</b>                                  | <b>2024</b>     |
| <u>Deferred tax</u>                    |  |                 |
| In respect of the current year         |  |                 |
| Remeasurement of defined benefit plans | \$ <u>3,062</u>                              | \$ <u>4,077</u> |

c. Current income tax assets and liabilities

|                              | <b><u>December 31</u></b> |                  |
|------------------------------|---------------------------|------------------|
|                              | <b>2025</b>               | <b>2024</b>      |
| Current tax assets           |                           |                  |
| Income tax refund receivable | \$ <u>78,982</u>          | \$ <u>78,982</u> |
| Current tax liabilities      |                           |                  |
| Income tax payable           | \$ <u>21,751</u>          | \$ <u>49,629</u> |

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

|                                | <b>Opening<br/>Balance</b> | <b>Recognize in<br/>Profit or Loss</b> | <b>Recognize in<br/>Other<br/>Compre-<br/>hensive<br/>Income</b> | <b>Closing<br/>Balance</b> |
|--------------------------------|----------------------------|--|--|----------------------------|
| <u>Deferred tax assets</u>     |                            |  |  |                            |
| Unrealized loss on inventories | \$ 6,816                   | \$ 51                                  | \$ -   | \$ 6,867                   |
| Payable for annual leave       | 6,228                      | 73                                     | -  | 6,301                      |
|                                |                            |  |  | (Continued)                |

|   | Opening<br>Balance | Recognize in<br>Profit or Loss | Recognize in<br>Other<br>Compre-<br>hensive<br>Income | Closing<br>Balance               |
|---|--------------------|--------------------------------|---|----------------------------------|
| Determine benefit obligation                                  | \$ 1,317           | \$ (46)                        | \$ (1,271)  | \$ -                             |
| Financial liabilities at fair value<br>through profit or loss | 910                | (811)                          | -   | 99                               |
| Others  | <u>8,112</u>       | <u>(5,465)</u>                 | <u>-</u>  | <u>2,647</u>                     |
|   | <u>\$ 23,383</u>   | <u>\$ (6,198)</u>              | <u>\$ (1,271)</u>                                     | <u>\$ 15,914</u>                 |
| <u>Deferred tax liabilities</u>                               |                    |                                |   |                                  |
| Subsidiaries and associates                                   | \$ 98,456          | \$ 6,088                       | \$ -  | \$ 104,544                       |
| Unrealized exchange profit                                    | 9,910              | (1,598)                        | -   | 8,312                            |
| Determine benefit obligation                                  | -                  | -                              | 1,791   | 1,791                            |
| Financial liabilities at fair value<br>through profit or loss | <u>283</u>         | <u>(283)</u>                   | <u>-</u>  | <u>-</u>                         |
|   | <u>\$ 108,649</u>  | <u>\$ 4,207</u>                | <u>\$ 1,791</u>                                       | <u>\$ 114,647</u><br>(Concluded) |

For the year ended December 31, 2024

|   | Opening<br>Balance | Recognize in<br>Profit or Loss | Recognize in<br>Other<br>Compre-<br>hensive<br>Income | Closing<br>Balance |
|---|--------------------|--------------------------------|---|--------------------|
| <u>Deferred tax assets</u>                                    |                    |                                |   |                    |
| Unrealized loss on inventories                                | \$ 7,819           | \$ (1,003)                     | \$ -  | \$ 6,816           |
| Unrealized exchange loss                                      | 16,235             | (16,235)                       | -   | -                  |
| Payable for annual leave                                      | 6,214              | 14                             | -   | 6,228              |
| Determine benefit obligation                                  | 6,384              | (990)                          | (4,077)   | 1,317              |
| Financial liabilities at fair value<br>through profit or loss | 4,950              | (4,040)                        | -   | 910                |
| Others  | <u>6,144</u>       | <u>1,968</u>                   | <u>-</u>  | <u>8,112</u>       |
|   | <u>\$ 47,746</u>   | <u>\$ (20,286)</u>             | <u>\$ (4,077)</u>                                     | <u>\$ 23,383</u>   |
| <u>Deferred tax liabilities</u>                               |                    |                                |   |                    |
| Subsidiaries and associates                                   | \$ 77,493          | \$ 20,963                      | \$ -  | \$ 98,456          |
| Unrealized exchange profit                                    | -                  | 9,910                          | -   | 9,910              |
| Financial liabilities at fair value<br>through profit or loss | <u>-</u>           | <u>283</u>                     | <u>-</u>  | <u>283</u>         |
|   | <u>\$ 77,493</u>   | <u>\$ 31,156</u>               | <u>\$ -</u>   | <u>\$ 108,649</u>  |

e. Income tax assessments

The income tax returns through 2022 had been assessed by the tax authorities.

### 23. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

#### Net Profit for the Year

|  | <u>For the Year Ended December 31</u> |                     |
|--|---------------------------------------|---------------------|
|  | <u>2025</u>                           | <u>2024</u>         |
| Earnings used in the computation of basic earnings per share   | \$ 1,804,534                          | \$ 2,137,415        |
| Interest on convertible bonds after tax                        | <u>-</u>                              | <u>4,817</u>        |
| Earnings used in the computation of diluted earnings per share | <u>\$ 1,804,534</u>                   | <u>\$ 2,142,232</u> |

#### Number of Shares

|  | <u>For the Year Ended December 31</u> |                |
|--|---------------------------------------|----------------|
|  | <u>2025</u>                           | <u>2024</u>    |
| Weighted average number of ordinary shares used in the computation of basic earnings per share   | 341,977                               | 326,292        |
| Effect of potentially dilutive ordinary shares:  |                                       |                |
| Convertible bonds  | -                                     | 6,340          |
| Employees' compensation  | <u>2,966</u>                          | <u>2,764</u>   |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>344,943</u>                        | <u>335,396</u> |

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### 24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

## 25. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The management believes the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2025

|   | Level 1          | Level 2       | Level 3          | Total            |
|---|------------------|---------------|------------------|------------------|
| Financial assets at FVTPL                                 |                  |               |                  |                  |
| Convertible bonds   | <u>\$ 17,353</u> | <u>\$ -</u>   | <u>\$ -</u>      | <u>\$ 17,353</u> |
| Financial assets at FVTOCI                                |                  |               |                  |                  |
| Investments in equity instruments                         |                  |               |                  |                  |
| Domestic unlisted shares                                  | \$ -             | \$ -          | \$ 34,176        | \$ 34,176        |
| Foreign unlisted shares                                   | <u>-</u>         | <u>-</u>      | <u>3,903</u>     | <u>3,903</u>     |
|   | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ 38,079</u> | <u>\$ 38,079</u> |
| Financial liabilities at FVTPL                            |                  |               |                  |                  |
| Foreign exchange forward contracts and exchange contracts | <u>\$ -</u>      | <u>\$ 274</u> | <u>\$ -</u>      | <u>\$ 274</u>    |

December 31, 2024

|   | Level 1          | Level 2         | Level 3          | Total            |
|---|------------------|-----------------|------------------|------------------|
| Financial assets at FVTPL                                 |                  |                 |                  |                  |
| Domestic listed shares                                    | \$ 43,000        | \$ -            | \$ -             | \$ 43,000        |
| Foreign exchange forward contracts and exchange contracts | -                | 1,415           | -                | 1,415            |
| Convertible bonds   | <u>17,550</u>    | <u>-</u>        | <u>-</u>         | <u>17,550</u>    |
|   | <u>\$ 60,550</u> | <u>\$ 1,415</u> | <u>\$ -</u>      | <u>\$ 61,965</u> |
| Financial assets at FVTOCI                                |                  |                 |                  |                  |
| Investments in equity instruments                         |                  |                 |                  |                  |
| Domestic listed shares                                    | \$ 40,678        | \$ -            | \$ -             | \$ 40,678        |
| Domestic unlisted shares                                  | -                | -               | 49,292           | 49,292           |
| Foreign unlisted shares                                   | <u>-</u>         | <u>-</u>        | <u>6,422</u>     | <u>6,422</u>     |
|   | <u>\$ 40,678</u> | <u>\$ -</u>     | <u>\$ 55,714</u> | <u>\$ 96,392</u> |

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

|   | <b>Financial Assets<br/>at FVTOCI<br/>Equity<br/>Instruments</b> |
|---|--|
| Balance on January 1, 2025  | \$ 55,714  |
| Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI) | <u>(17,635)</u>  |
| Balance on December 31, 2025  | <u>\$ 38,079</u>   |

For the year ended December 31, 2024

|   | <b>Financial Assets<br/>at FVTOCI<br/>Equity<br/>Instruments</b> |
|---|--|
| Balance on January 1, 2024  | \$ 98,491  |
| Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI) | <u>(42,777)</u>  |
| Balance on December 31, 2024  | <u>\$ 55,714</u>   |

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

| <u>Financial Instruments</u>  | <u>Valuation Techniques and Inputs</u>   |
|---|--|
| Derivatives - foreign exchange forward contracts and exchange contracts | Discounted cash flow.<br>Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. |

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Group uses price-book ratio approach, comparing the net value per share with other public companies among similar industries or evaluating share price based on average price-book ratio of other competitors, to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.

c. Categories of financial instruments

|  | <b>December 31</b> |             |
|--|--------------------|-------------|
|  | <b>2025</b>        | <b>2024</b> |
| <u>Financial assets</u>                |                    |             |
| FVTPL                                  |                    |             |
| Mandatorily at FVTPL (1)               | \$ 17,353          | \$ 61,965   |
| Financial assets at amortized cost (2) | 5,007,434          | 5,495,504   |
| Financial assets at FVTOCI             |                    |             |
| Equity instruments                     | 38,079             | 96,392      |
| <u>Financial liabilities</u>           |                    |             |
| FVTPL                                  |                    |             |
| Mandatorily as FVTPL (3)               | 274                | -           |
| Amortized cost (4)                     | 3,554,839          | 3,347,259   |

- 1) The balances include foreign exchange forward contracts and exchange contracts, domestic listed shares and investment of equity instruments.
- 2) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.
- 3) The balances include foreign exchange forward contracts and exchange contracts.
- 4) The balances include financial liabilities at amortized cost, which comprise loans, trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, other receivables, trade payables, other payables and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seek to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

## 1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including: Foreign exchange forward contracts to hedge the exchange rate risk arising on the Company's foreign currency monetary.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

### a) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which exposes the Company to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

#### Sensitivity analysis

The Company is mainly exposed to the USD, JPY and RMB.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The sensitivity analysis included external loans/borrowings as well as loans/borrowings to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in post-tax profit and other equity associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit and other equity, and the balances below would be negative.

|                  | <b>Profit or Loss</b> |             |
|------------------|-----------------------|-------------|
|                  | <b>2025</b>           | <b>2024</b> |
| USD impact (i)   | \$ 14,416             | \$ 23,306   |
| JPY impact (ii)  | (430)                 | (72)        |
| RMB impact (iii) | (3,071)               | (2,903)     |

- i. The result was mainly attributable to the exposure on outstanding monetary items in USD that were not hedged at the end of the year.
- ii. The result was mainly attributable to the exposure on outstanding monetary items in JPY that were not hedged at the end of the year.
- iii. The result was mainly attributable to the exposure on outstanding monetary items in RMB that were not hedged at the end of the year.

b) Interest rate risk

The Company is exposed to interest rate risk because the Company deposits and borrow funds at floating interest rates.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

|                               | <u>December 31</u> |              |
|-------------------------------|--------------------|--------------|
|                               | <u>2025</u>        | <u>2024</u>  |
| Fair value interest rate risk |                    |              |
| Financial assets              | \$ 490,000         | \$ 1,078,384 |
| Financial liabilities         | 251,504            | 36,000       |
| Cash flow interest rate risk  |                    |              |
| Financial assets              | 1,612,544          | 1,296,577    |
| Financial liabilities         | 833,333            | 916,666      |

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2025 and 2024 would increased/(decreased) by \$1,948 thousand and \$950 thousand, respectively, which was mainly a result of its floating rate bank deposits and bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2025 and 2024, the Company had available unutilized short-term bank loan facilities of approximately \$5,865,163 thousand and \$6,747,333 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To extend that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2025

|   | Weighted<br>Interest<br>Average<br>Effective<br>Interest Rate<br>(%) | Less than<br>1 Year | 2-3 Years | 4-5 Years | 5+ Years | Total        |
|---|--|---------------------|-----------|-----------|----------|--------------|
| <u>Non-derivative financial liabilities</u> |  |                     |           |           |          |              |
| Trade payables                              | -  | \$ 1,733,339        | \$ -      | \$ -      | \$ -     | \$ 1,733,339 |
| Other payables                              | -  | 701,602             | -         | -         | -        | 701,602      |
| Lease liabilities                           | 2.49-3.14  | 4,697               | 1,814     | -         | -        | 6,511        |
| Variable interest rate liabilities          | 0.98-1.77  | 33,333              | 800,000   | -         | -        | 833,333      |
| Fixed interest rate liabilities             | 4.40-4.48  | 251,504             | -         | -         | -        | 251,504      |

December 31, 2024

|   | Weighted<br>Interest<br>Average<br>Effective<br>Interest Rate<br>(%) | Less than<br>1 Year | 2-3 Years | 4-5 Years | 5+ Years | Total        |
|---|--|---------------------|-----------|-----------|----------|--------------|
| <u>Non-derivative financial liabilities</u> |  |                     |           |           |          |              |
| Trade payables                              | -  | \$ 1,646,109        | \$ -      | \$ -      | \$ -     | \$ 1,646,109 |
| Other payables                              | -  | 709,200             | -         | -         | -        | 709,200      |
| Lease liabilities                           | 2.49-3.14  | 4,896               | 6,511     | -         | -        | 11,407       |
| Variable interest rate liabilities          | 0.98-1.79  | 383,333             | 533,333   | -         | -        | 916,666      |
| Fixed interest rate liabilities             | 1.225  | 36,000              | -         | -         | -        | 36,000       |

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the year.

b) Liquidity and interest risk rate tables for derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

December 31, 2025

|  | <b>On Demand<br/>or Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b> | <b>5+ Years</b> |
|--|---|-------------------|-------------------------------|------------------|-----------------|
| <u>Net settled</u>   |   |                   |                               |                  |                 |
| Foreign exchange forward<br>contracts and exchange contracts | \$ <u>534</u>                                 | \$ <u>(808)</u>   | \$ <u>-</u>                   | \$ <u>-</u>      | \$ <u>-</u>     |

December 31, 2024

|  | <b>On Demand<br/>or Less than<br/>1 Month</b> | <b>1-3 Months</b> | <b>3 Months to<br/>1 Year</b> | <b>1-5 Years</b> | <b>5+ Years</b> |
|--|---|-------------------|-------------------------------|------------------|-----------------|
| <u>Net settled</u>   |   |                   |                               |                  |                 |
| Foreign exchange forward<br>contracts and exchange contracts | \$ <u>519</u>                                 | \$ <u>896</u>     | \$ <u>-</u>                   | \$ <u>-</u>      | \$ <u>-</u>     |

## 26. TRANSACTIONS WITH RELATED PARTY

Details of transactions between the Company and related parties are disclosed as follows.

a. Related party name and category

| <u>Related Party Name</u>                    | <u>Related Party Category</u> |
|--|-------------------------------|
| Tai-Shing Electronics Components Corporation | Associate                     |
| EcLife Co., Ltd.                             | Other associate               |
| LFC (Ningbo) Semiconductor Limited           | Other associate               |
| TXC (Ningbo) Corporation                     | Subsidiary                    |
| TXC (Chongqing) Corporation                  | Subsidiary                    |
| Ningbo Beilun Jingyu Trading Corporation     | Subsidiary                    |
| TETC CORP. NINGBO                            | Subsidiary                    |
| Shanghai JCH Co., Ltd.                       | Subsidiary                    |
| TXC Technology, Inc.                         | Subsidiary                    |
| Taiwan Crystal Technology (HK) Limited       | Subsidiary                    |
| TXC Japan Corporation                        | Subsidiary                    |
| TXC Europe GmbH                              | Subsidiary                    |
| PT TXC Technology Indonesia                  | Subsidiary                    |

b. Sales of goods

| Line Item | Related Party Category | For the Year Ended December 31 |                     |
|-----------|------------------------|--------------------------------|---------------------|
|           |                        | 2025                           | 2024                |
| Sales     | Subsidiaries           | \$ 1,250,385                   | \$ 1,145,867        |
|           | Associates             | 27,244                         | 28,560              |
|           | Other associates       | <u>6,944</u>                   | <u>5,823</u>        |
|           |                        | <u>\$ 1,284,573</u>            | <u>\$ 1,180,250</u> |

In 2025 and 2024, the selling price and purchasing price were not significantly different from those with third parties, except those for NGB, CKG, TETC, TXC Technology, TCTH, TXC JP and TXC EU whose trading price depends on its function within the Company.

c. Purchases of goods

| Related Party Category      | For the Year Ended December 31 |                     |
|-----------------------------|--------------------------------|---------------------|
|                             | 2025                           | 2024                |
| Subsidiaries                |                                |                     |
| TXC (Ningbo) Corporation    | \$ 2,417,019                   | \$ 2,491,061        |
| TXC (Chongqing) Corporation | 1,348,205                      | 1,388,616           |
| Others                      | <u>561,949</u>                 | <u>526,938</u>      |
|                             | 4,327,173                      | 4,406,615           |
| Associates                  | 183                            | -                   |
| Other associates            | <u>164</u>                     | <u>417</u>          |
|                             | <u>\$ 4,327,520</u>            | <u>\$ 4,407,032</u> |

In 2025 and 2024, the selling price and purchasing price were not significantly different from those with third parties, except those for NGB, CKG, TETC, Ningbo Jingyu, TXC Technology, TCTH, TXC JP and PT TXC whose trading price depends on its function within the Company.

d. Other income

| Related Party Category | For the Year Ended December 31 |               |
|------------------------|--------------------------------|---------------|
|                        | 2025                           | 2024          |
| Associates             | <u>\$ 84</u>                   | <u>\$ 101</u> |

e. Operating expenses

| Related Party Category | For the Year Ended December 31 |                   |
|------------------------|--------------------------------|-------------------|
|                        | 2025                           | 2024              |
| Subsidiaries           |                                |                   |
| TXC Technology, Inc.   | \$ 67,374                      | \$ 61,653         |
| TXC Japan Corporation  | 26,271                         | 27,997            |
| TXC Europe GmbH        | <u>13,722</u>                  | <u>12,852</u>     |
|                        | 107,367                        | 102,502           |
| Other associates       | <u>1,973</u>                   | <u>1,587</u>      |
|                        | <u>\$ 109,340</u>              | <u>\$ 104,089</u> |

The consulting fee above is due to the Company's part of business activities committed to the related parties.

f. Rental revenue

|  |  |  | For the Year Ended December 31 |                            |                 |                            |
|--|--|--|--------------------------------|----------------------------|-----------------|----------------------------|
|  |  |  | 2025                           |                            | 2024            |                            |
| Related Party                                | Location   | Rent Collection                                | Amount                         | % to Total Account Balance | Amount          | % to Total Account Balance |
| Tai-Shing Electronics Components Corporation | 6F., No. 4, Gongye 6th Rd., Pingzhen Dist., Taoyuan City 324, Taiwan | Based on contract, and paid on a monthly basis | <u>\$ 3,682</u>                | <u>-</u>                   | <u>\$ 3,619</u> | <u>-</u>                   |

g. Receivables from related parties (excluding loans to related parties)

| Related Party Category              | December 31       |                   |
|-------------------------------------|-------------------|-------------------|
|                                     | 2025              | 2024              |
| Subsidiaries                        |                   |                   |
| TXC (Ningbo) Corporation            | \$ 239,634        | \$ 268,868        |
| TETC Corp. Ningbo                   | 48,185            | 66,620            |
| Others                              | <u>11,670</u>     | <u>7,544</u>      |
|                                     | 299,489           | 343,032           |
| Associates                          | 7,901             | 7,590             |
| Other associates                    | 2,551             | 1,159             |
| Less: Allowance for impairment loss | <u>(68)</u>       | <u>(68)</u>       |
|                                     | <u>\$ 309,873</u> | <u>\$ 351,713</u> |

The outstanding accounts receivable from related parties are unsecured.

h. Payables to related parties (excluding loans from related parties)

| Related Party Category      | December 31         |                     |
|-----------------------------|---------------------|---------------------|
|                             | 2025                | 2024                |
| Subsidiaries                |                     |                     |
| TXC (Ningbo) Corporation    | \$ 611,867          | \$ 650,476          |
| TXC (Chongqing) Corporation | 367,807             | 331,936             |
| TETC Corp. Ningbo           | 108,099             | 114,567             |
| Others                      | <u>52,590</u>       | <u>3,134</u>        |
|                             | 1,140,363           | 1,100,113           |
| Other associates            | <u>11</u>           | <u>19</u>           |
|                             | <u>\$ 1,140,374</u> | <u>\$ 1,100,132</u> |

The outstanding trade payables to related parties are unsecured.

i. Other receivables from related parties

| <b>Related Party Category</b> | <b>December 31</b> |                 |
|-------------------------------|--------------------|-----------------|
|                               | <b>2025</b>        | <b>2024</b>     |
| Subsidiaries                  |                    |                 |
| TXC (Ningbo) Corporation      | \$ -               | \$ 1,072        |
| Other associates              | <u>9</u>           | <u>14</u>       |
|                               | <u>\$ 9</u>        | <u>\$ 1,086</u> |

Other receivables resulted from purchasing machinery and equipment on behalf of subsidiaries.

j. Other payables to related parties

| <b>Related Party Category</b> | <b>December 31</b> |                  |
|-------------------------------|--------------------|------------------|
|                               | <b>2025</b>        | <b>2024</b>      |
| Subsidiaries                  | \$ 3               | \$ 35            |
| Other associates              | <u>1,190</u>       | <u>16,817</u>    |
|                               | <u>\$ 1,193</u>    | <u>\$ 16,852</u> |

The credit period of the transaction above is similar to those for the third parties.

k. Prepayments for equipment

| <b>Related Party Category</b> | <b>December 31</b> |               |
|-------------------------------|--------------------|---------------|
|                               | <b>2025</b>        | <b>2024</b>   |
| Other associates              | <u>\$ -</u>        | <u>\$ 809</u> |

l. Acquisitions for property, plant and equipment

| <b>Related Party Category</b> | <b>For the Year Ended December 31</b> |                  |
|-------------------------------|---------------------------------------|------------------|
|                               | <b>2025</b>                           | <b>2024</b>      |
| Other associates              | <u>\$ 9,522</u>                       | <u>\$ 38,114</u> |

m. Remuneration of key management personnel

|                              | <b>For the Year Ended December 31</b> |                  |
|------------------------------|---------------------------------------|------------------|
|                              | <b>2025</b>                           | <b>2024</b>      |
| Short-term employee benefits | \$ 70,038                             | \$ 81,706        |
| Post-employment benefits     | <u>324</u>                            | <u>585</u>       |
|                              | <u>\$ 70,362</u>                      | <u>\$ 82,291</u> |

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

## 27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for foreign exchange forward contracts:

|                       | <u>December 31</u> |                  |
|-----------------------|--------------------|------------------|
|                       | <u>2025</u>        | <u>2024</u>      |
| Pledged deposits      | \$ 64,016          | \$ 78,674        |
| Pledged time deposits | <u>40,000</u>      | <u>-</u>         |
|                       | <u>\$ 104,016</u>  | <u>\$ 78,674</u> |

## 28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company at December 31, 2025 were as follows:

As of December 31, 2025, the Company unrecognized commitments are as follows:

### In Thousands of Foreign Currencies/New Taiwan Dollars

|  | <b>Contract<br/>Amount</b> | <b>Paid Amount</b> | <b>Unpaid Amount</b> |
|--|----------------------------|--------------------|----------------------|
| Acquisition of machinery and equipment | <u>\$ 137,800</u>          | <u>\$ 111,325</u>  | <u>\$ 26,475</u>     |
| Acquisition of machinery and equipment | <u>RMB 98</u>              | <u>RMB 39</u>      | <u>RMB 59</u>        |
| Acquisition of machinery and equipment | <u>USD 154</u>             | <u>USD 154</u>     | <u>USD -</u>         |

## 29. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

- a. On February 9, 2026, the Board of Directors approved the disposal of all ordinary shares of Taishing Electronics Co., Ltd. held by the Company. The Company plans to dispose of 8,802 thousand shares at a price of \$48 per share, with a total transaction amount of approximately \$422,496 thousand.
- b. On March 9, 2026, the Board of Directors approved a proposal to conduct a private placement of ordinary shares in accordance with Article 43-6 of the Securities and Exchange Act and other applicable regulations, in order to support the Company's long-term business development and strengthen working capital, while considering fundraising costs as well as efficiency and flexibility in introducing new capital. The Company intends to seek authorization from the shareholders' meeting to allow the Board of Directors to determine, based on negotiations with specific parties and prevailing market conditions, the timing of the private placement, within a limit of up to 50,000,000 shares, and to carry out the private placement in one or more tranches (up to two tranches) within one year from the date of the shareholders' approval.

### 30. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fee will be levied starting from January 1, 2025. Based on the emissions of the Group in 2024, the Group expects that it will not be the entity subject to carbon fees.

### 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

**Unit: In Thousands of Foreign Currencies and New Taiwan Dollars**

December 31, 2025

|  | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|--|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u>                              |                             |                      |                            |
| Monetary items                                       |                             |                      |                            |
| USD  | \$ 88,785                   | 31.438 (USD:NTD)     | \$ 2,791,223               |
| JPY  | 1,343,745                   | 0.2008 (JPY:NTD)     | 269,824                    |
| RMB  | 14,126                      | 4.4727 (RMB:NTD)     | 63,181                     |
| Non-monetary items                                   |                             |                      |                            |
| Investments accounted for using the equity<br>method |                             |                      |                            |
| USD  | 7,198                       | 31.438 (USD:NTD)     | 226,301                    |
| JPY  | 144,368                     | 0.2008 (JPY:NTD)     | 28,989                     |
| RMB  | 2,120,151                   | 4.4727 (RMB:NTD)     | 9,419,444                  |
| EUR  | 496                         | 36.8988 (EUR:NTD)    | 18,319                     |
| <u>Financial liabilities</u>                         |                             |                      |                            |
| Monetary items                                       |                             |                      |                            |
| USD  | 42,930                      | 31.438 (USD:NTD)     | 1,349,633                  |
| JPY  | 1,557,936                   | 0.2008 (JPY:NTD)     | 312,834                    |
| RMB  | 82,796                      | 4.4727 (RMB:NTD)     | 370,322                    |

December 31, 2024

|  | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|--|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u>                              |                             |                      |                            |
| Monetary items                                       |                             |                      |                            |
| USD  | \$ 103,188                  | 32.7810 (USD:NTD)    | \$ 3,382,606               |
| JPY  | 1,353,397                   | 0.2098 (JPY:NTD)     | 283,943                    |
| RMB  | 9,393                       | 4.5603 (RMB:NTD)     | 42,835                     |
| Non-monetary items                                   |                             |                      |                            |
| Investments accounted for using the equity<br>method |                             |                      |                            |
| USD  | 7,132                       | 32.7810 (USD:NTD)    | 233,809                    |
| JPY  | 151,882                     | 0.2098 (JPY:NTD)     | 31,865                     |
| RMB  | 1,947,188                   | 4.5603 (RMB:NTD)     | 8,879,763                  |
| EUR  | 385                         | 34.1316 (EUR:NTD)    | 13,142                     |
| <u>Financial liabilities</u>                         |                             |                      |                            |
| Monetary items                                       |                             |                      |                            |
| USD  | 32,093                      | 32.7810 (USD:NTD)    | 1,052,041                  |
| JPY  | 1,387,877                   | 0.2098 (JPY:NTD)     | 291,177                    |
| RMB  | 73,056                      | 4.5603 (RMB:NTD)     | 333,157                    |

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange gains or losses were \$(31,761) thousand and \$188,689 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

### **33. SEPARATELY DISCLOSED ITEMS**

a. Information on significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (None)
- 3) Significant marketable securities held. (Table 1)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20 percent of the paid-in capital. (Table 2)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20percentof the paid-in capital. (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 6)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

**TABLE 1**

**TXC CORPORATION**

**SIGNIFICANT MARKETABLE SECURITIES HELD**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

| Holding Company Name                                | Type and Name of Marketable Securities  | Relationship with the Holding Company | Financial Statement Account   | Shares     | December 31, 2025 |                         | Fair Value | Note |
|---|---|---------------------------------------|---|------------|-------------------|-------------------------|------------|------|
|   |   |                                       |   |            | Carrying Amount   | Percentage of Ownership |            |      |
| TXC (Ningbo) Corporation                            | <u>Shares overseas - unlisted company</u><br>Ningbo SJ Electronics Co., Ltd.                    | None                                  | Financial assets at fair value through other comprehensive income - non-current | 63         | \$ 32,153         | 1                       | \$ 32,153  |      |
|   | <u>Floating-rate wealth management products</u><br>Agricultural Bank of China.                  | None                                  | Financial assets at fair value through profit or loss - current                 | RMB 61,166 | 273,576           | -                       | 273,576    |      |
|   | Bank of Ningbo  | "                                     | "   | RMB 50,609 | 226,360           | -                       | 226,360    |      |
|   | Bank of Communications  | "                                     | "   | RMB 50,542 | 226,060           | -                       | 226,060    |      |
|   | China Everbright Bank   | "                                     | "   | RMB 10,025 | 44,841            | -                       | 44,841     |      |
|   | Cathay United Bank  | "                                     | "   | RMB 20,118 | 89,983            | -                       | 89,983     |      |
| TXC (Chongqing) Corporation                         | <u>Floating-rate wealth management products</u><br>China Construction Bank                      | None                                  | Financial assets at fair value through profit or loss - current                 | RMB 30,558 | 136,675           | -                       | 136,675    |      |
|   | CTBC Bank   | "                                     | "   | RMB 47,271 | 211,430           | -                       | 211,430    |      |
|   | Bank of China   | "                                     | "   | RMB 81,808 | 365,901           | -                       | 365,901    |      |
|   | Hua Xia Bank  | "                                     | "   | RMB 20,004 | 89,472            | -                       | 89,472     |      |
|   | China Merchants Bank  | "                                     | "   | RMB 4,031  | 18,031            | -                       | 18,031     |      |
| Area Ding Kai Investment Management Company Limited | <u>Shares overseas - unlisted company</u><br>Zhejiang Bright Semiconductor Technology Co., Ltd. | None                                  | Financial assets at fair value through other comprehensive income - non-current | 7,004      | 62,618            | 3                       | 62,618     |      |
| Chongqing Zhongyang Properties Co., Ltd.            | <u>Floating-rate wealth management products</u><br>Chongqing Rural Commercial Bank              | None                                  | Financial assets at fair value through profit or loss - current                 | RMB 9,123  | 40,805            | -                       | 40,805     |      |
|   | China Construction Bank   | "                                     | "   | RMB 6,049  | 27,056            | -                       | 27,056     |      |
| ChongQing Dingsen Commercial Management Co., Ltd.   | <u>Floating-rate wealth management products</u><br>China Construction Bank                      | None                                  | Financial assets at fair value through profit or loss - current                 | RMB 1,398  | 6,251             | -                       | 6,251      |      |
| TETC Corp. Ningbo                                   | <u>Floating-rate wealth management products</u><br>Agricultural Bank of China.                  | None                                  | Financial assets at fair value through profit or loss - current                 | RMB 30,873 | 138,085           | -                       | 138,085    |      |
|   | Bank of Ningbo  | None                                  | "   | RMB 10,257 | 45,877            | -                       | 45,877     |      |

**TXC CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2025**  
**(In Thousands of New Taiwan Dollars)**

| Buyer                    | Related Party               | Relationship | Transaction Details |              |            | Abnormal Transaction                               |  | Notes/Accounts Payable or Receivable               |                | Note |            |
|--------------------------|-----------------------------|--------------|---------------------|--------------|------------|--|--|--|----------------|------|------------|
|                          |                             |              | Purchase/Sale       | Amount       | % to Total | Payment Terms                                      | Unit Price   | Payment Terms                                      | Ending Balance |      | % to Total |
| TXC Corporation          | TXC (Ningbo) Corporation    | Subsidiary   | Purchase            | \$ 2,417,019 | 34         | No significant differences with the third parties. | Its trading price depends on its function within the Group | No significant differences with the third parties. | \$ (611,868)   | (35) |            |
|                          | TXC (Ningbo) Corporation    | "            | Sale                | 934,818      | 10         | "  | "  | "  | 239,634        | 8    |            |
|                          | TXC (Chongqing) Corporation | "            | Purchase            | 1,348,205    | 19         | "  | "  | "  | (367,807)      | (21) |            |
|                          | TETC CORP. NINGBO           | "            | Purchase            | 446,771      | 6          | "  | "  | "  | (108,099)      | (6)  |            |
|                          | TETC CORP. NINGBO           | "            | Sale                | 270,063      | 3          | "  | "  | "  | 48,185         | 2    |            |
|                          | PT TXC Technology Indonesia | "            | Purchase            | 111,158      | 2          | "  | "  | "  | (52,590)       | (3)  |            |
| TXC (Ningbo) Corporation | TXC (Chongqing) Corporation | "            | Purchase            | 361,024      | 13         | "  | "  | "  | (64,449)       | (8)  |            |
|                          | TETC CORP. NINGBO           | "            | Sale                | 136,833      | 3          | "  | "  | "  | 45,534         | 4    |            |

**TXC CORPORATION**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

| Company Name                | Related Party            | Relationship  | Ending Balance | Turnover Rate | Overdue |               | Amount Received in Subsequent Period | Allowance for Impairment Loss |
|-----------------------------|--------------------------|---------------|----------------|---------------|---------|---------------|--------------------------------------|-------------------------------|
|                             |                          |               |                |               | Amount  | Actions Taken |                                      |                               |
| TXC Corporation             | TXC (Ningbo) Corporation | Subsidiary    | \$ 239,634     | 3.68          | \$ -    | -             | \$ 60,226                            | \$ -                          |
| TXC (Ningbo) Corporation    | TXC Corporation          | Parent entity | 611,868        | 3.83          | -       | -             | 408,530                              | -                             |
| TXC (Chongqing) Corporation | TXC Corporation          | Parent entity | 367,807        | 3.85          | -       | -             | 222,541                              | -                             |
| TETC CORP. NINGBO           | TXC Corporation          | Parent entity | 108,099        | 4.01          | -       | -             | 62,291                               | -                             |

**TXC CORPORATION**

**INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars or U.S. Dollars)**

| Investor Company         | Investee Company                             | Location      | Main Businesses and Products   | Original Investment Amount |                   | As of December 31, 2025 |                         |                 | Net Income (Losses) of the Investee | Share of Profit (Loss) | Note |
|--------------------------|--|---------------|--|----------------------------|-------------------|-------------------------|-------------------------|-----------------|-------------------------------------|------------------------|------|
|                          |  |               |  | December 31, 2025          | December 31, 2024 | Shares (In Thousands)   | Percentage of Ownership | Carrying Amount |                                     |                        |      |
| TXC Corporation          | Taiwan Crystal Technology International Ltd. | Western Samoa | Investment management  | \$ 1,390,461               | \$ 1,390,461      | 42,835                  | 100.00                  | \$ 9,419,443    | \$ 1,139,383                        | \$ 1,156,482           |      |
|                          | Taiwan Crystal Technology (HK) Limited       | Hong Kong     | International trading  | 2,371                      | 2,371             | 80                      | 100.00                  | 204,048         | 2,886                               | 2,886                  |      |
|                          | TXC Japan Corporation                        | Japan         | Marketing activities   | 6,172                      | 6,172             | 2                       | 100.00                  | 28,989          | (743)                               | (743)                  |      |
|                          | TXC Technology Inc.                          | U.S.A.        | Marketing activities   | 9,879                      | 9,879             | 300                     | 100.00                  | 22,254          | (832)                               | (832)                  |      |
|                          | Tai-Shing Electronics Components Corporation | Taiwan        | Manufacture and sales of electronics products  | 373,432                    | 373,432           | 8,802                   | 33.34                   | 424,120         | 62,761                              | 20,925                 |      |
|                          | TXC Europe GmbH                              | Germany       | Marketing activities   | 1,746                      | 1,746             | 50                      | 100.00                  | 18,319          | 3,921                               | 3,921                  |      |
| TXC (Ningbo) Corporation | PT TXC Technology Indonesia                  | Indonesia     | Research and development, manufacture, and sale of quartz elements and related electronic products | 517,840                    | 517,840           | 16,000                  | 80.00                   | 468,229         | (1,206)                             | (1,011)                |      |

## TXC CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars or U.S. Dollars)

1. Name of the investees in mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in mainland China:

| Investee Company   | Main Businesses and Products   | Paid-in Capital | Method of Investment  | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (In Thousand) | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (In Thousand) | Net Income (Loss) of the Investee | Percentage of Ownership | Investment Gain (Loss) | Carrying Amount as of December 31, 2025 | Accumulated Repatriation of Investment Income as of December 31, 2025 |
|--|--|-----------------|---|---|---------------------|--------|---|-----------------------------------|-------------------------|------------------------|---|---|
|  |  |                 |   |   | Outward             | Inward |   |                                   |                         |                        |   |   |
| TXC (Ningbo) Corporation   | Research and development, manufacture, and sale of quartz elements and related electronic products | \$ 2,350,052    | Indirect investment of the Corporation in mainland China through the Corporation's subsidiary in a third region | \$ 1,427,630  | \$ -                | \$ -   | \$ 1,427,630  | \$ 1,139,403                      | 100.00                  | \$ 1,139,403           | \$ 9,478,528                            | \$ 2,159,384  |
| TXC (Chongqing) Corporation  | Research and development, manufacture, and sale of quartz elements and related electronic products | 1,162,074       | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | 233,159                           | 100.00                  | 233,159                | 1,995,987                               | 306,500   |
| TETC CORP. Ningbo  | Research and development, manufacture, and sale of quartz elements and related electronic products | 656,740         | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | 475,891                           | 100.00                  | 475,891                | 2,311,229                               | -   |
| Chongqing Zhongyang Properties Co., Ltd.   | Properties development   | 684,908         | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | (15,847)                          | 100.00                  | (15,847)               | 763,545                                 | -   |
| Ningbo Beilun Jingyu Trading Corporation   | International trading  | 7,090           | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | 5                                 | 100.00                  | 5                      | 6,547                                   | -   |
| LFC (Ningbo) Semiconductor Limited   | Research and development in integrated circuit   | 246,257         | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | (45,272)                          | 29.37                   | (13,296)               | 21,828                                  | -   |
| Ningbo Meishan Free Trade Port Area Ding Kai Investment Management Company Limited | Investment management  | 160,043         | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | -                                 | 100.00                  | -                      | 62,893                                  | -   |
| ChongQing Dingsen Commercial Management Co., Ltd.                                  | Property management  | 4,390           | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | 2,348                             | 100.00                  | 2,348                  | 3,738                                   | -   |
| Shanghai JCH Co., Ltd  | Marketing activities and Technical Services  | 2,238           | Other investment of the Corporation in mainland China   | -   | -                   | -      | -   | 4,009                             | 100.00                  | 4,009                  | 23,675                                  | -   |

2. The limited amounts of the investment in Mainland China

| Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025 | Investment Amounts Authorized by the Investments Commission, MOEA | Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA |
|--|---|--|
| \$1,427,630  | \$2,350,052   | \$ -   |

Note: The investment in mainland China has no maximum limit since the Company has acquired the approval from the Industrial Development Bureau for the establishment of the Company's operating headquarters in Taiwan.

## TXC CORPORATION

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE YEAR ENDED DECEMBER 31, 2025**  
(In Thousands of New Taiwan Dollars)

| Company Name    | Investee Company            | Transaction Type | Purchase/Sale |    | Price  | Transaction Details        |  | Notes/Accounts Receivable (Payable) |      | Unrealized (Gain) Loss | Note |
|-----------------|-----------------------------|------------------|---------------|----|--|----------------------------|--|-------------------------------------|------|------------------------|------|
|                 |                             |                  | Amount        | %  |  | Payment Term               | Comparison with Normal Transactions                        | Ending Balance                      | %    |                        |      |
| TXC Corporation | TXC (Ningbo) Corporation    | Purchase         | \$ 2,417,019  | 34 | Its trading price depends on its function within the Group | Similar with third parties | Its trading price depends on its function within the Group | \$ (611,868)                        | (35) | \$ 21,567              |      |
|                 | TXC (Ningbo) Corporation    | Sale             | 934,818       | 10 | "  | "                          | "  | 239,634                             | 8    | 9,480                  |      |
|                 | TXC (Chongqing) Corporation | Purchase         | 1,348,205     | 19 | "  | "                          | "  | (367,807)                           | (21) | 20,257                 |      |
|                 | TETC CORP. Ningbo           | Purchase         | 446,771       | 6  | "  | "                          | "  | (108,099)                           | (6)  | 5,154                  |      |
|                 | TETC CORP. Ningbo           | Sale             | 270,063       | 3  | "  | "                          | "  | 48,185                              | 2    | 2,704                  |      |
|                 | PT TXC Technology Indonesia | Purchase         | 111,158       | 2  | "  | "                          | "  | (52,590)                            | (3)  | 3,146                  |      |

1. The transactions of properties and the profit or loss: None.
2. Endorsements guarantees or collateral directly or indirectly provided to the investees: None.
3. Financings directly or indirectly provided to the investees: None.
4. Other transactions that significantly impacted the current year's profit or loss or financial position: None.

# TXC CORPORATION

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**TXC CORPORATION****CASH AND CASH EQUIVALENTS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, and Foreign Currencies)**

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| <b>Item</b>                           |   | <b>Amount</b>       |
|---------------------------------------|---|---------------------|
| Cash                                  |   |                     |
| Cash on hand                          | Including USD1 thousand @31.438; JPY152 thousand @0.2008; HKD2 thousand @4.039; and SGD3 thousand @24.4435; EUR3 thousand @36.8988; RMB3 thousand @4.4727 | \$ 378              |
| Cash in banks                         |   |                     |
| Checking accounts and demand deposits |   | 1,275,945           |
| Foreign-currency deposits             | Including USD328 thousand @31.438; RMB682 thousand @4.4727; EUR204 thousand @36.8988; HKD2 thousand @4.039; and JPY1,273,365 thousand @0.2008             | 272,583             |
| Time deposits                         |   | 300,000             |
| Cash equivalents                      |   | <u>150,000</u>      |
|                                       |   | <u>\$ 1,998,906</u> |

**TXC CORPORATION****TRADE RECEIVABLES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

| <b>Item</b>                                  | <b>Explanation</b> | <b>Amount</b>       |
|--|--------------------|---------------------|
| Related parties                              |                    |                     |
| TXC (Ningbo) Corporation                     | For goods          | \$ 239,634          |
| TXC (Chongqing) Corporation                  | "                  | 6,682               |
| Tai-Shing Electronics Components Corporation | "                  | 7,901               |
| TETC CORP. Ningbo                            | "                  | 48,185              |
| TXC Japan Corporation                        | "                  | 286                 |
| TXC Europe GmbH                              | "                  | 4,702               |
| EcLife Co., Ltd.                             | "                  | <u>2,551</u>        |
|  |                    | 309,941             |
| Less: Allowance for impairment loss          |                    | <u>(68)</u>         |
|  |                    | <u>\$ 309,873</u>   |
| Third parties                                |                    |                     |
| A Company                                    | For goods          | \$ 203,488          |
| B Company                                    | "                  | 195,813             |
| C Company                                    | "                  | 131,560             |
| Others (Note)                                | "                  | <u>2,014,478</u>    |
|  |                    | 2,545,339           |
| Less: Allowance for impairment loss          |                    | <u>(9,303)</u>      |
|  |                    | <u>\$ 2,536,036</u> |

Note: Each of the accounts was less than 5% of the total account balance.

**TXC CORPORATION****INVENTORIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>              | <b>Cost</b>         | <b>Market Value<br/>(Note)</b> |
|--------------------------|---------------------|--------------------------------|
| Raw materials            | \$ 277,235          | \$ 274,378                     |
| Supplies and spare parts | 106,625             | 105,992                        |
| Work in process          | 479,494             | 475,200                        |
| Finished goods           | 287,047             | 261,647                        |
| Merchandise              | 345,148             | 344,001                        |
| Goods in transit         | <u>28,332</u>       | <u>28,332</u>                  |
|                          | 1,523,881           | <u>\$ 1,489,550</u>            |
| Less: Allowance for loss | <u>(34,331)</u>     |                                |
|                          | <u>\$ 1,489,550</u> |                                |

Note: The Company's determination of market value is as follows:

Raw materials, supplies and spare parts, merchandise, work in progress, and finished goods: Stated at net realizable value.

## TXC CORPORATION

CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars and Shares)

|  | Beginning Balance |               | Remeasure       | Increase |          | Decrease |           | Ending Balance |                |               | Pledge or Security |
|--|-------------------|---------------|-----------------|----------|----------|----------|-----------|----------------|----------------|---------------|--------------------|
|  | Shares            | Amount        |                 | Shares   | Amount   | Shares   | Amount    | Shares         | % of Ownership | Amount        |                    |
| Listed shares                          |                   |               |                 |          |          |          |           |                |                |               |                    |
| Win Win Precision Technology Co., Ltd. | 1,788             | \$ 40,678     | \$ 23,662       | -        | \$ -     | 1,788    | \$ 64,340 | -              |                | \$ -          | None               |
| Unlisted shares                        |                   |               |                 |          |          |          |           |                |                |               |                    |
| Godsmith Sensor Inc.                   | 800               | 3,201         | (568)           | -        | -        | -        | -         | 800            | 4              | 2,633         | "                  |
| Gallopwave Inc.                        | 6,250             | 20,179        | (9,263)         | -        | -        | -        | -         | 6,250          | 8              | 10,916        | "                  |
| RFIC Technology Corporation            | 3,334             | 25,912        | (5,285)         | -        | -        | -        | -         | 3,334          | 12             | 20,627        | "                  |
| Stathera IP Holdings Inc.              | 65                | 6,422         | (2,519)         | -        | -        | -        | -         | 65             | 1              | 3,903         | "                  |
|  |                   | <u>55,714</u> | <u>(17,635)</u> |          | <u>-</u> |          | <u>-</u>  |                |                | <u>38,079</u> |                    |
|  |                   | \$ 96,392     | \$ 6,027        |          | \$ -     |          | \$ 64,340 |                |                | \$ 38,079     |                    |

## TXC CORPORATION

CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars and Shares)

|  | Beginning Balance |                     | Increase |             | Decrease |                   | Equity in Investees Gain (Loss) | Ending Balance |                |                      | Market Price or Net Asset Value |                      | Valuation Method | Pledge or Security |
|--|-------------------|---------------------|----------|-------------|----------|-------------------|---------------------------------|----------------|----------------|----------------------|---------------------------------|----------------------|------------------|--------------------|
|  | Shares            | Amount              | Shares   | Amount      | Shares   | Amount            |                                 | Shares         | % of Ownership | Amount               | Unit Price                      | Amount (Note)        |                  |                    |
| Unlisted company                             |                   |                     |          |             |          |                   |                                 |                |                |                      |                                 |                      |                  |                    |
| Taiwan Crystal Technology International Ltd. | 42,835            | \$ 8,879,763        | -        | \$ -        | -        | \$ 451,880        | \$ 991,560                      | 42,835         | 100.00         | \$ 9,419,443         | -                               | \$ 9,419,443         | Equity method    | None -             |
| TXC Technology Inc.                          | 300               | 24,078              | -        | -           | -        | -                 | (1,824)                         | 300            | 100.00         | 22,254               | -                               | 22,254               | Equity method    | None -             |
| TXC Japan Corporation                        | 2                 | 31,865              | -        | -           | -        | -                 | (2,876)                         | 2              | 100.00         | 28,989               | -                               | 28,989               | Equity method    | None -             |
| Taiwan Crystal Technology (HK) Limited       | 80                | 209,731             | -        | -           | -        | -                 | (5,683)                         | 80             | 100.00         | 204,048              | -                               | 204,048              | Equity method    | None -             |
| Tai-Shing Electronics Components Corporation | 8,802             | 428,728             | -        | -           | -        | 22,006            | 17,398                          | 8,802          | 33.34          | 424,120              | 40.8                            | 424,120              | Equity method    | None -             |
| TXC Europe GmbH                              | 50                | 13,142              | -        | -           | -        | -                 | 5,177                           | 50             | 100.00         | 18,319               | -                               | 18,319               | Equity method    | None -             |
|  |                   | <u>\$ 9,587,307</u> |          | <u>\$ -</u> |          | <u>\$ 473,886</u> | <u>\$ 1,003,752</u>             |                |                | <u>\$ 10,117,173</u> |                                 | <u>\$ 10,117,173</u> |                  |                    |

Note: All the above are unlisted company which do not have market price to evaluated.

**TXC CORPORATION****ACCOUNTS PAYABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                 | <b>Explanation</b> | <b>Amount</b>       |
|-----------------------------|--------------------|---------------------|
| Related parties             |                    |                     |
| TXC (Ningbo) Corporation    | Payment for goods  | \$ 611,867          |
| TXC (Chongqing) Corporation | "                  | 367,807             |
| PT TXC Technology Indonesia | "                  | 52,590              |
| EcLife Co., Ltd.            | "                  | 11                  |
| TETC CORP. Ningbo           | "                  | <u>108,099</u>      |
|                             |                    | <u>1,140,374</u>    |
| Third parties               |                    |                     |
| A Corporation               | Payment for goods  | 87,638              |
| B Corporation               | "                  | 85,494              |
| C Corporation               | "                  | 76,647              |
| D Corporation               | "                  | 70,777              |
| E Corporation               | "                  | 55,878              |
| F Corporation               | "                  | 46,412              |
| G Corporation               | "                  | 36,911              |
| H Corporation               | "                  | 32,349              |
| Others (Note)               | "                  | <u>100,859</u>      |
|                             |                    | <u>592,965</u>      |
|                             |                    | <u>\$ 1,733,339</u> |

Note: Each of the accounts was less than 5% of the total account balance.

## TXC CORPORATION

STATEMENT OF LONG-TERM BORROWINGS  
DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

| Bank Name                       | Description | Amount            | Issuance Date         | Interest Rate | Collateral |
|---------------------------------|-------------|-------------------|-----------------------|---------------|------------|
| DBS Bank Limited                | Credit loan | \$ 300,000        | 2025.02.03-2027.02.03 | 1.68%         | -          |
| CTBC Financial Holding Co., Ltd | Credit loan | 33,333            | 2021.08.17-2026.08.17 | 0.98%         | -          |
| Yuanta Commercial Bank Co., Ltd | Credit loan | <u>500,000</u>    | 2025.09.03-2027.09.03 | 1.77%         | -          |
|                                 |             | 833,333           |                       |               |            |
| Less: Current portions          |             | <u>(33,333)</u>   |                       |               |            |
|                                 |             | <u>\$ 800,000</u> |                       |               |            |

**TXC CORPORATION**

**OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>             | <b>Amount</b>       |
|-------------------------|---------------------|
| Quartz crystal products | \$ 9,855,282        |
| Less: Sales returns     | 24,935              |
| Less: Sales allowances  | <u>17,465</u>       |
|                         | <u>\$ 9,812,882</u> |

**TXC CORPORATION****COST OF GOODS SOLD  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>                     | <b>Amount</b>       |
|---------------------------------|---------------------|
| Direct materials                |                     |
| Beginning materials             | \$ 436,804          |
| Add: Material purchase          | 1,117,212           |
| Add: Unfavorable cost variance  | 116,818             |
| Less: Expense                   | (156,456)           |
| Less: Others                    | (8,780)             |
| Ending materials                | <u>(380,370)</u>    |
|                                 | 1,125,228           |
| Direct labor                    | 296,511             |
| Overhead                        | <u>967,147</u>      |
| Manufacturing cost              | 2,388,886           |
| Beginning work in process       | 391,022             |
| Add: Purchases                  | 426,497             |
| Add: Others                     | 943                 |
| Less: Expense                   | (57,988)            |
| Less: Favorable cost variance   | (86,701)            |
| Ending work in process          | <u>(475,200)</u>    |
| Finished goods cost             | 2,587,459           |
| Beginning finished goods        | 269,942             |
| Add: Unfavorable cost variance  | 29,718              |
| Less: Expense                   | (9,744)             |
| Less: Others                    | (143)               |
| Ending finished goods           | <u>(261,647)</u>    |
| Production cost                 | <u>2,615,585</u>    |
| Beginning merchandise inventory | 394,739             |
| Add: Purchase                   | 5,091,391           |
| Add: Unfavorable cost variance  | 14,591              |
| Less: Expense                   | (1,131)             |
| Less: Others                    | (65)                |
| Ending merchandise inventory    | <u>(344,001)</u>    |
| Purchase cost                   | <u>5,155,524</u>    |
| Loss on physical inventory      | <u>9,806</u>        |
|                                 | <u>\$ 7,780,915</u> |

**TXC CORPORATION****OVERHEAD EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>        | <b>Explanation</b>  | <b>Amount</b>     |
|--------------------|---|-------------------|
| Indirect labor     | Including salary and wages, pension, food stipend, employee benefits and insurance etc. | \$ 327,597        |
| Indirect materials |   | 121,315           |
| Depreciation       |   | 280,555           |
| Utilities          |   | 145,012           |
| Others             |   | <u>92,668</u>     |
|                    |   | <u>\$ 967,147</u> |

Note: Each of the accounts was less than 5% of the total account balance.

**TXC CORPORATION****OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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| <b>Item</b>               | <b>Explanation</b> | <b>Selling and<br/>Marketing</b> | <b>General and<br/>Administration</b> | <b>Research and<br/>Development</b> |
|---------------------------|--------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Salary                    |                    | \$ 52,079                        | \$ 160,514                            | \$ 297,141                          |
| Insurance                 |                    | 3,291                            | 19,301                                | 18,573                              |
| Depreciation              |                    | 410                              | 7,887                                 | 207,695                             |
| Research expense          |                    | -                                | -                                     | 102,747                             |
| Import and export expense |                    | 39,546                           | -                                     | -                                   |
| Utilities Expense         |                    | 450                              | 62                                    | 36,509                              |
| Others                    |                    | <u>165,398</u>                   | <u>78,556</u>                         | <u>32,190</u>                       |
|                           |                    | <u>\$ 261,174</u>                | <u>\$ 266,320</u>                     | <u>\$ 694,855</u>                   |

Note: Each of the accounts was less than 5% of the total account balance.

## TXC CORPORATION

**EMPLOYEE WELFARE, DEPRECIATION AND AMORTIZATION EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

| Item                      | 2025              |                   |                     | 2024              |                   |                     |
|---------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|
|                           | Operating Cost    | Operating Expense | Total               | Operating Cost    | Operating Expense | Total               |
| Salaries                  | \$ 543,644        | \$ 461,466        | \$ 1,005,110        | \$ 579,552        | \$ 478,043        | \$ 1,057,595        |
| Insurance                 | 42,825            | 35,564            | 78,389              | 42,444            | 34,539            | 76,983              |
| Pension                   | 16,110            | 14,618            | 30,728              | 17,253            | 15,011            | 32,264              |
| Remuneration of directors | -                 | 33,649            | 33,649              | -                 | 40,213            | 40,213              |
| Other employee benefit    | 22,103            | 12,204            | 34,307              | 19,280            | 11,175            | 30,455              |
|                           | <u>\$ 624,682</u> | <u>\$ 557,501</u> | <u>\$ 1,182,183</u> | <u>\$ 658,529</u> | <u>\$ 578,981</u> | <u>\$ 1,237,510</u> |
| Depreciation expenses     | <u>\$ 280,555</u> | <u>\$ 215,992</u> | <u>\$ 496,547</u>   | <u>\$ 295,462</u> | <u>\$ 213,787</u> | <u>\$ 509,249</u>   |
| Amortization expenses     | <u>\$ 1,560</u>   | <u>\$ 5,938</u>   | <u>\$ 7,498</u>     | <u>\$ 47</u>      | <u>\$ 10,774</u>  | <u>\$ 10,821</u>    |

Note 1: As of December 31, 2025 and 2024, the number of employees was 949 and 989 people both with 8 directors not included in the employees.

Note 2: Information should be disclosed:

- a. The average of employee benefit is \$1,221 thousand in the current year.  
The average of employee benefit is \$1,220 thousand in the previous year.
- b. The average of salaries is \$1,068 thousand in the current year.  
The average of salaries is \$1,078 thousand in the previous year.
- c. Change in the average of salaries adjustment rates is (0.92)%.

Note 3: The Company did not have the supervisors for the years ended December 31, 2025 and 2024. Therefore, the Company did not have the corresponding remuneration of supervisors.

Note 4: The Company and its subsidiaries set the salary scales according to the relative contribution of the employees' positions, in line with the Company's operation and development strategy, and based on their personal performance, future development potential and the Company's operation status as the basis for salary adjustment and bonus payment, so as to encourage the employees to make positive efforts and excellent performance and to achieve the "internal fairness" and "individual fairness" pursuant to the salary; and to encourage employees to deliver great performance at work, the Company allocates a certain proportion of profit-making earnings as the basis of employee dividends and shares the earnings results with colleagues, considers the benchmark enterprises of the industry, regularly checks the rationality of various salary and welfare systems by the "remuneration committee", maintains the Company's high level employee welfare, attracts outstanding talents to join and stay for a long time.

Note 5: The remuneration of directors is determined based on the Company's Articles of Incorporation. Fair remuneration is provided by considering the operation results and contributions towards company performance. President and vice presidents remuneration payment policy is based on the Company's Salary Management Rules and salary levels for that job position in the industry market, the scope of authority of that job position inside the Company and the degree of contribution toward operation targets. The procedure for setting remuneration follows evaluation and review procedures under the Company's Director and Manager Performance Evaluation Rules. In addition, the Company's overall operational performance, future industry risks and development trends, individual performance achievement rates and contribution towards company performance are also considered in order to provide a fair compensation. The fairness of related performance evaluations and remuneration are reviewed by the salary and compensation committee and board of directors. The remuneration system is discussed at appropriate time based on the actual operating conditions and with respect to related laws to achieve a balance between sustainable company operation and risk control.