Stock code: 2369

LINGSEN PRECISION INDUSTRIES, LTD.

2025 Annual Report

【Translation】

This Annual Report is available at the following websites:
Website of Taiwan Stock Exchange Market Observation: https://mops.twse.com.tw
Company Website: https://www.lingsen.com.tw

Printed On March 2, 2026

---Notice to readers---

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

a. Spokesperson and Deputy Spokesperson

Spokesperson	Deputy Spokesperson
Name：Chia-Tsung Liu	Name：His-Tzu Tsai
Title：Chief Financial Officer	Title：Manager
Tel：(04)2533–5120	Tel：(04)2533–5120
E-mail：LeoLiu@lingsen.com.tw	E-mail：edithtsai@lingsen.com.tw

b. Headquarters, Branches and Factories

Headquarter：No. 5-1, S. 2nd Rd., Tanzi Dist., Taichung City
Factory T1：No. 5-1; No. 5-2; No. 5-3, S. 2nd Rd., Tanzi Dist., Taichung City
Factory T2：No. 36; No. 36-1; No. 36-2; No. 36-3; No. 38; No. 38-1; No. 38-2; No. 38-3; No. 40; No. 40-1; No. 40-2; No. 40-3; No. 42; No. 42-1; No. 42-2; No. 42-3, S. 2nd Rd., Tanzi Dist., Taichung City
Factory T3：No.3; No. 5, Jiangou Rd., Tanzi Dist., Taichung City
Factory T4：No. 4; No. 4-1; No. 4-2; No. 6; No. 6-1; No. 6-2; No. 8-1; No. 8-2; No. 10-1; No. 10-2, S. 2nd Rd., Tanzi Dist., Taichung City
Factory T5：No. 22; No. 22-1; No. 22-2, S. 2nd Rd., Tanzi Dist., Taichung City
Factory T6：No. 37; No. 39, Daguan Rd., Wuqi Dist., Taichung City
Tel：(04)2533–5120
Fax：(04)2532–7904

c. Stock Transfer Agent

Agency：Transfer Agency Department, CTBC Bank Co., Ltd.
Address: 5F, No. 83, Section 1, Chongqing S. Rd., Zhongzheng Dist. 100003, Taipei City
Website：https://www.ctbcbank.com
Tel：(02)6636–5566
Fax：(02)2382–2390

d. Auditors

Auditors：Lie-Dong, Wu, Li-Wei, Liu
Name of the Firm：Deloitte & Touche Taiwan
Address：22F, No.88, Sec. 1, Huizhong Rd., Xitun Dist., Taichung City 407025
Website：https://www.deloitte.com.tw
Tel：(04)3705-9988
Fax：(04)4055–9888

e. Overseas Securities Exchange

N/A

f. Corporate Website

https://www.lingsen.com.tw

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I. Letters to the Shareholders

Dear Shareholders,

We are entering an AI-empowered world, where artificial intelligence not only runs in Data Centers, but will run in PCs, Smartphones, Automobiles, and even Internet-of-Things devices in the future. Recent developments, such as the recovery of the economy, the reshaping of global IC supply chains inventory, AI is expected to continue to drive the global semiconductor industry to enter a period of healthy growth in the coming years. At the same time, as the intensifying competition in the quest for AI supremacy, geopolitical uncertainties persist.

However, as we now face rapid market transformation and significant technological advancements, the Company is prepared to embrace. The Company will continue to build upon our foundation to achieve steady growth, continue to invest to support our customers' growth, collaborating with partners and embracing an AI-empowered Era.

Summary of 2025 business result and 2026 business plan of the Company are as follows:

1.1 2025 Business Result

1.1.1 Result of 2025 Business Plan

In 2025, the Company's operating revenue totaled NT$ 5.56 billion, an increase of 3.5 % from 2024. The Net loss to the parent Company was NT$ 3.94 billion or a basic loss per share of NT$ 1.05 under encounter with price increases of raw materials.

For future business expansion and in order to make more effective use of its resources, the Company has committed to work towards smart and automated manufacturing. We focus on the fundamentals of our business and technology R&D, enhance operational resilience, and endeavor to cover the opportunities brought by customer requirements.

1.1.2 2025 Budget Implementation Status: The Company did not prepare financial forecast for 2025.

1.1.3 Financial Revenue and Expenditure Status and Profitability Capacity Analysis

Item analyzed		Year 2025	Year 2024
Financial Structure	Debt Ratio (%)	34.46	26.93
	Ratio of Long-term capital to property, plant and equipment (%)	188.32	181.62
Solvency	Current Ratio (%)	238.22	255.14
	Quick Ratio (%)	202.72	220.28
Profitability	Return On Assets (%)	(5.72)	(2.37)
	Return On Equity (%)	(7.99)	(3.60)
	Operating profit to paid-in capital (%)	(11.95)	(10.08)
	Pre-tax income to paid-in capital (%)	(10.86)	(5.39)
	Profit Margin (%)	(7.52)	(3.74)
	EPS (NT$)	(1.05)	(0.45)

1.1.4 R&D Status

Unit: NT$ in Thousands

Year	Year 2025	Year 2024	Year 2023
R& D Expenses	117,183	133,265	136,376
R&D Expenses to operating revenue (%)	2	2	2

1.2 Summary of 2026 Business Plan

1.2.1 Operating Policy

(1) Improving service quality, strengthen the communication with customers and build up a balanced relationship with customers.
(2) Improving current manufacturing process, innovating new manufacturing process, improve the quality and reduce costs to create profits, proactively.
(3) Continuously innovating product development and available in diverse products package manufacturing process to meet customers' needs.
(4) Improving internal operation efficiency and enhance the quality for employee's operation.
(5) Strengthening the function of information systems to improve manufacturing and automatic inspection operation.
(6) Introducing 5S activities to optimize the working environment to avoid occupational accident and reduce wastage.
(7) Continuously enhancing the educational training to train the talent to assists the Company's sustainable management and development.

1.2.2 Estimated Sales Volume and Supporting Information

(1) Basis

The amount of the expected sales of the Company is set by considering the management strategy, the production ability, operating goals of all the departments and the budget, the future development trend of the entire industry, market supply and demand and the actual operating performance of the past years reasonably.

(2) Estimated Sales Volume

Item	Estimated Sales Volume
Packaging and Testing	5.5 Billion units

1.2.3 Key Production and Marketing Policies

(1) Marketing Policies

A. Enhancing the quality of products and improving product yield to meet customers' satisfaction.
B. Establishing market analysis mechanism to improve the future planning of products and marketing strategy.
C. Diverse development of packaging product manufacturing and providing customer service with comprehensive needs.
D. Enhancing research and development ability to shorten the time required for research and development to increase the revenue and profit of the new products.
E. Proactively expand business by attending business expos and seeking for distributors of different region to extend the trading internationally and domestically.

(2) Production Policies

A. Improving accurate delivery date and on time delivery.
B. Optimizing the production preparation and improve the transparency of production.
C. Improving management efficiency (Reducing the cost of inspection, optimizing the production preparation and enhancing the mobilization of the personnel).
D. Improving equipment efficiency and equipment availability.
E. Simplify and improving the manufacturing process, reducing the manufacturing process, material costs and to improve the quality for product shipment.

1.3 Future Developing Strategy of the Company

1.3.1 Provide the customers with all-rounded services, customer development and relation management proactively.
1.3.2 Be committed to environmental protection and obey the environmental protection laws and regulations and introduced green fabrication and package products.
1.3.3 Proactively innovating, leading the development of new technics and new products to meet the market trend and needs.
1.3.4 Continuously enhancing the management of cost expense of existing production line.
1.3.5 Dedicated in “Corporate Governance, Corporate Commitment, Social Contribution and Environmental Protection” four major fields of Corporate Social Responsibility.

1.4 Impacts from External Competitive Environment, Legal Environment and Macro-Economic Environment

The International Monetary Fund (IMF) indicated in its World Economic Outlook in January of 2026, The Global economic growth for 2026 is expected to be 3.3%, has been steady and similar with 2025. AND with a decline forecast to overall inflation rate from 4.1% for 2025 to 3.8% for 2026 and predicts a further decrease to 3.4% for 2027.

With the launch of carbon fees from 2026(for the 2025 fees), domestic sustainability-related regulations are gradually being implemented. In response to global environmental changes, the Company proactively fulfills corporate citizenship responsibilities by aligning with the UN SDGs and examining the relevance to operations. Through implement risk mitigation measures, such as engages in greenhouse gas reduction by energy optimization and adopting renewable energy sources to lower carbon emissions. Through cooperation with the supply chain, the Company drives low carbon competitiveness, building a better future for all.

Chairman: Shu-Chyuan Yeh

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

2.1.1.1 Information of Directors

March 2, 2026 Unit: Shares

Title (Note11)	Nationality	Name	Gender /Age	Date Elected/ Appointed	Term (Year)	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience/ Education	Other Position	Executives, Directors or Supervisors who are Spouses or within Two Degree of Kinship			Remark (Note12)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Shu-Chyuan Yeh	Male 71~80	2025.05.29	3	1987.04.30	14,626,754 (Note 10)	3.85%	14,626,754 (Note10)	3.85%	440,866	0.12%	No	No	•Bachelor degree in Psychology, National Taiwan University •Chairman, Lingsen Precision Industries, Ltd.	Note1	No	No	No	No Such Condition
Director	R.O.C.	Tse-Sung Tsai	Male 61~70	2025.05.29	3	2019.06.12	234,000	0.06%	234,000	0.06%	No	No	No	No	•Bachelor degree in Physic, Fu Jen Catholic University •General Manager, Lingsen Precision Industries, Ltd.	Note2	No	No	No	No Such Condition
Director	R.O.C.	Sheunn–Ching Yang	Male 71~80	2025.05.29	3	2011.06.15	1,303,654	0.34%	1,303,654	0.34%	No	No	No	No	•Bachelor degree in Physic, Chinese Culture University •General Manager, Lingsen Precision Industries, Ltd. •Associates, Siliconware Precision Industries Co., Ltd.	Note3	No	No	No	N/A
Director	R.O.C.	Pin-Wen Fang	Male 71~80	2025.05.29	3	2019.06.12	150,000	0.04%	150,000	0.04%	No	No	No	No	•Tamsui Commercial Industrial Vocational Senior High School, major in Industrial Management •Chairman, YiLiDe Business Administration Consultant Co., Ltd. (a non-public company) •Chairman, Ming Yuan Sport Leisure Co., Ltd. (a non-public company)	Note4	No	No	No	N/A
Director	R.O.C.	Pin- Chi Wei	Male 61~70	2025.05.29	3	2016.06.15	362,000	0.10%	362,000	0.10%	No	No	No	No	•MA degree in Business Administration, New York University •Director and General Manager, Fu Chu Knitting Co., Ltd., (a non-public company) •Director and General Manager, Chin Fu Long Industrial Co., Ltd., (a non-public company)	Note5	No	No	No	N/A
Director	R.O.C.	Te-Tung Yeh	Female 31~40	2025.05.29	3	2025.05.29	0	0%	0	0%	No	No	No	No	•Master's Degree in Psychology, St. Andrews University •Chairman, Xi Jun Investment Co., Ltd. (a non-public company)	Note6	Chairman	Shu-Chyuan Yeh	Father	N/A
Independent Director	R.O.C.	Shun-Te Wen	Male 71~80	2025.05.29	3	2025.05.29	0	0%	0	0%	No	No	No	No	•Master's Degree in Business Administration, National Chung Cheng University •Director, Changhua Branch, NTBCA, Ministry of Finance. Director, Fengyuan Branch, NTBCA, Ministry of Finance	Note7	No	No	No	N/A
Independent Director	R.O.C.	Yu-Hsien Lee	Male 41~50	2025.05.29	3	2025.05.29	0	0%	0	0%	10,000	0.00%	No	No	•Ph.D. in Electrophysics, National Chiao Tung University •Director, Wine soon Co., Ltd. (a non-public company)	Note8	No	No	No	N/A
Independent Director	R.O.C.	Kuei-Yuan Wang	Male 51~60	2025.05.29	3	2025.05.29	0	0%	0	0%	No	No	No	No	•Ph.D. in business Administration, National Taiwan University of Science and Technology. •Associate Professor, Asia University	Note9	No	No	No	N/A

Note 1：
Vice President, Lingsen Precision Industries, Ltd.
Chairman, Lee Shin Investment Co., Ltd.
Chairman, Lingsen America Inc.
Chairman, Nexus Material Co., Ltd.
Chairman, Panther Technology Co., Ltd.
Chairman and General Manager, Sooner Power Semiconductor Co. Ltd.
Chairman, Lingsen Holding (Samoa) Inc.
Chairman, Li Yuan Investments Co., Ltd.

Note 2：
General Manager, Lingsen Precision Industries, Ltd.
Director (representative), Nexus Material Corporation
Director (representative), Panther Technology Co., Ltd.
Director (representative), Sooner Power Semiconductor Co., Ltd.

Note 3：
Independent director, Member of Audit Committee and Compensation Committee, JMC Electronics Co., Ltd. (List 6552)
Independent director, Member of the Audit Committee and Compensation Committee, Megawin Technology Co., Ltd. (OTC 3122)
Independent director, Member of Audit Committee and Compensation Committee, Fittech Co., Ltd. (List 6706)
Supervisor(representative), Nexus Material Corporation

Note 4：
Chairman, YiLiDe Business Administration Consultant Co., Ltd. (a non-public company)

Note 5：
Chairman and General Manager, Fu Chu Knitting Co., Ltd.
Chairman and General Manager, Chin Fu Long Industrial Co., Ltd.
Chairman and General Manager, Hwa Kwei Knitting Co., Ltd.
Chairman, Shen Bin Investment limited

Note 6：
Chairman, Xi Jun Investment Co., Ltd. (a non-public company)

Note 7：
Independent director, Member of Audit Committee, Compensation Committee and Sustainable Development Committee, Longchen Paper & Packaging Co., Ltd.(List 1909).
Independent director, Member of Audit Committee and Compensation Committee, Froch Enterprise Co., Ltd. (List 2030)

Note 8：
Director, Wine soon Co., Ltd.
Engineer, Industrial Technology Research Institute (ITRI)

Note 9：
Associate Professor, Asia University.
Independent director, Member of Audit Committee and Compensation Committee of Sakura Development Co., Ltd. (List 2539).

Note 10：
5,000,000 shares as pledged shares.

Note 11：
Still in position as until the date of the publication and printed of the annual report.

Note 12：
Where the Chairman of the Board of Directors and the General Manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Note 13：

Main Shareholders of the Directors that are Institutional Shareholders

(1) Major shareholders of the institutional shareholder: Not Applicable.
(2) Major shareholders of the company’s major institutional shareholder: Not Applicable.

2.1.1.2 Disclosure of information as professional qualifications and independent status of directors and independent directors

Qualification / Name	Professional qualifications and experience	Independent status	Number of other public companies concurrently serving as an independent director
Shu-Chyuan Yeh	Mr. Yeh is the Chairman of the Company. Joined the Board from 1987. He is also the Chairman of the Company's subsidiaries (a non-public company). He has more than 30 years of semiconductor experience. He also has extensive experience in corporate governance affairs.	Not Applicable.	0
Tse-Sung Tsai	Mr. Tsai is director and General Manager of the Company. Joined the Board from 2019. He is also the representative director of the Company's subsidiaries (a non-public company). He was formerly Vice President of the Company which is responsible for developing assembly process technologies. He has more than 30 years of semiconductor experience. He also has extensive experience in corporate governance affairs.		0
Sheunn–Ching Yang	Mr. Yang is director of the Company. Joined Board from 2011. Mr. Yang was formerly served as our General Manager from March 2008 to June 2019. He is currently served as independent director of JMC Electronics Co., Ltd. (List6552), Fittech Co., Ltd. (List6706), Megawin Technology Co., Ltd. (OTC3122). He has more than 30 years of semiconductor experience. He also has extensive experience in corporate governance affairs.		3
Pin-Wen Fang	Mr. Fang is director of the Company. Joined Board from 2019. He is serves as the chairman of YiLiDe Business Administration Consultant Co., Ltd. He is experienced in corporate governance and entrepreneurship.		0

Qualification Name	Professional qualifications and experience	Independent status	Number of other public companies concurrently serving as an independent director
Pin- Chi Wei	Mr. Wei is director of the Company. Joined the Board from 2016. He is currently the Chairman and General Manager of Hwa Kwei Knitting Co., Ltd. and Fu Chu Knitting Co., Ltd. Hwa Kwei Knitting Co., Ltd. is the leading brand of hosiery's manufacturing industries. He is experienced in corporate governance and entrepreneurship.	Not Applicable.	0
Te-Tung Yeh	Ms. Yeh is director of the Company. Joined the Board from 2025. She is serves as the Chairman of Xi Jun Investment Co., Ltd (a non-public company). She has extensive experience in corporate governance affairs.		0

Qualification Name	Professional qualifications and experience	Independent status	Number of other public companies concurrently serving as an independent director
Shun-Te Wen	Mr. Wen is the independent director, currently also serves as the convener of Audit Committee and Compensation Committee of the Company. Joined the Board from 2025. He also served in NTBCA, Ministry of Finance for over 30 years, formerly served as a director of Changhua Branch and Fengyuan Branch in NTBCA. Currently, Mr. Wen is the independent director of Longchen Paper & Packaging Co., Ltd. and Froch Enterprise Co., Ltd. concurrently. He has extensive experience in the fields of finance, corporate governance affairs.	All Independent Directors meet the requirements outlined in Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by Taiwan's Financial Supervisory Commission. 1. None of the Independent Directors, their spouses, and relatives within the second degree of kinship, serves as directors, supervisors, or employees of the Company or affiliated companies. 2. Except for Yu-Hsien Lee's spouse who hold 10,000 shares of the Company, other Independent Directors, their spouses, and relatives within the second degree of kinship do not hold any shares of the Company. 3. None of the Independent Directors serve as directors, supervisors, or employees of companies that have a specific relationship with the Company. 4. None of the Independent Directors have received compensation or benefits for providing to the company or its affiliates: (1) any audit service; or (2) commercial, legal, financial, accounting services or other services within the recent two years.	2
Yu-Hsien Lee	Mr. Lee is the independent director, currently also serves as the member of Audit Committee and Compensation Committee of the Company. Joined the Board from 2025. Dr. Lee also served at a variety of engineering positions in Industrial Technology Research Institute. Currently, Dr. Lee is the director of Winesoon Co., Ltd. (a non-public company).		0
Kuei-Yuan Wang	Mr. Wang is the independent director, currently also serves as the member of Audit Committee and Compensation Committee of the Company. Joined the Board from 2025. Currently, Dr. Wang serves as the Associate Professor of Asia University. He has extensive experience in the fields of finance, corporate governance and sustainable development affairs.		1

Note 1: None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.

2.1.1.3 Diversity and independent of Board of Directors:

(1) Diversity of Board of Directors：

The diversity guidelines and concrete management goals for members of the Board have been set forth in the "Corporate Governance Best Practice Principles" formulated by the Company. The composition of the Board takes into account gender, age, nationality and culture, professional knowledge and industry experience as multiple complementarities. The Company aims to have at least one female director and no less than three independent directors while they shall not be less than one third of the total number of directors. The composition of the Board of Directors members meets that objective.

The 21th board of directors was elected in the annual shareholders' meeting on May, 29, 2025. The tenure of a board director is 3 years. Currently, all board members represent diverse range of professional backgrounds, skills, and experience. The implementation status of the board diversity policy is as follows.

Title	Chairman	Director					Independent Director		
Name	Shu-Chyuan Yeh	Tse-Sung Tsai	Sheunn–Ching Yang	Pin-Wen Fang	Pin- Chi Wei	Te-Tung Yeh	Shun-Te Wen	Yu-Hsien Lee	Kuei-Yuan Wang
Nationality	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.
Gender	Male	Male	Male	Male	Male	Female	Male	Male	Male
Age	71-80	61-70	71-80	71-80	61-70	31-40	71-80	41-50	51-60
Independent directors' tenure							Less than 3 years	Less than 3 years	Less than 3 years
Employed by the Company	V	V							
Professional Background	Psychology	Physics	Physics	Industrial Administration	Finance and Business Administration	Psychology	Finance and Business Administration	Electrophysics	Finance and Business Administration
Skills and Experience									
Operational Judgement-Making Ability	V	V	V	V	V	V	V	V	V
Business Management Ability	V	V	V	V	V	V	V	V	V
Financial					V		V		V
Risk/Crisis Management	V	V	V	V	V	V	V	V	V
Industry Experience	V	V	V	V	V	V	V	V	V
Global Market Perspective	V	V	V	V	V	V	V	V	V
Leadership Skill	V	V	V	V	V	V	V	V	V
Strategic Decision-making	V	V	V	V	V	V	V	V	V

Composition of Board members

Independent	Age distribution of directors	The proportion of directors with employee status	Gender ratio
Directors 67% (6persons) Independent directors 33% (3persons)	31~40yrs 11% (1person) 41~50yrs 11% (1person) 51~60yrs 11% (1person) 61~70yrs 22% (2persons) 71~80yrs 45% (4persons)	22% (2persons)	Male 89% (8persons) Female 11% (1person)

The Board of the Company is currently composed of 9 directors, one of whom is female (accounting for 11%). Due to the Company operates in the semiconductor industry, which traditionally has a predominantly male workforce, this still falls short of one-third of the board seats. The Company remains committed to merit-based selection and will actively seek qualified female candidates for future board positions.

(2) Independence of the board of directors:

The Company's Chief Corporate Governance Officer evaluates the independence and competency of Independent Directors and reports to the Board. The recent year's evaluation result was reported to Board on NOV.05, 2025. Currently, all Independent Directors satisfy the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors, and there are 2 directors who are within the second degree of kinship relationship of the Company. Therefore, complies with the circumstances prescribed in paragraph 3, Article 26-3 of the Securities Exchange Act. As such, the Board of the Company carries independence.

2.1.2 Management Team (Information of general manager, vice president, associates, department and branch directors)

March 2, 2026 Unit: Shares

Title (Note1)	Nationality	Name	Gender	Date of appointment to position (Note2)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or within Two Degrees of Kinship			Remarks (Note 7)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C	Tse-Sung Tsai	Male	2007.10.04	234,000	0.06%	No	No	No	No	• Bachelor degree in Physic, Fu Jen Catholic University	Note 5	No	No	No	No such condition
Senior Vice President	R.O.C	Shu-Chyuan Yeh	Male	2001.04.12	14,626,754	3.85%	440,866	0.12%	No	No	• Bachelor degree in Psychology, National Taiwan University	Note 6	No	No	No	No such condition
Executive Vice President	R.O.C	Jih-Ming Hsu (Note3)	Male	2006.09.01	53,000	0.01%	No	No	No	No	• Master of Business Administration, Tong Hai University • Production Management Department Manager, Etronic Precision Co., Ltd.	No	No	No	No	N/A
Vice President	R.O.C	Chun-Liang Lin	Male	2002.08.01	28,000	0.01%	No	No	No	No	• Master of Department of Management Science, National Chiao Tung University. • Business Department Manager, Orient Semiconductor Electronics Co., Ltd.	No	No	No	No	N/A
Vice President & CFO & Corporate Governance Officer	R.O.C	Chia-Tsung Liu (Note4)	Male	2026.03.01	0	0.00%	No	No	No	No	• Master of Accounting ,Chaoyang University of Technology •Accountant of the Republic of China •Internal Auditor of the Republic of China •Certified Internal Auditors	No	No	No	No	N/A
Associates	R.O.C	Shu-Huei Yeh	Male	2001.02.01	734,351	0.19%	No	No	No	No	• Bachelor degree in Department of Industrial and Information Management, National Cheng Gong University • Personnel of Computer Software Design, China Airlines	No	No	No	No	N/A

Note 1：

Still in position as until the date of the publication and printed of the annual report.

Note 2：

Date of appointment to position means the date of First Appointment as manager.

Note 3：

Mr. Jih-Ming Hsu was promoted to Executive Vice President, effective March 1, 2026.

Note 4：

Mr. Chia-Tsung Liu was appointed as CFO & Corporate Governance Officer, effective March 1, 2026. Ms. Hsi-Tzu Tsai was appointed as Accounting officer &Corporate Governance Officer, effective form September 12, 2025 to February 28, 2026.

Note 5：

Refer to the Information of Directors.

Note 6：

Refer to the Information of Directors.

Note 7：

Where the General Manager or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

2.2 Remuneration of Directors, General Manager and Vice President in latest year

2.2.1 Remuneration of Directors and Independent Directors (Disclose names and ways of remuneration separately)

Unit: NT$ in Thousands

Title	Name	Remuneration								Amount and Ratio of Total Remuneration (A+B+C+D) and proportion of Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Amount and Ratio of Total Compensation (A+B+C+D+E+F+G) and proportion of Net Income(%)		Compensation from Non-Consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses and Allowance (E)		Severance Pay (F)		Employee Compensation (G) (Note1)						
		The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company		From all Consolidated Entities		The Company	From all Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	Shu-Chyuan Yeh	0	3,769	0	0	0	0	120	129	120 -0.03%	3,898 -0.99%	6,914	6,914	0	0	0	0	0	0	7,034 -1.79%	10,812 -2.75%	10
Director	Tse-Sung Tsai	0	0	0	0	0	0	120	123	120 -0.03%	123 -0.03%	4,535	4,535	0	0	0	0	0	0	4,655 -1.18%	4,658 -1.18%	0
Director	Sheunn-Ching Yang,	0	0	0	0	0	0	120	120	120 -0.03%	120 -0.03%	0	0	0	0	0	0	0	0	120 -0.03%	120 -0.03%	0
Director	Pin-Wen Fang	0	0	0	0	0	0	120	120	120 -0.03%	120 -0.03%	0	0	0	0	0	0	0	0	120 -0.03%	120 -0.03%	0
Director	Pin- Chi Wei	150	150	0	0	0	0	70	70	220 -0.06%	220 -0.06%	0	0	0	0	0	0	0	0	220 -0.06%	220 -0.06%	0
Director	Te-Tung Yeh	0	0	0	0	0	0	71	71	71 -0.02%	71 -0.02%	0	0	0	0	0	0	0	0	71 -0.02%	71 -0.02%	0
Independent Director	Shun-Te Wen	213	213	0	0	0	0	0	0	213 -0.05%	213 -0.05%	0	0	0	0	0	0	0	0	213 -0.05%	213 -0.05%	0
Independent Director	Yu-Hsien Lee	213	213	0	0	0	0	0	0	213 -0.05%	213 -0.05%	0	0	0	0	0	0	0	0	213 -0.05%	213 -0.05%	0
Independent Director	Kuei-Yuan Wang	213	213	0	0	0	0	0	0	213 -0.05%	213 -0.05%	0	0	0	0	0	0	0	0	213 -0.05%	213 -0.05%	0
Former Director	Ming-Te Tu	0	0	0	0	0	0	50	50	50 -0.01%	50 -0.01%	505	505	0	0	0	0	0	0	555 -0.14%	555 -0.14%	0
Former Director	Shu-Hsun Yeh	0	0	0	0	0	0	50	50	50 -0.01%	50 -0.01%	0	0	0	0	0	0	0	0	50 -0.01%	50 -0.01%	0
Former Independent Director	Feng-Hsien Shih	150	150	0	0	0	0	0	0	150 -0.04%	150 -0.04%	0	0	0	0	0	0	0	0	150 -0.04%	150 -0.04%	0
Former Independent Director	Wan-Ping Chen	150	150	0	0	0	0	0	0	150 -0.04%	150 -0.04%	0	0	0	0	0	0	0	0	150 -0.04%	150 -0.04%	0

1.The policy, system, standard and construction of independent directors' payment and describe the relevance of the amount of payment according to the factors, such as responsibility, risk and times:
Please refer to Page 14 of this annual report

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements and reinvestment companies in the most recent year to compensate directors for their services, such as being independent contractors: Each former Independent Directors for NT$50,000 and new office assumed Independent Directors for NT$71,000, as they served on Remuneration Committees.

Note 1: Due to the loss in the current year, the Board resolved not to allocate director and employee remuneration on February 25, 2026.
Note 2: The tenures expired on May 29, 2025.

2.2.2Compensation of General Manager and Vice President

（Summary in according to the Compensation Level and disclose the names and ways of compensation）

Unit: NT$ in thousands

Title	Name	Salary (A)		Severance Pay (B) (Note1)		Bonus, Allowance and etc.(C)		Employee Compensation (D) (Note2)				Amount and Ratio of Total Compensation (A+B+C+D) and proportion of Net Income (%)		compensation from Non-Consolidated Affiliates or Parent Company
		The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company		From all Consolidated Entities		The Company	From all Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	Tse-Sung Tsai	16,250	16,250	297	297	2,601	2,601	0	0	0	0	19,148 -4.86%	19,148 -4.86%	10
Senior Vice President	Shu-Chyuan Yeh													
Former Vice President & CFO & Corporate Governance Officer	Ming-Wei Lai (Note 3)													
Vice President	Chun-Liang Lin													
Vice President	Jih-Ming Hsu													

Range of Remuneration

Range of Remuneration	Names of General Manager and Vice President	
	The Company	From All Consolidated Entities and Invested Companies
NT$ 0～NT$ 999,999		
NT$ 1,000,000～NT$ 1,999,999		
NT$ 2,000,000～NT$ 3,499,999	Jih-Ming Hsu Chun-Liang Lin.Ming-Wei Lai	Jih-Ming Hsu Chun-Liang Lin.Ming-Wei Lai
NT$ 3,500,000～NT$ 4,999,999	Tse-Sung Tsai	Tse-Sung Tsai
NT$ 5,000,000～NT$ 9,999,999	Shu-Chyuan Yeh	Shu-Chyuan Yeh
NT$ 10,000,000～NT$ 14,999,999		
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	5	5

Note 1: Pensions funded according to applicable law.

Note 2: Due to the loss in the current year, the Board resolved not to allocate employee remuneration on February 25, 2026.

Note 3: Former CFO Mr. Ming-Wei Lai retired on Sep. 1, 2025. The amounts did not include compensation for the period after resigned on Sep. 1, 2025.

2.2.3 Remuneration paid to top five management personnel

Unit: NT$ in thousands

Title	Name	Salary (A)		Severance Pay (B) (Note1)		Bonus, Allowance and etc. (C)		Employee Compensation (D) (Note2)				Amount and Ratio of Total Compensation (A+B+C+D) and proportion of Net Income (%)		Compensation Received from Non-Consolidated Affiliates or Parent Company
		The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company	From all Consolidated Entities	The Company		From all Consolidated Entities		The Company	From all Consolidated Entities	
								Cash	Stock	Cash	Stock			
Senior Vice President	Shu-Chyuan Yeh	5,995	5,995	0	0	919	919	0	0	0	0	6,914 -1.75%	6,914 -1.75%	10
General Manager	Tse-Sung Tsai	3,854	3,854	0	0	681	681	0	0	0	0	4,535 -1.15%	4,535 -1.15%	0
Associate	Shu- Hui Yeh	1,318	3,120	76	76	239	239	0	0	0	0	1,633 -0.41%	3,435 -0.87%	0
Vice President	Chun-Liang Lin	2,363	2,363	108	108	383	383	0	0	0	0	2,854 -0.72%	2,854 -0.72%	0
Vice President	Jih-Ming Hsu	2,172	2,172	108	108	365	365	0	0	0	0	2,645 -0.67%	2,645 -0.67%	0

Note 1: Pensions funded according to applicable law.

Note 2: Due to the loss in the current year, the Board resolved not to allocate employee remuneration on February 25, 2026.

2.2.4 Managers with Employee Remuneration Distribution

December 31, 2025
Unit: NT$ in thousands

	Title	Name(Note1)	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	General Manager	Tse-Sung Tsai	0	0	0	0.00%
	Senior Vice President	Shu-Chyuan Yeh				
	Vice President	Chun-Liang Lin				
	Vice President	Jih-Ming Hsu				
	Associates	Shu-Huei Yeh				
	Accounting Officer & Corporate Governance Officer(Note 2)	Hsi-Tzu Tsai				

Note 1: The Manager in position as until Dec.31, 2025.

Note 2: Ms. Hsi-Tzu Tsai was appointed as Accounting officer &Corporate Governance Officer, effective form September 12, 2025 to February 28, 2026.

2.2.5 Separately compare and describe total remuneration, as a percentage of net income stated in the parent Company only financial reports or individual financial reports, as paid by the Company and by each other Company included in the consolidated financial statements during the past 2 fiscal years to directors, general managers, and vice president , and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Analysis on the total remuneration paid to the directors, general managers and vice presidents of the Company in the past two years as a ratio to the net income for parent Company only financial statement or individual financial statement.

Unit: NT$ in Thousands

Title	Year 2025				Year 2024			
	The Company		From all Consolidated Entities		The Company		From all Consolidated Entities	
	Total remuneration	Ratio to net profit after tax	Total remuneration	Ratio to net profit after tax	Total remuneration	Ratio to net profit after tax	Total remuneration	Ratio to net profit after tax
Director	13,764	-3.49%	17,545	-4.45%	15,434	-9.17%	19,251	-11.44%
General Manager & Vice President	19,148	-4.86%	19,148	-4.86%	20,118	-11.96%	20,118	-11.96%

Reason for increase or decrease: Primarily due to loss in 2025 and former CFO Mr. Ming-Wei Lai retired on Sep. 1, 2025.

(2) The policy, standards and packages of remunerations, the procedures for such decisions and relation to business performance and future risks.

A. Remuneration to the Company's directors are distributed in accordance with the Articles of Incorporation and the law, after referencing industry standards in Taiwan and overseas, the length of the tenure of related members, actual participation, and contributions. Remunerations are summarized as follows:

- Independent director: Receives fixed remuneration on a monthly basis regardless of the Company's profit or loss, and not participate in earning distribution.
- Non-independent director: Calculated and distributed based on the director's performance evaluation items (e.g. attendance in board meetings and shareholders' meetings and continuing education), length of tenure, actual participation, and contributions in accordance with the Company's Articles of Incorporation and the law, after referring to industry standards in Taiwan and overseas, provided that it does not exceed 2% of profits after deducting accumulated losses.

B. A monthly travel allowance for Non-Independent director.

C. The Company annually evaluates its salary and the salary structure. The salary can be divided into fixed and variable. Fixed compensation is determined by basing on job duties and position. Variable compensation is based on the execution and achievement status of the operating objectives that the manager is responsible. Evaluation items, which include financial indicators (e.g. revenue and profits), therefore, ESG key performance indicators is added to variable compensation gradually.

D. Others:

With consideration to future changes in the economic environment, remuneration paid to our management team will be carefully established in accordance with the law, based on business performance and future risks, as well as industry standards in Taiwan and overseas.

2.3 Implementation of Corporate Governance

2.3.1 Operation of the Board of Directors

2.3.1.1 Duties of Board of Directors

The Company elected the 21th Board of Director on the shareholders' meeting on May 29, 2025, including 9 directors (with 3 independent directors). The member of the board of directors shall base on the premise of loyal, cautious and highly aware of the Company's interest. The members of the board of directors shall perform their duties on significant matters, such as evaluating the Company's operating strategies, risk management, annual budget, business performance and invigilating major capital expenditure, merger, acquisitions, investment, disposal and others. The member of the board of directors shall ensure the accuracy of the accounting system and financial statements to prevent the behavior of the board members to harm the Company or the board members' interest conflicts with the shareholders. The board of directors shall elected carefully, invigilating the management team, make objective judgement to the Company affairs and elected the suitable internal audit supervisor to ensure the effectiveness of the internal control system, and to prevent any abuses and corruption.

The Company convenes a board of directors' meeting at least once per quarter, currently. The management team report to the board of directors with regards to the operating performance and the board of directors making decisions on the Company's future operating directions and major policies. Under the board of directors, there are audit office, audit committee and remuneration committee of reviewing the senior managers' compensation. With the review and suggestions of audit office, audit committee and remuneration committee, reported to the board of directors and assisting the board of directors in decision-making.

2.3.1.2 The principle of avoiding interest conflicts

The Company enacted Rules of Procedure in accordance to the Regulation Governing Procedure for Board of Directors Meetings of Public Company. Directors were avoided themselves within discussions and voting related to their interest.

2.3.1.3 Information on the operating condition of the Board of Directors

A total of 7 meetings of the Board of Directors were held in 2025.

The attendances of directors were shown in the following table:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%) (Note)	Remarks
Chairman	Shu-Chyuan Yeh	7	0	100%	Renewal of office (Note2)
Director	Tse-Sung Tsai	7	0	100%	Renewal of office (Note2)
Director	Sheunn-Ching Yang	6	1	86%	Renewal of office (Note2)
Director	Pin-Wen Fang	7	0	100%	Renewal of office (Note2)
Director	Pin-Chi Wei	7	0	100%	Renewal of office (Note2)
Director	Te-Tung Yeh	5	0	100%	New Appointment(Note2)
Independent Director	Shun-Te Wen	5	0	100%	New Appointment(Note2)
Independent Director	Yu-Hsien Lee	5	0	100%	New Appointment(Note2)
Independent Director	Kuei-Yuan Wang	5	0	100%	New Appointment(Note2)
Former Director	Ming-Te Tu	1	1	50%	Term expired (Note 2)
Former Director	Shu-Hsun Yeh	2	0	100%	Term expired (Note 2)
Former Independent Director	Feng-Hsien Shih	2	0	100%	Term expired (Note 2)
Former Independent Director	Wan-Ping Chen	2	0	100%	Term expired (Note 2)

Annotations:

1. If any of the following circumstances occurs in the operation of the Board of Directors' meeting, please indicate the date of the Board of Directors' meeting, the session number, the contents of the motion, the opinions of all independent directors and the Company's handling of the opinions of the Independent Director:

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

The Securities and Exchange Act §14-3 is not applicable because the Company has established the Audit Committee. For relevant information, please refer to the "2.3.2 The operation of the audit committee" in this Annual Report.

(2) Other than the aforementioned matters, any other matters approved by the Board of Directors which an independent director expresses an objection or reservation that has been included in records or stated in writing:

None.

(3) At least one independent director attended each Board of Directors' Meeting.

2. For the situation where a director avoids a motion related to his/her own interest, please specify the directors' name, the contents of the motion, the reason for the avoidance of interest and the voting result：

Please refer to Note 3 for details.

3. The evaluation cycle and period of the board's self-evaluation, scope, method and content of the self-evaluation of the Board of Directors, please refer to the execution situation of assessment of the Board of Directors：

Please refer to Note 4 for details.

4. The goals for strengthening the board's functions in the current and the recent year (e.g. establishment of an Audit Committee, promotion for information transparency, etc.) and assessment of the implementation:

- The board members continuously attending training courses related to corporate governance to strengthening the functions of the board and to promote communication and interaction. Training courses attending by the Board of Directors please refer to Page 26 of this annual report.
- Improve the disclosure timeliness in financial statements and enhance non-financial and ESG information disclosure.

Note1：The actual attendance rate (%) is calculated by the number of Board of Director's meeting convened and the numbers of actual meeting attend when in position.

Note2：The Company's 21th Board of Directors was elected at the Annual Shareholders' Meeting on May 29, 2025.

Note3：Recusals of Directors due to conflicts of interests:

Date of the Board meeting (session)	Content of motion	Name of Director	Reasons for Recusal	Participation in Voting
2025.5.29 (The 1st meeting of the 21th Term)	Approved the appointment of new members of the Company's 6th term Remuneration Committee	Shun-Te Wen Yu-Hsien Lee Kuei-Yuan Wang	Related persons	Recused themselves from participating in the discussion and voting on the Proposal

Note4: Implementation Status of Board Evaluations

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Annual Internal self-evaluation	From Jan. 1, 2025 To Dec.31,2025	The Board of Directors as a whole	Internal evaluation of the Board of Directors	The Board of Directors are assessed on the following five aspects: 1. Involvement in the company's operation 2. Enhancement to the quality of the board's decision- making 3. Makeup and structure of the board 4. Election of board members and continuous knowledge development, and 5. Internal controls.
		The Individual Directors	Self-evaluation by each board member	The Individual Directors are assessed on the following six aspects: 1.Understanding of the company's goals and missions 2. Awareness of director's duties 3. Involvement in the company's operation 4. Internal relationships and communication; 5. The director's professionalism and knowledge development 6. Internal controls.
		Audit Committee	Self-evaluation of the Functional committee	The Functional committees are assessed on the following five aspects: 1.Involvement in the company's operation 2.Awareness of the Functional committee's duties 3.Enhancement to the quality of the Functional committee's decision-making 4.Makeup of the Functional committee and election of its members 5 .Internal controls.
		Remuneration Committee	Self-evaluation of the Functional committee	The Functional committees are assessed on the following four aspects: 1.Involvement in the company's operation 2.Awareness of the Functional committee's duties 3.Enhancement to the quality of the Functional committee's decision-making 4.Makeup of the Functional committee and election of its members.

The Company completed self-assessments of Board performance in 2025 and reported the results to the Board of Directors at the Company's first quarter meeting in 2026 for review and improvement. The weighted average score for the overall performance of the Board of Directors is 4.23 out of 5. The weighted average score for the performance of individual directors is 4.71 out of 5. As demonstrated, the overall board's operation has been effective.

The weighted average score for the overall performance of the Audit Committee is 4.77 out of 5 and the Remuneration Committee is 4.74 out of 5. Each Functional committee is fully aware of the scope of its responsibilities and performs its functions efficiently and effectively, meeting applicable laws and regulations.

2.3.2 The operation of the audit committee

2.3.2.1 The duties of Audit Committee

The Audit Committee assists the Board of Directors in performing its supervision functions and also responsible for tasks defined by the Company Act, Securities and Exchange Act and other relevant laws and regulations. The Audit Committee is comprised of three independent directors, all members' professionalism requirements and experience, please refer to "2.1.1.1 Information of directors" and "2.1.1.2 Disclosure of information on professional qualifications of directors and independence of independent directors" section under Chapter II on page 4~8 in this annual report.

According to the relevant regulations, the Audit Committee shall convene at least once per quarter.

The duties of Audit Committee, as follows:

(1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
(2) Assessment of the effectiveness of the internal control system.
(3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
(4) Matters in which a director is an interested party.
(5) Asset transactions or derivatives trading of a material nature.
(6) Loans of funds, endorsements, or provision of guarantees of a material nature.
(7) The offering, issuance, or private placement of equity-type securities.
(8) The hiring or dismissal of a certified public accountant, or their compensation
(9) The appointment or discharge of a financial, accounting, or internal audit officer.
(10) Annual financial reports signed or sealed by the Chairman, GM and Accounting Officer.
(11) Any Other Material Matter so Required by the Company or the Competent Authority.

2.3.2.2Annual Operation of Audit Committee

The Audit Committee is empowered by its Charter to conduct any study or investigation it deems appropriate to fulfill its responsibilities. It has direct access to the Company's internal auditors, independent auditors and the Chief Corporate Governance Officer of the Company. The Audit Committee is authorized to retain and oversee special legal, accounting, or other consultants as it deems appropriate to fulfill its mandate. The Audit Committee Charter is available on the Company's website.

The term of the Audit Committee starts from May 29, 2025 to May 28, 2028.

There are **5** meetings convened in the Year 2025. The attendances of the independent directors were as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (%) (Note1)	Remarks
convener and Chairman (Independent Director)	Shun-Te Wen	3	0	100%	New Appointment(Note2)
Member (Independent Director)	Yu-Hsien Lee	3	0	100%	New Appointment(Note2)
Member (Independent Director)	Kuei-Yuan Wang	3	0	100%	New Appointment(Note2)
Former convener and Chairman (Independent Director)	Feng-Hsien Shih	2	0	100%	Term expired (Note 2)
Former member (Independent Director)	Wan-Ping Chen	2	0	100%	Term expired (Note 2)
Former member (Independent Director)	Pin-Chi Wei	2	0	100%	Term expired (Note 2)

Annotations:

1. If any of the following circumstances occur, the dates of Audit meetings, sessions, contents of motion, Independent director's opinions or objections, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

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

Please refer to Note 3 for details.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors:

None.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

None.

3. Communication between the independent directors , internal audit supervisor and CPAs:

Please refer to Note 4 for details.

Note1：The Actual Attendance Rate is calculated by the number of times the audit committee convene the meeting while the directors were in position and the actual number of company meeting Attend.

Note2：The Company's 21th Board of Directors was elected at the Annual Shareholders' Meeting on May 29, 2025.

Note3：Matters referred to in Article 14-5 of the Securities and Exchange Act

Date of the Audit Committee (session)	Content of motion
2025.02.24 The 14th meeting of the 3rd Term	1. 2024 Business Report, annual Financial Statements. 2. 2024 deficit compensation. 3. 2024 Statement of Internal Control System. 4. The amendments to the Company's internal control system. 5. 2025 Service Fees and competency assessment for Deloitte. 6. 2025 Non-Assurance Services for Deloitte. 7. The Company's endorsement and guarantees. 8. The amendments to the Company's "Audit committee charter".
2025.05.07 The 15th meeting of the 3rd Term	1. 2025 first quarter consolidated financial statements.
2025.08.05 The 1st meeting of the 4th Term	1. 2025 second quarter consolidated financial statements. 2. Approved the dissolution and liquidation of subsidiaries. 3. The Company's endorsement and guarantees.
2025.09.12 The 2nd meeting of the 4th Term	1. Formal appointment to Financial Officer, Accounting Officer.
2025.11.05 The 3rd meeting of the 4th Term	1. 2025 third Quarter consolidated financial statements.
Independent Directors' objections, reservations or major suggestions: None.	
Resolution of the committee and the Company's response to the committee's opinion: The members of the Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Committee	

Note 4: Communication status between independent directors, internal audit supervisor and CPAs

1. Communication policy

(1) Close meeting between independent directors and internal audit supervisor and CPAs
- Convene at least once per year. Report and communications on key audit matter.
- CPAs present the audit plan and audit resulting (including significant accounting policies, critical accounting judgments and key sources of estimation and uncertainty.

(2) Regular meeting between independent directors and internal audit supervisors (convene at least once per year)
- Internal audit plan.
- Report on the performance of internal audit execution.
- Training plan.

(3) CPAs present the findings of their review or audit reports during the Audit Committee meetings at least once a year.

(4) The Internal audit supervisors, CPAs and Independent directors can contact or to convene a meeting as needed.

2. The communication between the independent directors, internal auditing supervisor and CPAs in 2025.

Date	Attendees	Item of communication	Results of communication
2025.02.24 Audit Committee	•Independent directors: Feng-Hsien Shih Wan-Ping Chen Pin-Chi Wei •Internal audit supervisor: Zhi-wei Yang	1.2024 Statement of Internal Control System. 2.Report and communications on the amendments to the Company's internal control system.	Item 1~2 No objections from the independent directors.& submitted to the Board for resolution.
2025.11.05 Closed door meeting	•Independent directors: Shun-Te Wen Yu-Hsien Lee Kuei-Yuan Wang •CPA: Lie-Dong Wu •Internal audit supervisor: Zhi-wei Yang	1. Internal audit supervisor present (1) Report on 2026 internal audit plan. (2) Report on internal audit execution. (3) Report on Training status. (4) Report on Corporate Governance Evaluation. 2. CPA present (1) Report the results and major review matters of 2025 Q3 financial report. (2) Report on the planning key audit matters of 2025. (3) Independence Statement. (4) Report of regulatory developments.	Item 1 No objections from the independent directors & submitted to the Board for resolution. Item 2 No objections from the independent directors.
2025.11.05 Audit Committee	•Independent directors: Shun-Te Wen Yu-Hsien Lee Kuei-Yuan Wang •CPA: Lie-Dong Wu •Internal audit supervisor: Zhi-wei Yang	1. 2025 Q3 financial report.	Item 1 No objections from the independent directors & submitted to the Board for resolution.

2.3.3 Corporate Governance Implementation Status

- Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Brief Description	
1. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and has the Company established and disclosed its own Corporate Governance Best Practice Principles?	V		The "Corporate Governance Best Practice Principles" of the Company has been established with the "Corporate Governance Best Practice Principles for TWSE", and disclosed on the Company's Website.	No material differences
2. The Company's shareholding structure and shareholders' equity				
(1) Does the Company stipulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to procedures?	V		(1) To ensure the benefits and interests of the shareholders, the Company set up the spokesperson and the deputy spokesperson, in addition with agent for stock affairs to deal with shareholders' suggestions, doubts, disputes and litigation matters. If consists of legal issues it will be handled by the legal affairs of the Company.	No material differences
(2) Does the Company have a list of ultimate controllers of the major shareholders and major shareholders of the actual control company?	V		(2) The Company keeps grasping the list of shareholders who hold more than 5% or top 10 shareholding of the Company, and disclose the shareholding status of the directors, managers and major shareholders with shareholding more than 10%.	No material differences
(3) Does the Company establish implement and control the risk control and firewall mechanism between the enterprises?	V		(3) The business transactions are conducted in compliance with the Company's internal control system and the relevant requirements. For strengthening the control mechanism, the "Procedures for Financial Interactions between Affiliates" are regulated with proper risk control. The Internal Audit Department conducts periodical audits as oversight.	No material differences
(4) Does the Company stipulate internal regulations and prohibit insiders from using the undisclosed information on the market to buy and sell securities?	V		(4) The Company enacted "Management Operation of Preventing Insider Trading", "Code of Ethical Conduct" and other regulations to prevent insider trading occurred in the Company. In addition, the Company has provided the directors with information on the prohibition of insider trading and the related Q&A materials from the competent authority, and issued a notification letter on the closed period before announcing the quarterly or annual financial statements to remind the directors to avoid violating the regulations related to insider trading. At the same time, the Company also conducts the publicity on the Company's Website to remind all employees to comply with the Procedures for the Prevention of Inside.	No material differences
3. The composition and duties of the Board of Directors				
(1) Does the Board of Directors formulate a diversified policy, specific management goals and implement it in terms of membership?	V		(1) The Company enacted the diversified policy for the composition of the board members in the "Corporate Governance Best Practice Principles", for related policies, actual goals and implementation please refer to page 9 in this annual report.	No material differences
(2) Does the Company voluntarily set up other functional committees in addition to the Remuneration committee and the Audit Committee?		V	(2) The Company has established the remuneration committee and the audit committee under the board of directors. The Company established internal committees such as occupational safety and health committee, environmental management committee (is formed by the Company's management team and chaired by General Manager) to executing the related risk management	Depends on the future operating condition and the scale of the Company.

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Brief Description	
			activities. For other remaining issues of corporate governance are handled by the relevant internal units.	
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for re-election?	V		(3) In order to implement corporate governance and to enhance the functions of the company's board of directors. The company has formulated the rules for Performance Evaluation of the Board of Directors. The company conducted the annual internal performance assessment of the entire board and its function committees (including Audit Committee, Remuneration Committee) and individual board members every year. Please refer to Page 17 in this annual report for the Implementation Status of Board Evaluations.	No material differences
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) The Audit Committee annually evaluates the independence and competency of CPAs by conducting the following evaluation standards and reports the Board of Directors: 1. The auditor provide "declarations of impartiality and independence" 2. The Audit Committee pre-approves all audit and non-audit services conducted by the auditor to ensure that the non-audit services do not influence the results of the audit. 3. Annually evaluate the independence and competency of the external auditor based on the results of the auditor survey and the Audit Quality Indicator (AQIs) released by Financial Supervisory Commission (FSC) regarding its financial interests, commercial relations, employment relations, etc. Please refer to Note 1 for the CPA Independence Evaluation Standards, and Note 2 for the AQIs Assessment. Evaluation results: 1. The independence of CPAs is in compliance with the Norm of Professional Ethics for CPA of ROC, and other relevant regulations. 2. There is no violation of independence found. The recent year's evaluation result of the CPAs independence was approved by the Board on February 24, 2025.	No material differences
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		The Company, approved by the Board of Directors, has appointed a corporate governance officer pursuant to the relevant regulations as the most senior executive for corporate governance matters, is in charge of assisting in related affairs, including handling matters pertaining to the Board of Directors, Audit Committee, Remuneration Committee, and Shareholders' Meetings in accordance with the law; assisting directors with their onboarding and continuing education; providing directors with the information necessary for them to perform their duties; assisting directors in complying with relevant laws and regulations; reporting to the Board on the assessment results regarding whether independent directors meet the qualifications required by relevant laws and regulations at the time of nomination, appointment, and during their term of office; as well as handling matters related to changes in directors. For details of the corporate governance officer's scope of responsibility and training status, please refer to the Company's website: https://www.lingsen.com.tw/webe/html/investor/pdf/Chief Corporate Governance Officer-2025.pdf	No material differences

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Brief Description	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Depending on the situation, the Company's spokesperson, human resourced organization, procurement department and operations (customer service) department will communicate with stakeholder. We also have publicly disclosed the contact information of our corporate spokesperson and relevant departments. Also, we have a stakeholder section on our corporate Website to address our Corporate Social Responsibility and other issues. For details, please refer to "Interactions with Stakeholder and operation" of the Company's Sustainability Report.	No material differences
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appointed the professional stock affairs institutes, Transfer Agency Department, CTBC Bank for the holding of shareholders' meeting.	No material differences
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The condition of the Company disclosing its financial information and information on corporate governance : (https://www.lingsen.com.tw) a. The condition of disclosing financial information: The website of the Company set with the stakeholders' zone, regularly updated financial information for our investors. b. The disclosure of business operating: The Company has been built website with the introduction of the Company's product and provide immediate product information. c. The condition of disclosing corporate governance: The significant internal regulations were disclosed on the Company's website.	No material differences
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(2) The Company has set up an English Language website with the person who is responsible for gathering and disclosing Company information. The Company put in practice of the spokesperson-system, announcement shall be made to the public by the spokesperson and deputy spokesperson. The presentations and videos of conference will also be disclosed in the investor section of the Company website for the reference of shareholders and relevant stakeholders.	No material differences
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed deadline?	V		(3) The Company follows relevant laws and regulations to announce its monthly operation results within the prescribed deadline. And announce the quarterly and annual financial statements before the prescribed deadlines. The Company's announcement of the 2025 annual financial statements was completed on Feb.25, 2026. Please refer to Market Observation Post System for the aforementioned disclosure.	No material differences
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) For implementation of Employee Rights Protection and Employee Care, please refer to the "4.5 Labor Relations" section under Chapter IV on page 61~67 in this annual report. (2) Implementation of Investor Relations, Supplier Relations, and Protection of Stakeholders' Rights: The Company maintains both Chinese and English websites, disclosing financial and business information. To safeguard stakeholders' rights, a dedicated "Stakeholder Section" has been established to provide open channels of communication. We handle stakeholder matters with integrity and a responsible attitude, fulfilling	No material differences

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Brief Description	
			our corporate social responsibility and protecting the legitimate rights and interests of stakeholders. (3) Directors' Continuing Education: Please refer to Note 3 on page 26 in this annual report. (4) Implementation of Risk Management Policies and Risk Measurement Standards: For environmental and operational risks, please refer to page 30~31 in this annual report. For financial risks, please refer to the "5.6 Analysis of Risk Management" section under Chapter V on page 74~76 in this annual report. (5) Implementation of Customer Relations Policies: Please refer to the "4.2 Market and Sales Overview" section under Chapter IV on page 55~59 in this annual report. To strengthen customer trust, dedicated account representatives are assigned to provide prompt responses and quality service to customers, fostering trust and solidifying customer relationships. The Company is committed to delivering comprehensive services to clients and actively developing strategies for customer acquisition and relationship management. (6) Directors and Officers Liability Insurance: The Company has purchased liability insurance for directors and managerial officers, with a coverage amount of USD$15 million. Insurance details are available on the Market Observation Post System (MOPS). (7) Personnel Responsible for Corporate and Financial Information Transparency: Internal Auditor: Chih-Wei Yang, Audit Office	

9. Please Explain the Improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and Provide the Priority Enhancement Measures:
   (1) To enhance board diversity, following the re-election at the Company's 2025 Annual Shareholders' Meeting, increased one female director.
   (2) Scope 3 Emission Source information disclosure.

Note 1: CPA Independence Evaluation Standards

Assessment Item	Assessment Result	Compliance with Independence Requirements
1. Does the CPA have any direct or material indirect financial interest in the Company?	No	Yes
2. Does the CPA have any financing or guarantee arrangements with the Company or its directors?	No	Yes
3. Does the CPA have any close business relationship or potential employment relationship with the Company?	No	Yes
4. Has the CPA or any member of the audit team held a position as a director, managerial officer, or any role with significant influence over the audit work at the Company currently or within the past two years?	No	Yes
5. Does the CPA provide any non-audit services to the Company that could directly affect the audit work?	No	Yes
6. Does the CPA act as an intermediary for the issuance of the Company's stocks or other securities?	No	Yes
7. Does the CPA serve as the Company's legal representative or act on its behalf in resolving conflicts with third parties?	No	Yes
8. Does the CPA have any family relationships with the Company's directors, managerial officers, or personnel with significant influence over the audit engagement?	No	Yes

Note2: The Audit Quality Indicators evaluation items(AQIs)

Five Key Aspects	AQI Indicator	Key Measurement Focus	Assessment Result
Professionalism	Audit Experience	Whether senior auditors possess sufficient experience to perform audit engagements	Senior auditors have sufficient audit experience
	Training Hours	Whether CPAs and senior auditors receive adequate annual training to maintain and enhance professional knowledge and skills	Audit personnel receive sufficient professional training
	Staff Turnover Rate	Whether the firm maintains adequate senior-level human resources.	The turnover rate of senior staff is low
	Professional Support	Whether the firm has adequate professionals to support the audit team.	The firm has adequate professionals.
Quality Control	Workload	Whether the auditor workload is not excessive.	The auditor workload is not excessive.
	Audit Engagement	Whether audit team members' involvement at each stage of the audit is appropriate	Audit team members allocate appropriate audit hours at each stage of the audit
	Engagement quality control review(EQCR)	Whether the EQCR (Engagement Quality Control Review) CPA dedicates sufficient time to review the audited cases.	The EQCR CPA dedicates sufficient time to review the audited cases.
	Quality supporting capacity	Whether the firm has adequate manpower of quality control to support the audit team.	The firm has adequate manpower of quality control
Independence	Non-Audit Service Fees	The impact of the proportion of non-audit service fees on independence	Compliant with independence
	Client Familiarity	The impact of the cumulative number of years an audit case has been handled by the firm on independence	Compliant with independence
Oversight	External Inspection Deficiencies and Sanctions	Whether the firm's quality control and audit engagements comply with relevant laws and standards	Compliant with laws and standards
	Number of Official Improvement Letters Issued by Authority	Whether the firm's quality control and audit engagements comply with relevant laws and standards	Compliant with laws and standards
Innovation	Innovative Planning or Initiatives	The firm's commitment to enhancing audit quality, including innovation and planning	Compliant with innovation capability

Note 3: Directors' Continuing Education in 2025

The Company's directors all have industrial background and business management experience, and continue to participate in advanced training to strengthen the functions of the board and enhance communication.

The duration of attending continuous studies of each individual directors were meet the requirement of "Directions for the Implementation of Continuing Education for Directors of TWSE/TPEx Listed Companies" and the conditions as follows with more information please refer to MOPS:

Directors' Training Records

Title/ Name	Date	Sponsoring Organization	Course	Hours
Director Shu-Chyuan Yeh	2025.02.20	Chung-Hua Institution for Economic Research	My country's energy policy and the development of new energy	3
	2025.02.20	Chung-Hua Institution for Economic Research	Carbon trading mechanism and its application in enterprise management	3
	2025.06.25	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
Director Tse-Sung Tsai	2025.07.10	Accounting Research and Development Foundation	Common omissions in "Financial Statement Review" and practical analysis of important internal control regulations	6
Director Sheunn-Ching Yang	2025.03.13	Taiwan Corporate Governance Association	IFRS - Category 3 Inventory Practice Guidelines for Sustainable Disclosure	3
	2025.05.19	Securities & Future Institute	Outlook for the US-China Economy and Taiwan's Industries under Trump 2.0	3
Director Pin-Wen Fang	2025.05.09	Securities & Future Institute	2025 Annual Insider Trading Prevention Awareness Session	3
	2025.06.25	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
Director Pin-Chi Wei	2025.09.26	Securities & Future Institute	2025 Annual Insider Trading Prevention Awareness Session	3
	2025.10.22	The Greater China Financial and Economic Development Association	Industrial Development and Future Opportunities of Generative AI	3
Director Te-Tung Yeh	2025.07.23	Securities & Future Institute	Corporate governance, fair treatment of customers, and protection of financial consumers	3
	2025.08.07	Securities & Future Institute	Board performance evaluation	3
	2025.08.20	Securities & Future Institute	Taiwanese PMI manufacturers' operating strategies and outlook for the second half of the year under Trump's reciprocal tariff storm.	3
	2025.09.26	Securities & Future Institute	2025 Annual Insider Trading Prevention Awareness Session	3
Independent Director Shun-Te Wen	2025.08.14	Taiwan Corporate Governance Association	IFRS - Category 3 Inventory Practice Guidelines for Sustainable Disclosure	3
	2025.09.24	Taiwan Investor Relations Institute	Legal Liabilities and Practical Analysis of Sustainability Reports	3
	2025.09.24	Taiwan Investor Relations Institute	From Data to AI: A Strategy Guide for Effectively Leveraging Technology to Reduce Costs and Increase Efficiency	3
Independent Director Yu-Hsien Lee	2025.06.18	Institute of Financial Law and Crime Prevention	Analysis of Practical Cases of Shareholder Meeting Disputes	3
	2025.08.20	Securities & Future Institute	Taiwanese PMI manufacturers' operating strategies and outlook for the second half of the year under Trump's reciprocal tariff storm.	3
	2025.10.28	The Greater Chinese Financial Development Association	Carbon pricing and green economic transformation	3
	2025.11.04	The Greater Chinese Financial Development Association	Trump 2.0: An Observation of the US-China Game and the Risks of Peace and War Across the Taiwan Strait	3
Independent Director Kuei-Yuan Wang	2025.09.26	Securities & Future Institute	2025 Annual Insider Trading Prevention Awareness Session	3
	2025.10.01	Taiwan Project Management Association	ESG Investment and Corporate Social Responsibility	3
	2025.11.12	Taiwan Project Management Association	Corporate Sustainability and Lean Manufacturing	3

Note 4: Trainings Attended by Internal Audit in 2025. The Training status:

Title	Name	Date	Organizer	Name of the course	Hours
Internal Audit Supervisor	Chih-Wei Yang	2025.07.09	The Institute of Internal Auditors-Chinese	"Sustainable Information Management" and Key Aspects of Internal Control and Audit Practices	6
		2025.10.14	The Institute of Internal Auditors-Chinese	"Generative AI" and "AI Data Protection"—Essential Knowledge for Internal Auditors	6

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

2.3.4.1 Duties of Remuneration Committee

The purpose of the operation of remuneration committee is to enhance corporate governance and risk management, as well as motivate and retain talents, and evaluate and invigilate the compensation and remuneration system for the directors and managers. According to the regulations, more than half of the members of the remuneration committee shall be the independent directors, and the entire members shall elect an independent director as the convener and chairman of the meeting.

The Company's remuneration committee consists of three independent directors. The committee is operating under the "Remuneration Committee Charter", the meeting shall be convened twice per year, and with the following duties:

(1) Regular review on the "Remuneration Committee Charter"and provides opinions of amendment.

(2) Establishing and regular review on the annual and long-term performance goals of the directors and managers, as well as the policies, system, standard and structure of the remuneration and compensation.

(3) Regular evaluation on the performance status of the directors and managers performance goals and determine the content and amount of individual compensation and remuneration.

2.3.4.2 Professional Qualifications and Independence Analysis of Remuneration Committee Members

March 2, 2026

Criteria / Name and Identity	Professional qualifications and experience	Independent status	Number of Other Public Companies in which the Individual is Concurrently Serving as a Remuneration Committee Member
Shun-Te Wen (Convener) Independent Director	For members professional qualification, experience and independence, please refer to Director's information on page 6~8 in Annual Report.	1. All the Committee members meet the requirements of Article 14-6 of "Securities and Exchange Act" and the requirements of "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) issued by Taiwan's Financial Supervisory Commission 2. None of the committee members, their spouses, and relatives within the second degree of kinship does not serve as directors, supervisors, or employees of the Company or affiliated companies. 3. Except for Yu-Hsien Lee's spouse who hold 10,000 shares of the Company, other Committee members, their spouses, and relatives within the second degree of kinship do not hold any shares of the Company. 4. None of the Committee members serve as directors, supervisors, or employees of any Company that has a specific relationship with the Company. 5. None of the Committee members have received compensation or benefits for providing to the Company or its affiliates: (1) any audit service; or (2) commercial, legal,	2
Yu-Hsien Lee Independent Director			0
Kuei-Yuan Wang Independent Director			1

2.3.4.3 Operation condition of the Remuneration Committee

(1) There are 3 members of the Remuneration Committee

(2) The term of the current members of the Remuneration Committee: May 29, 2025 to May 28, 2028.

(3) The Convener of the Committee convened 2 meetings in 2025. The Committee members' qualification and attendance are as follows.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Shun-Te Wen	1	0	100%	New Appointment (Note1)
Member	Yu-Hsien Lee	1	0	100%	New Appointment (Note1)
Member	Kuei-Yuan Wang	1	0	100%	New Appointment (Note1)
Convener	Feng-Hsien Shih	1	0	100%	Term expired (Note2)
Member	Wan-Ping Chen	1	0	100%	Term expired (Note2)
Member	Pin-Chi Wei	1	0	100%	Term expired (Note2)

Annotations:

1. In 2025, the Company conducted 2 meetings on February 24 and August 5.
   The discussion items were as follows:
   - The annual remuneration for employees and directors.
   - Directors and Management compensation structure and performance evaluation system review.
   The members of the Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Committee
2. The Board of Directors adopted all recommendations of the Committee without modification.
3. There were no written or otherwise recorded resolutions on which any member of the Committee had an objection or reservation opinion.

Note 1: Newly appointed on May 29, 2025. The director was eligible to attend 1 meeting this year.

Note 2: The term expired on May 29, 2025. The director was eligible to attend 1 meeting this year.

2.3.4.4 The operation of Nomination Committee: Not applicable.

2.3.5 Sustainability Development Implementation Status

- Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors?	V		CSR Governance and Management Framework The Company upholds its “CSR Policy” as the paramount guideline for sustainable development. The Company oversees its sustainable development efforts through the Board. It has established Corporate Sustainability Committee in 2013, chaired by the General Manager. Together with the management team, conduct regularly reviews of CSR issues relevant to the Company's operations. And then establish development strategies and goals for each sustainability issue in line with the Company’s CSR Policy. Sustainability Office acts as the executive secretary, is established under the CSR committee, carries out resolutions from the Committee, pools resources across departments, assembles task forces for five issues, linking core functions to formulate action plans. Every year, the Committee reports to the Board on the progress of ESG initiatives and future plans for the Board’s feedback and advice. In 2025, the Committee has reported to the Board meetings on November 5. For the related information please refer to the Company’s website : https://www.lingsen.com.tw/webe/html/investor.	No material differences
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The board is the highest risk management unit, is bear the ultimate responsibility for risk management. Based on the overall operating strategies, aims to comply with laws and regulations, promote and implement the Company's holistic risk management. The senior management is responsible for deploying the implementation of risk management decisions and coordinating interaction and communication for the cross-departmental risk management. Functional unit is responsible for analyzing, managing and monitoring related risks within their respective units. The audit committee and internal auditing unit that assist the Board to monitor the implementation of the risk management mechanism, to ensure the effective implementation of the risk control mechanism. The Company values stakeholder communication and their feedback. The ESG strategy and risk assessment of the Company, including all sites of the Company, are in compliance with the GRI Standards. The Company conducts risk assessments on important issues based on impacts on the economy, environment, and people, including impacts on their human rights, and formulates relevant risk management policies or strategies as follows. (Continued on next page)	No material differences

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Explanation	
			(Continued from previous page)	

Environmental Issues

Items	Related risk management Policies and Strategy
Climate change	1. Collect and analyze information on climate change issues every year, identify and evaluate related risks, and formulate preventive measures for major potential risks to reduce the negative impact that climate change may bring to the Company. 2. Pay attention on international climate change issues and formulate energy consumption reduction plans.
Carbon management & Greenhouse Gas inspection	1. In response to climate changes, colleague are encouraged to propose specific improvement plans for greenhouse gas emission 2. Invest in the development of green products to reduce the carbon emissions of the production process. 3. Carry out carbon footprint, set reduction targets, and propose effective carbon reduction improvement plans.
Air pollution management	1. In accordance with the principle of BACT, continue to review and improve according to the process characteristic. 2. Implements regular equipment maintenance to ensure optimal performance, and as well as conducting training to the staff. 3. Ensure the preventive equipment keep normal operation and avoid abnormal events.
Recycling management	1. To mitigate the environmental impact, the Company continued to achieve the management of waste, such as promote waste reduction by source separation. 2. Recycle and reuse waste to expand circular economic benefits, proper disposal of waste and tracking of its flow.
Water resource management	1. In accordance with the principle of waste reduction at the source, and to improve water recovery rate and process water efficiency through technology improvement and equipment investment continually. 2. Achieved the Water Recovery targets: The Quantity of recycling water reaches 400,000Ton and above.

(Continued on next page)

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations and its Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>(Continued from previous page)
Society &Corporate Governance Issues
<table>
<tr><th>Items</th><th>Related risk management Policies and Strategy</th></tr>
<tr><td>Supply chain risk</td><td>1. Selects qualified suppliers to ensure the supply of raw materials.
2. Establish a safety-inventory mechanism
3. Prepare raw materials in advance to ensure sufficient raw materials and supplies for production.</td></tr>
<tr><td>Ethical operation & Legal Compliance</td><td>1. Ethical operation -Set up an internal and external appeal mechanism and enhance whistleblower protection.
2. Legal Compliance -Implementing the internal control mechanism to ensure the entire personnel of the Company and the operation comply to the related laws and regulations.</td></tr>
<tr><td>Information security risk & Confidential Privacy of clients</td><td>1. Improve various internal cybersecurity management mechanisms to prevent hackers from attacking, ex. established firewall, virus protection program etc.
2. Increase the employees' cybersecurity awareness through arranged various cybersecurity training sessions.
3. Setting up an authorization system.</td></tr>
<tr><td>Human rights and talent retention (including Salary and benefits)</td><td>1. Provide employees with favorable treatment.
2. Provide diversified employee training.</td></tr>
<tr><td>Occupational health and safety risk</td><td>1. Deepen the occupational safety -awareness to reduce occupational safety accidents.
2. The Company introduced ISO45001 Occupational Health and Safety Management Standard with annual follow-up to maintain the validity of the certification.
3. Set up an emergency response center to take necessary response measures.</td></tr>
</table>
Note: The risk items are also significance issues of the Company's CSR report.</td><td></td></tr>
<tr><td>3. Environmental Issues
(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?
(2) Does the Company endeavour to utilize all resources more efficiently and use renewable materials which have low impact on the environment?
(3) Does the Company evaluate the potential</td><td>V
V
V</td><td></td><td>(1)to(4)
The Company has established environmental management systems in accordance with ISO 14001 and continue to obtain third-party verification. The Company combines daily management and comprehensive quality management activities, and incorporates environmental safety management plans into actual plant operations to achieve implementation goals. The latest certificate is valid to Sep. 2026.

Employee safety and health are protected through</td><td>(1)~(4)
No material differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations and its Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?
(4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?</td><td>
V</td><td></td><td>equipment safety, chemical safety and operational safety management.
For carbon emission management, the Company established its GHG inventory standard mechanism in accordance with ISO 14064-1. The Company inventories the GHG emissions of all its sites annually to fully determine the status of its GHG and verify the effectiveness of reduction.

In addition to regular audits to ensure compliance with statutory requirements, the Company formulates a plan on pollution prevention and equipment improvement and promotion every year, and sets up the annual objectives in order to effectively reduce pollution emissions and review the environmental management system in a timely manner. The energy management measure is as follows:

1. Energy-saving and carbon reduction initiatives
(1) Replace old equipment to improve energy efficiency.
(2) Promote various energy-saving measures.
(3) Install solar photovoltaic system
(4) Promote the Procurement of Renewable Energy.
(5) Conduct an annual greenhouse gas inventory and gradually increase product carbon footprint assessments to identify key sources of greenhouse gas emissions.

2. Water-saving initiatives
(1) Striving for water-saving measures.
(2) Effluent quality monitoring and optimization.
(3) Replacement, renewal, and upgrade of existing pollution prevention equipment and water-use optimization.

3. Waste-reduction initiatives
(1) Utilize energy and resources effectively.
(2) Implement source management measures to reduce the negative environmental impact of products.
(3) Reusing Trays

The Company collaborates with suppliers and customers to promote the recycling of TRAY trays back to the original manufacturer. After processing, they are "reused in their original form" to reduce environmental impact.

The Implementation please refer to climate-related information on page 35~39 in this annual report.</td><td></td></tr>
<tr><td>4. Social issues
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>
V</td><td></td><td>
(1)to (4)
Please refer to the "4.5 Labor Relations" section under Chapter IV on page 61~67 in this annual report.</td><td>
(1)~(6)
No material differences</td></tr>
</table>

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Explanation	
(2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries? (3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? (4) Does the Company provide its employees with career development and training sessions?	V V V			
(5) Does the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(5) The Company has received ISO 9001 & IATF 16949 certification. Our quality policies are based on these standards to provide customers with excellent product quality. The Company adheres to the principle of continuous improvement. Through cultivating awareness in all employees, offers products that meet regulatory and customer demand for no harmful substance management, to fulfill the Company's global citizens-responsibility. The Company conducts customer satisfaction surveys and quarterly business reviews (QBR) with customers to collect their feedback on a regular basis. Through surveys and feedback reviews, the Company is able enhance the quality of customer collaboration and used to develop appropriate improvement plans, to becoming an integral part of the customer satisfaction process. For consumer protection mechanisms, in order to strictly customer-related information, the Company has established document-management procedure, only authorized personnel can access the data of any specific customer. Therefore, the Company can prevent leakage of customer document. To implement the privacy protect and effectively maintain information security, the Company has introduce information technology and improve management mechanisms continuously.	
(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		(6) The Company's Supplier Code of Conduct is based on international and domestic regulations, as well as the RBA Code of Conduct. It requires suppliers to comply with the laws and regulations of the countries or regions. Suppliers must also provide a safe working environment, ensure human rights protection, environmental standards, and adhere to business integrity and ethical standards. Each year, the Company conducts supplier on-site audits, responsible mineral due diligence, and disclosures to fulfill corporate social responsibility. Based on the Company's supplier review guidelines, for achieving a supply chain with fulfill environmental protection, social responsibility, labor and human right, safety and health. For the details, please refer to the Company's Sustainability Report on the website.	

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<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations and its Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</td><td></td><td>V</td><td>The Company has been publishing CSR Report since 2013.
The CSR Report is based on GRI Standards, while responding to Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, Sustainable Development Goals (SDGs).</td><td>No material differences</td></tr>
</table>

6. Describe the difference, if any, between actual practice and the Sustainable Development principles, if the Company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:

   No material differences

7. Other useful information for explaining the status of sustainable development practices:

1.Privacy Protection

The Company places a high priority on customer privacy and personal data protection. Internally, we have established privacy policy along with related measures. This ensures that the collection, processing, and use of personal data within the company are conducted in accordance with established guidelines and operate effectively. In recent two years, there were no complaints or lawsuits related to personal data breaches. Implementation of privacy mechanisms were as follows:

(1) Conduct personal data protection training for employees regularly. The accumulated training employees were 570 attendees with 1,710 hours of training duration in 2025.
(2) Promote document control continues. Internal Access Control Inventory is conducted twice a year.
(3) The purchasing unit announces our Privacy Policy and requires suppliers to sign Privacy-related clauses in the standard contract.
(4) The Company‘s Privacy Policy are available on the Company’s website : https://www.lingsen.com.tw/webc/html/csr/CSR-cg.aspx

2. Community Acceptance

(1) Adequately employ personnel from the location of the business operations

The Company's headquarters is located in Taichung. Employees composition in Parent company and Panther company are as follows:

For Lingsen, 94% of employees are from Taichung, Changhua, and Nantou city.

For Panther, 84% of employees are from Hsinchu and Miaoli city.

(2)Public blood donation

Promotion of Public blood donation every year and encouraging employees to actively participate. In 2025, a total of donating 8,000cc of blood.

3. ESG Related Certifications

(1) The Company has received ISO 9001 certification. The latest certificate of Parent company-Lingsen is valid to Jan. 2027.
The latest certificate of Subsidiary company- PAT Inc. is valid to Sep. 2026.
(2) The Company has received ISO 14001 certification. The latest certificate of Parent company-Lingsen is valid to Sep. 2026.
The latest certificate of Subsidiary company- PAT Inc. is valid to Sep. 2026.
(3) The Company has received ISO 45001 certification. The latest certificate of Parent company-Lingsen is valid to Oct. 2027.
The latest certificate of Subsidiary company- PAT Inc. is valid to Sep. 2028.
(4) Parent Company-Lingsen has received ISO 14064-1 Greenhouse Gas Inventory verified with reasonable assurance.

4. Please refer to the Company website for the Sustainability Development Implementation Status:

https://www.lingsen.com.tw/webc/html/csr/csr-EP.aspx

8. Climate-Related Information of Listed Company

(1) Implementation status of climate-related information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>Climate Change Governance and Management Framework
Framework for the strategies to promote climate change and sustainable management, the Board plays the supervising and guiding role by authorizing the Corporate Sustainability Committee to assist in supervising management practices related to corporate sustainability and climate change. The Committee, chaired by the General Manager, is a cross-department communication platform that integrates climate action resources, guides the climate change adaptation and mitigation management plans, shall report to the Board annually on the progress of climate-related issues.
The CSR Committee oversees the Environmental Sustainability Sub-Committee to improve environmental management performance, led by senior executives, formulates management plans, reviews implementation status, and discusses future plans periodically.
The Company also incorporates internal audit and internal control functions to ensure that the risks associated with operations are effectively controlled</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td>The risks and opportunities are distinguished based on short-term (within the next 3 years), medium-term (within the next 5 years), and long-term (more than 5 years in the future) occurrences.
(1) Transition Risks
Based on the issues of" Operational Emission Reduction", the Company evaluated the impact of different risk content on operations.
<table>
<tr><th>Climate Risk</th><th>Risk content</th><th>Operational impacts</th><th>Financial Impacts</th></tr>
<tr><td>Increasing GHG emissions, regulations against GHG emissions, and other requirements</td><td>Implementation of mandatory emission reduction regulation</td><td>Carbon pricing legal control</td><td>・ Increased cost of carbon fee</td></tr>
<tr><td>Customers' requirements to save energy and reduce carbon emissions</td><td>Voluntary business reduction (Trend or customer request)</td><td>Renewable energy procurement</td><td>・ Increase operating cost,
・ Increased procurement costs for Power Purchase Agreements (PPA) or REC</td></tr>
<tr><td>Power shortage or outage</td><td>Unstable power supply will limit production capacity</td><td>Impact operations and ability to meet customer demand</td><td>・ Decrease operating revenue</td></tr>
<tr><td colspan="4">Key response measures: Set ambitious carbon reduction targets, implements GHG reduction practices</td></tr>
</table>
(2) Physical risk
<table>
<tr><th>Climate Risk</th><th>Risk content</th><th>Operational impacts</th><th>Financial Impacts</th></tr>
<tr><td>Drought</td><td>Operational disruptions due to drought</td><td>Production interruption</td><td>・ Production disruptions are caused to decrease operating revenue</td></tr>
<tr><td>Heavy rainfall</td><td>Heavy rainfall exceeding the maximum capacity</td><td>Production interruption</td><td>・ Increase operating cost due to damaged equipment and personnel absent.</td></tr>
<tr><td>Temperature rise</td><td>Increase in electricity consumption, cost, and carbon emissions.</td><td>Increase in electricity consumption, cost, and carbon emissions.</td><td>・ Increase operating cost</td></tr>
<tr><td colspan="4">Key response measures:
Establish a water monitoring system and emergency response processes and hold regular drills.
Led by senior executives to reduce greenhouse gas emissions.</td></tr>
</table>
(3) Climate Opportunities
<table>
<tr><th>Climate Opportunities</th><th>Content</th><th>Operational impacts</th><th>Financial Impacts</th></tr>
<tr><td>Emission reduction measures to improve production efficiency</td><td>Replacement of High energy-consuming equipment</td><td>Improve the efficiency of energy and resource Use</td><td>・ Operational costs reduction</td></tr>
</table>
</td></tr>
</table>

Item	Implementation status
3. Describe the financial impact of extreme weather events and transition actions.	Please refer to Item.2 of this table.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Please refer to "Item.1 Climate Change Governance and Management Framework" of this table.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet conducts climate-related scenario analysis.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Energy Conservation and Carbon Reduction in Operations 1. Climate Change Mitigation Management Strategy (1) Reduction targets Through ISO 14064 annual inventory and disclosure of greenhouse gas emissions, review the impact on the Company's operations, and assess the risks of Scope 1 and 2 and the mitigation strategies. The reduction targets for 2030 are to reduce Scope 1 and Scope 2 greenhouse gas emissions by 10% compared to the 2021 baseline year. And to reduce 50% by 2040. The target is to achieve Carbon Neutral by 2050. (2) Main Initiatives Based on the Carbon Neutral, the Company actively implements GHG reduction measures following the emissions roadmap, including low-carbon manufacturing, use of renewable energy, and energy efficiency improvements. (3) Amount invested in environmentally sustainable machinery equipment related to energy conservation or green energy, and corresponding projects: ① NT$2,774,500 invested into reducing GHG emissions, which includes (a) purchased 469 T-RECs and (b) green electricity to reduce power consumption by 469,000kWh/year. Total reduced 222 tons of CO_2e. ② NT$1,119,700 invested into energy improvements of the air conditioner chiller system, resulting in an estimated energy saving of nearly 540,000kWh/year in electricity. Total reduced 255.56 tons of CO_2e with energy-saving measures in facility equipment. 2. Climate Change Adaptive Management Strategy (1) Targets ①The Company adheres to the concept of sustainable utilization of water resources and will continue to improve efficiency for use of water resources. Set target for water reclaimed by the overall recycling system reached 0.4 million m3 each year, to improve its water resource management. ②Increase energy efficiency, saving rate reaches 10% between 2021 and 2030 through energy-saving measures. The target is to achieve 40% cumulative energy-saving rate by 2050.

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>(2) Main Initiatives
①Implements water conservation and use practices in strengthening the Company's climate resilience, such as improved usage efficiency of recycled water and purchasing backup water sources.
②Implements energy saving practices, such as lighting energy savings, A.C. energy savings & increased its performance, manufacturing tools standby energy savings.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</td><td>The Company has not yet conducts internal carbon pricing as a planning tool.
The Company will considered the international carbon market prices, the carbon prices of GHG relevant regulations and the costs of reducing greenhouse gas emissions of the Company to set an internal carbon price. The Company will use it as a reference for carbon reduction management and planning.</td></tr>
<tr><td>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity.</td><td>Please refer to Item.6, item 9 of this table.</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance status.</td><td>
<table>
<tr><td>Baseline year</td><td>The baseline year for greenhouse gas reduction is 2021, with total emissions of 67,572.1711 tons of CO_2e for Scope 1 and Scope 2.</td></tr>
<tr><td>Reduction targets</td><td>The reduction targets for 2030 are to reduce Scope 1 and Scope 2 greenhouse gas emissions by 10% compared to the 2021 baseline year.
And to reduce 50% by 2040.
The goal is to achieve Carbon Neutral by 2050.</td></tr>
<tr><td>Reduction strategies</td><td>(1) Renewable energy adoption.
(2) Reducing direct emissions.</td></tr>
<tr><td>Specific action plans</td><td>(1) Replace old equipment to improve energy efficiency.
(2) Promote various energy-saving measures.
(3) Install solar photovoltaic system.
(4) Promote the purchase of renewable energy.
(5) Carry out ISO 14064 GHG inventory and promotes the product carbon footprint inventory program to grasp GHG emissions hotspots and reduction potential.
(6) Promote the GHG inventory and verification program of subsidiaries.</td></tr>
<tr><td>Results</td><td>The Company has control over GHG emissions in all of its Parent company sites, following ISO 14064 standards. In 2024, the Scope 1 and Scope 2 emissions, calculated based on Market-based approach, total amounted to 57,692.9308 tons of CO_2e. The absolute reduction in Scope 1 and Scope 2 (Market-based) from the 2021 base year to 2024 was 14.6 %.
Greenhouse gas emissions inventory and assurance results are shown in table (2) on the following page.</td></tr>
</table>
</td></tr>
</table>

(2) GHG Emissions in Recent Two Years

Year	Scope (Note1)	Total emissions (Metric tons CO_2e)			Intensity (Metric tons CO2e/NT$ 1 million)	Verification Party	Standards	Verification Status
		Scope 1 (Note2)	Scope 2 (Note2)	Scope 3 (Note3)	Scope 1+2			
2025	Parent company -Lingsen	Under Verification	Under Verification	Under Verification	Under Verification	BSI	ISO14064-3	Under Verification (Note 4)
2024	Parent company -Lingsen	1,495.8513	Location-based approach 56,271.0235	12,015.4478	Location-based approach 12.53			Scope 1,2: Reasonable Assurance opinion without reservations Scope 3: Validation & agreed-upon procedures
			Market-based approach 56,197.0795		Market-based approach 12.51			
2023	Parent company -Lingsen	1,690.9313	Location-based approach 59,980.8035	12,235.6261	13.05			Scope 1,2: Reasonable Assurance opinion without reservations Scope 3: Validation & agreed-upon procedures

Note1：According to the regulations of Sustainable Development Roadmap for TWSE/TPEx Listed Company, the Company shall at least disclose the parent company’s inventory information this year

Note2: Scope 1: Direct emissions, i.e. sources owned or controlled by the Company.
Scope 2: Indirect emissions, i.e. those arising from externally purchased electricity, heat or steam.
Scope 3: Other indirect emissions, i.e. emissions from sources not owned or controlled but related to its activities.

Note3: Scope 3 Emission Source：

Year \ Items	Upstream transportation and distribution	Business travels	Purchased goods and services	Waste generated in operations	Downstream leased assets	Total
Based on GHG Protocol	04	06	01	05	13	-
Defined in ISO 14064:2018 standard.	3	3	4	4	5	-
2024 Emissions (tons CO_2e)	118.0915	7.8059	11,636.1259	33.3419	220.0826	12,015.4478
2023 Emissions (tons CO_2e)	122.3163	3.3335	11,978.0943	34.1286	97.7534	12,235.6261

Note4: For more detailed information, please refer to the Company’s Sustainability Report and the Company website: https://www.lingsen.com.tw/webc/html/csr/pdf/ISO14064-2024.pdf

(3) Greenhouse gas reduction targets, strategies and specific action plans

Please refer to item 9 of table (1) Implementation status of climate-related information of this Annual Report.

(4) Water Usage in recent two years

The Company continued to practice water conservation and use reclaimed water during manufacturing. Water Usage in recent two years is as follows.

Year	Total Water Usage (Ton)	Water Intensity (Ton/NTD million)	Process water recycling (Ton)	Process water recycling rate
2025	1,014,754	209.71	584,096	57.56%
2024	1,014,859	220.05	490,858	48.37%
2023	917,136	194.07	577,027	62.92%

Note1: The target for process water recycling were supplied or able to conserve 0.4 million m^3 and above.

Note2: For 2025, the data announced in the Company's sustainability report shall prevail.

(5) Waste Quantity in recent two years

To mitigate the environmental impact, the Company continued to achieve the management of waste, such as promote waste reduction by source separation, recycle and reuse waste to expand circular economic benefits, proper disposal of waste and tracking of its flow. Waste Quantity in recent two years is as follows.

Year	Recycled waste	Non-recyclable waste		Total waste production (Ton)	Waste Intensity (Ton/NTD million)	Waste recycle rate
	General waste (Ton)	General waste (Ton)	Hazardous waste (Ton)			
2025	880.598	18.83	92.4600	991.8880	0.2050	88.78%
2024	801.054	28.61	84.5318	914.1958	0.1982	87.62%
2023	770.973	41.25	54.9040	867.1270	0.1835	88.91%

Note1: The target for Waste recycle rate will reach over 50%.

Note2: For 2025, the data announced in the company's sustainability report shall prevail.

(6) Energy Consumption in recent two years

To optimize energy efficiency, our Company continuously promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving designs, reduces energy consumption for the enterprise and its products, and expands the use of renewable energy. Energy reductions over the past two years are as follows:

Year	Total energy consumption (GJ)	Renewable energy consumption (%)	Purchased steam (%)	Energy savings Reduction from the 2021 base year (%)
2025	418,845.99	0.4031	100	11.23%
2024	428,682.28	0.1310	100	9.15%
2023	437,702.22	-	100	7.24%

Note1: Energy saving targets: Annual energy saving of over 1%, 10% in2030, and 40% in 2050.

Note2: For 2025, the data announced in the Company's sustainability report shall prevail.

Note3: The total energy consumption in the base year 2021 was 471,841.66 GJ.

2.3.6 Corporate Conduct and Ethics Implementation Status- Implementation Status and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) To (3) "Integrity" is the important operational philosophy and core value of the Company. Based on good corporate governance and risk management mechanisms, the Board has approved and passed a series of ethical corporate management policies, including "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Codes of Ethical Conducts". The Company is committed to carrying out the policies in internal management and in business activities. Our ethical corporate management policies, methods and the implementation of relevant policies by the directors and the management are detailed in the Company's website at http://www.lingsen.com.tw/webc/html/investor/investor.aspx.	(1) ~(3) No material differences
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		General Manager Office is the unit responsible for ethical corporate managements. General Manager Office analyzes and assesses the business activities at risk from unethical conduct each year. Preventive measures are separately established in accordance with the subparagraphs under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and other business activities that are within the scope of operations that entail rather higher risk from unethical conduct. For further information, please refer to the Company's website at http://www.lingsen.com.tw/webc/html/investor/investor.aspx.	
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	V		The Company has detailed ethical management practices and measures to prevent unethical behaviors in the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Codes of Ethical Conducts". These practices and measures include operating procedures, code of conduct, education and training, whistleblowing procedures, and grievance and disciplinary procedures as well as their implementation. These ethical corporate management policies are regularly reviewed and amended according to the latest laws and regulations. In addition, to remind our employees of their responsibilities, the Company's ethical corporate management policies could be found in the Company's website. Meanwhile, Integrity, ethics regulations and penalties of violation are specified in the work rules, and employees are requested to comply. The Company treats any violation of integrity and ethical code incident seriously, including immediate dismissal, termination of business relationship, and judicial prosecution as appropriate.	

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Illustration	
2. Fulfill operations integrity policy (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? (2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? (3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? (5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V V V V V		(1) To (5) Before the business transaction, the Company will perform a credit check and exclude those partners’ with unethical records. The Company also specifies terms of ethical conduct in its business agreements. Meanwhile, requests the suppliers to sign an affidavit letter, and no behaviors of improper gifts or commission payment. By the affidavit letter to ensure the fair and transparent commercial activities between the two parties. In addition, the Company’s correspondent financial institutions were legally registered and well-known commercial bank or securities-company, rights and obligations of both parties and the conditions of transactions were stated clearly inside the Credit Agreement. Corporate sustainability committee serves as the Company's top governance body for sustainable development and reports to the Board of Directors annually. (Report date is NOV. 5, 2025. Ethical Corporate Management is one part of corporate sustainability. For further information, please refer to the Company’s Website at http://www.lingsen.com.tw/webc/html/investor/investor.aspx. The Company strives to perform the responsibilities of supervising the corporate conduct and ethics compliance practice through the Audit Committee and the Compensation Committee and coordination with the Internal Audit Office. The Internal audit supervisor reports quarterly to the Board on Implementation status of internal audit executions. In addition, both the General Manager and CFO, with oversight from the Board, are responsible for the full, fair, accurate, timely, and understandable financial accounting and financial disclosure in reports and documents filed by the Company with securities authorities and in all its public communications and disclosures. The Company clearly specifies its conflict of interest policy in “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct” and “Codes of Ethical Conducts”. The Company has established appropriate statements and consultation channels based on relevant regulations. In order to implement the code of conduct to avoid conflict of interest, each employee is required to make “Integrity” declaration. In addition, the directors shall practice self-discipline and comply the prevent conflicts of interest regulations, which are specified in Article 15 of the “Rules of Procedure for Board of Directors Meetings”. To fulfil the ethical corporate management policies, the Company has implemented a sound accounting system and Internal controls. The Internal Auditor follows the results of risk assessments to devise audit plans, and regularly reviews compliance with the procedures and subsequently reports its audit findings to the Board. In addition, the CPAs audit the	(1) ~(5) No material differences

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Illustration	
			performance of the Company’s internal controls every year. Actual Practice of Implementing Ethical Corporate Management A. Hosting internal and external educational training on ethical corporate management. The Company hosting internal and external educational training on ethical corporate management every year. The Company disseminating internal educational training on ethical corporate management (including corporate culture; work rules and internal regulation; occupational safety and health; Ethical Corporate Management; Law Compliance; privacy rights and other issues) in pre-job training for new employees. • The accumulated training employees were 876 attendees with 2,630 hours of training duration in 2024. • The accumulated training employees were 570 attendees with 1,710 hours of training duration in 2025 B. Conditions on education and disseminate of preventing insider trading The Company provides education and disseminate document to current directors and managers. For example, by providing Q&A Disseminate Handbook of insider trading for TWSE Listed Company. This allows the insider of the Company understand the rules and comply it. In addition, internal regulations and procedures were made public on the Company’s external website for directors, managers and employees as reference.	
3. Operation of the integrity channel			(1) To (3)	
(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		The Company enacted the “Ethical Corporate Management Best Practice Principle” and “Codes of Ethical Conduct” to encourage the whistle-blower to report to the independent director, manager, internal audit manager with behaviours against the law or violates the “Codes of Ethical Conduct”. In addition, there is a General Manager’s Mailbox for a convenient whistle blowing channel and dedicated the appropriate responsible personnel.	No material differences
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		The Company enacted “Whistleblower system for unethical conduct”. Meanwhile, there is a business unit created specifically to handle such matter by following the appropriate and procedures. https://www.lingsen.com.tw/webc/html/investor/pdf/	No material differences
(3) Does the Company provide proper whistleblower protection?	V		If found violation of business integrity by the Company or any its employees or involvement in illegal activity, please refer to the Company's website for the integrity channel. The Company dedicated the responsible unit in according to the matters of reported and monitored by the audit personnel to ensure the relevant content is confidential. According to the Company’s “Whistleblower system for unethical conduct” state the handling will keep the whistle-blower information strictly confidential. A reasonable preventive and protective measure will be applied to protect the whistle-blower from inappropriate disciplinary action.	No material differences

Assessment Item	Implementation Status			Deviations and its Reasons
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company discloses our performance on the Company website and in the annual reports. The Ethical Corporate Management Best Practice Principles are also on the Company's website.	No material differences

5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation.

There have been no differences.

6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g., reviews and amends its policies).

(a) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act and related laws and regulations of listed Company and other business behaviors. The Company takes these laws and regulations as the basis of implementing ethical corporate management.

(b) The Company's Rules of Procedure for Board Directors and Audit Committee Charter stated the Avoidance of Conflicts of Interest to the directors. Within the meeting items if consists of the conflict of interest related to his or her own or the legal person and with the concern of affecting the Company's benefits, the director may make the statement and answering questions. However, the director may not join the discussion and voting, he or she shall avoid him-self or her-self, and may not act as a proxy as other directors to vote.

(c) The Company has implemented the "Material insider information procedures". The procedure require explicitly that director, managers and employees not disclose material insider information in their knowledge to other people, inquire or collect from persons with material insider information any undisclosed information unrelated to their duties, and not disclose to other people any undisclosed material insider information acquired not through performance of their duties.

2.3.7 Any other material information that would afford a better understanding of the status of the Company's implementation of corporate governance may also be disclosed.

For additional details, please refer to Chapter II on page 4~47 in this annual report.

2.3.8 Implementation of the internal control system

(1) Internal Control Statement

The Company's Internal Control Statement has been announced at the Market Observation Post System (MOPS). For detailed information, please refer to the MOPS website.

Path: MOPS/ Listed Companies/ Corporate Governance / Corporate Policies Internal Control / Disclose for Internal Control System Statement

Website: https://mopsplus.twse.com.tw/mops/#/web/t06sg20

(2) If the Company has commissioned external auditors to review the Company's internal control system, the external auditor's report should be disclosed:

None.

2.3.9 Major Resolutions of Shareholders' Meeting and the Board Meeting

(1) Major Resolution of Shareholders' Meeting and implementation status

The Company's 2025 Annual General Shareholders' Meeting was held on May 29, 2025. At the meeting, shareholders present in person or by proxy approved the following resolutions:

Item	Resolutions of the Shareholders' Meeting	Implementation Status
1	Acknowledge of 2024 business report and financial statements.	Resolution was passed as proposed by the Board.
2	Acknowledge of 2024 deficit compensation.	Resolution was passed as proposed by the Board.
3	Discussion of the cash distribution from capital surplus.	Resolution was passed as proposed by the Board. According to the resolution, the Ex-rights record date was Aug.10, 2025. On Aug. 29, 2025, a cash dividend was paid at the amount of NT$0.3 per share. The total amount of cash distribution from capital surplus was NT$114,030,704.
4	Discussion of amendments to the Company's "Articles of Incorporation".	Resolution was passed as proposed by the Board, and have been fully implemented in accordance with the resolutions.
5	Directors Election: To elect the Company's 21th term of directors.	Election of 9 Directors (including 3 Independent Directors) The 9 newly elected directors were Director: (1) Mr.Shu-Chyuan Yeh (2) Mr.Tse-Sung Tsai (3) Mr.Sheunn-Ching Yang (4) Mr.Pin-Wen Fang (5) Mr.Pin-Chi Wei (6) Ms.Te-Tung Yeh (7) Mr.Yu-Hsien Lee (Independent Director). (8) Mr.Shun-Te Wen (Independent Director). (9) Mr. Kuei-Yuan Wang (Independent Director).
6	Discussion to approve the lifting of non-competition restrictions on directors.	Resolution was passed as proposed by the Board, and have been fully implemented in accordance with the resolutions.

(2) Major Resolutions of Board Meetings during 2025 and as of the date of this annual report

Date	Major Resolutions
2025.02.24	(1) Approved the 2025 business plan. (2) Approved the 2024 distributable compensation for employees and directors. (3) Approved the 2024 Business Report, annual Financial Statements and Statement of Internal Control System. (4) Approved the 2024 deficit compensation. (5) Approved of the amendment to the Company's "Articles of Incorporation". (6) Approved the amendment to the Company's internal control system rules. (Specify the scope of non-executive employees). (7) Approved of the cash distribution from capital surplus. (8) Approved the proposal to re-elect directors (including independent directors) at the 2025 Annual General Shareholders' Meeting. (9) Approved the candidates for the Company's 21th term of directors. (10) Approved the lifting of non-competition restrictions on directors. (11) Approved to convene the 2025 shareholders' meeting. (12) Approved the Company's endorsements and guarantees. (13) Approved 2025 Service Fees and competency assessment for Deloitte. (14) Approved 2025 Non-Assurance Services for Deloitte.

Date	Major Resolutions
2025.05.07	(1) Approved the Company's First Quarter 2025 consolidated financial statements. (2) Approved of obtain the D&O insurance.
2025.05.29	(1) Shu-Chyuan Yeh is re-elected as the Chairman of the Company. (2) Approved the appointment of new members of the Company's 6th term of Compensation Committee.
2025.06.06	(1) Approved the record date for 2024 cash dividend.
2025.08.05	(1) Approved the Company's second Quarter 2025 consolidated financial statements. (2) Approved the Company's 2024 sustainability report. (3) Approved the dissolution and liquidation of subsidiaries. (4) Approved the Company's endorsements and guarantees.
2025.09.12	(1) Approved the formal appointment to Financial Officer, Accounting Officer. (2) Approved the ratification of the Company's spokesperson adjustment. (3) Approved the lifting of non-competition restrictions on Accounting Officer.
2025.11.05	(1) Approved the Company's third Quarter 2025 consolidated financial statements. (2) Approved the 2026 audit plan.
2026.02.25	(1) Approved the 2026 business plan. (2) Approved the 2025 distributable compensation for directors, employees and non-executive employees. (3) Approved the 2025 Business Report, annual Financial Statements and Statement of Internal Control System. (4) Approved the 2025 deficit compensation. (5) Approved the amendment to the Company's internal control system rules (6) Approve the promotion of Vice President, Mr. Jih-Ming Hsu to Executive Vice President. (7) Approved the formal appointment to financial officer, accounting officer, corporate governance officer and spokesperson. (8) Approved the lifting of non-competition restrictions on Accounting Officer. (9) Approved to sustainability-related disclosure information in the Company's annual report.. (10) Approved to convene the 2026 shareholders' meeting. (11) Approved the Company's endorsements and guarantees.

2.3.10 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

2.4 Certified Public Accountant (CPA) Fee Information

2.4.1 Certified Public Accountant (CPA) Fee Information

Unit: NT$

Name of CPA Firm	Name of CPA	CPA Audit Period	Audit Fee	Non-Audit Fee	Total	Remark
Deloitte & Touche Taiwan	Lie-Dong Wu	From January 1, 2025 to December 31, 2025	3,680,000	1,686,000	5,366,000	
	Li-Wei Liu	From January 1, 2025 to December 31, 2025				

(1) If the Company has changed CPA, and the audit fee paid in the year of such change is reduced from the audit fee of the previous year, the amount of the audit fee before and after such change and the reason of such change should be disclosed：None.

(2) If the audit fee is reduced by more than 10% from last year, the amount, ratio, and reason for the reduction of the audit fee should be disclosed: None.

(3) Non-audit fee were mainly related to audit of annual income tax returns and others.

2.5 CPA’s Information：N/A.

2.6 The Company’s Chairman, General Manager, Chief Financial Officer, and Managers in Charge of Its Finance and Accounting Operations Did Not Hold Any Positions within the Company’s Independent Audit Firm or its affiliates in the most recent year.

2.7 In most recent year and as of the date of this annual report, the directors, managers and shareholders holding more than 10% of the equity transfer and equity pledge changes

2.7.1 Net Change in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More

(1) The Shareholding Statement has been announced at the Market Observation Post System (MOPS). For detailed information, please refer to the MOPS website.
Path: MOPS/ Listed Companies / Profiles / Insiders' holding, pledging and transfer of shares
Website: https://mops.twse.com.tw/mops/#/web/stapap1_all

(2) No shareholder with 10% or more of the Company shares.

2.7.2 Stock Trade with Related Party: None.

2.7.3 Stock Pledge with Related Party: None.

2.8 Relationship among the Top Ten Shareholders

As of August 10, 2025 (Ex-rights record date)

Name	Shares holding		Shares held by spouse or children of minor age		Shares held in the name of others		Name and Relationship between the Company's top 10 Shareholders who are either related parties, spouses or relatives within second degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
The account in CTBC Bank for ESOP committee of Lingsen Precision Industries, Co., Ltd. Representative: Ching-Yi Wu	21,382,822	5.63%	None	None	None	None	None	None	
Max Fortune Investment Ltd.(British Virgin Islands)	18,675,854	4.91%	None	None	None	None	None	None	
Shu-Chyuan Yeh	14,626,754	3.85%	440,866	0.12%	None	None	Lee Shin Investment Co., Ltd.	Representative	
Citibank in custody for Polunin Emerging Markets Fund	7,516,032	1.98%	None	None	None	None	None	None	
Lee Shin Investment Co., Ltd. Representative: Shu-Chyuan Yeh	5,658,911	1.49%	None	None	None	None	Shu-Chyuan Yeh	Chairman	
	14,626,754	3.85%	440,866	0.12%	None	None	None	None	
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund	4,067,421	1.07%	None	None	None	None	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	3,863,000	1.02%	None	None	None	None	None	None	
JPMorgan Chase Bank N.A. - Vanguard Total Trust Stock Index II Investment Account	2,410,000	0.63%	None	None	None	None	None	None	
CHEN,CONG-AN	2,100,000	0.55%	None	None	None	None	None	None	
LAI,FU-CAI	2,000,000	0.53%	None	None	None	None	None	None	

2.9 Ownership of Shares in Affiliated Enterprises Comprehensive Shareholding Ratio

As of December 31, 2025 Unit: Thousands of Shares

Investee companies (Note)	Ownership by the Company		Ownership by directors, managers and directly/ indirectly owned subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
Lingsen America Inc.	1,000	100%	—	—	1,000	100%
Lee Shin Investment Co., Ltd.	30,000	100%	—	—	30,000	100%
Nexus Material Corporation	5,348	78.65%	1,442	21.21%	6,790	99.86%
Lingsen Holding (Samoa) Inc.	12,000	100%	—	—	12,000	100%
Chih Fong Technology Co., Ltd.	2,400	30%	—	—	2,400	30%
Panther Technology Co., Ltd.	22,923	63.67%	—	—	22,923	63.67%
Sooner Power Semiconductor Co., Ltd.	21,515	99.15%	108	0.49%	21,623	99.64%

Note：Long Term Investment under the Equity method adopted by the Company.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Share Capital

Source of Share Capital

Unit: NT$/ Shares

Face Value Per Share	Authorized Capital		Capital Stock		Remark
	Shares	Amount	Shares	Amount	
10	500,000,000	5,000,000,000	380,102,344	3,801,023,440	1. No change in Authorized Capital and in Capital Stock in 2025 and as of March 2, 2026. 2. As of March 2, 2026, the total issued-shares are 380,102,344 shares.

Type of Stock as the year 2025 and as until the annual report is published and printed

As of March 2, 2026 Unit: Shares

Type of Stock	Authorized Capital			Remarks
	Listed Shares (Note)	Un-issued Shares	Total Shares (Note)	
Common Stock	380,102,344	119,897,656	500,000,000	

Note: Shares as the shares of listed company.

Shelf Registration: None.

3.1.2 Major Shareholders

As of August 10, 2025 (Ex-rights record date)

Common Share Major Shareholder	Shareholding (Shares)	Shareholding Percentage
The account in CTBC Bank for ESOP committee of Lingsen Precision Industries, Co., Ltd.	21,382,822	5.63%
Max Fortune Investment Ltd.(British Virgin Islands)	18,675,854	4.91%
Shu-Chyuan Yeh	14,626,754	3.85%
Citibank in custody for Polunin Emerging Markets Fund	7,516,032	1.98%
Lee Shin Investment Co., Ltd.	5,658,911	1.49%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund	4,067,421	1.07%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	3,863,000	1.02%
JPMorgan Chase Bank N.A. - Vanguard Total Trust Stock Index II Investment Account	2,410,000	0.63%
CHEN,CONG-AN	2,100,000	0.55%
LAI,FU-CAI	2,000,000	0.53%

3.1.3 Dividend Policy and Implementation Status

(1) Dividend Policy

According to the Article 32 of Article of Incorporate, the Company takes into consideration the current and future development plan, investing environment, capital needs, and domestic and international competition, as well as shareholders' benefit for its dividend policy. If there is a net income in the final accounts of the Company, it shall, after paying all taxes and offsetting any loss from prior years, set aside ten percent of such profits as a legal reserve, and increase or rotate a special surplus reserve in accordance with the law or regulations of the competent authority, distribute dividend and bonus no less than 50% (If the shareholder dividends and bonuses are greater than NT$1 per share, at least 20% of the excess shall be allocated for cash dividends) and submitted to the shareholders' meeting for acceptance.

(2) Proposed Distribution of Dividend

The Company's proposal for 2025 deficit compensation was passed on Feb. 25, 2026. Due to the loss in the current year, the Board proposed not to distribute dividends, it shall, rotate a special surplus reserve of NT$6,614,000, will be discussed at the Annual General Meeting held in May 2026.

(3) Expected in change in Dividend Policy shall explain the condition of distribution

Not Applicable

3.1.4 The impact of issuance of bonus shares to the Company's operational performance and the earning per share to be resolved by the shareholders' meeting: Not Applicable.

3.1.5 Compensation of Employees and directors

(1) Information Relating to Compensation of Employees, Directors in the Articles of Incorporation

If the Company is profitable, no less than 8% of the profits shall be allocated as compensation to employees, no less than 2% shall be allocated as compensation to non-executive employees as required by the Securities and Exchange Act, and 2% (inclusive) or less of the profits should be allocated as compensation to directors. While the Company has accumulated losses, the profit shall be set aside to compensate losses before distribution.

The compensation being distributed to employees under the preceding paragraph shall be distributed in the form of shares or cash.

Matters in the preceding two paragraphs shall be approved by more than half of the directors at a board meeting at which two-thirds or more of the directors are present and report to the general shareholders' meeting.

(2) **The basis for estimating the amount of employee and director compensation, for calculating the number of shared to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.**

If the Company is profitable, not less than 8% of the profits shall be allocated as compensation to employees, not less than 2% shall be allocated as compensation to non-executive employees as required by the Securities and Exchange Act, and 2% (inclusive) or less of the profits should be allocated as compensation to directors. If the board resolves to distribute employee compensation through stock, the number of stock distributed is calculated based on total employee compensation divided by the closing price of the day before the board meeting. If the actual amounts subsequently paid differ from the above estimated amounts, the differences will be recorded in the following year as a change in accounting estimate.

(3) **Remuneration distribution approved by the board of directors:**

A. Remuneration to employees/directors in cash or shares. Any discrepancy between the annual recognized distributed amount and figure, the difference, reason and response should be disclosed:

Due to loss in 2025, the Board resolved not to allocate director and employee remuneration on February 25, 2026. There is no difference between the amount passed during the Board meeting and the recognized amount during 2025 of the aforementioned employees' and directors' compensation.

B. Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus remuneration to employees in the entity or individual financial statement for the current period: None.

(4) **The actual distribution of employee and director compensation for 2024 (with indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee or director**

Due to loss, the Board resolved not to allocate director and employee remuneration for 2024 on February 24, 2025. There is no difference between the amount passed during the Board meeting and the recognized amount during 2024 of the aforementioned employees' and directors' compensation.

3.1.6 Buy-back of Common Stock: None.

3.2 Issuance of Corporate Bonds: None.

3.3 Issuance of Preferred Shares and Global Depository Receipts: None.

3.4 Status of Employees Stock option plan: None.

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

3.6 Financing Plans and Implementation: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

(1) Business Scope of the Company and Its Subsidiaries

The business scope of the Company and its subsidiaries includes the major categories listed as follows:

A. IC Packaging and Testing： Providing integrated circuit packaging and testing, as well as individual semiconductor packaging and testing.

B. Electronics Manufacturing Services： Engaged in electronic materials wholesale and component manufacturing.

C. Investment：General Investment Business.

(2) Current products of the Group and its Operating Proportion

Unit: NT$ in Thousands

Primary Products	Year 2025	
	Operating Revenue	Sales Percentage
IC Packaging and Testing services	5,524,652	99%
Others	33,322	1%
Total	5,557,974	100%

(3) New Products (Service) Development

(1) Packaging of High Performance and Directional Microphone.
(2) Packaging of MEMS Speaker Sensor.
(3) Packaging of MEMS Ultrasonic Sensor.
(4) Packaging of MEMS Temperature Sensor.
(5) Packaging of Thermal Image Sensor.
(6) Packaging of Gas Sensor.
(7) Packaging of Eye Tracking Sensor.
(8) Packaging of Gesture Sensor for vehicles.
(9) Packaging of Vehicles and Medical Electronic Products.
(10) Packaging of MEMS Products for Vehicles.
(11) Packaging of High-Frequency Wireless Communication Module.
(12) Packaging of custom-made thin and short Environmental Sensor.
(13) Packaging of MEMS Optical Focusing Module.
(14) Packaging of Piezoelectric Ultrasound distancing Sensor.
(15) Packaging of Medical Sensor for Disease Diagnosis.
(16) Packaging of MEMS Relay Switching.
(17) Packaging of MEMS Autofocus Actuator.
(18) Packaging of Magnetic Molding Compound.
(19) Packaging of Clip Bonding Package.
(20) Packaging of Hybrid (Flip Chip +Wire Bond).
(21) Packaging of Power module.
(22) Packaging of Multispectral Sensor.

4.1.2 Industry Overview

(1) Industrial Status and Development

According to Gartner, the global semiconductor revenue reached US$ 793 billion in 2025, reflecting an annual growth rate of 21%, riding on AI semiconductor demand and memory price surge. The momentum will continue in 2026, with the market crossing the 1 Trillion US dollars milestone.

In this ever-changing global market, Taiwan's IC industry has already established a key partner and strong support to high-tech innovative R&D around the globe. From up-stream IC design to down-stream IC manufacturing and IC packaging & testing, Taiwan's IC industry is a comprehensive industry chain with unique professional and specialized business models. Output value of Taiwan's IC design, manufacturing, packaging and testing industry in 2025 as table below: Including estimated output value of Taiwan's semiconductor industry in 2026.

Estimated Output value of Taiwan's IC industry from 2022 to 2026

Amount Expressed in 100 million of New Taiwan Dollar	2022	2023	2024	2025	2025 Growth Rate	2026 (estimated)	2026 Growth Rate (estimated)
Taiwan IC Industry Revenue	48,370	43,428	53,151	65,225	22.7%	77,150	18.3%
Taiwan IC Design	12,320	10,965	12,721	14,245	12.0%	15,214	6.8%
Taiwan IC Manufacturing	29,203	26,626	34,195	43,869	28.3%	54,339	23.9%
Foundry	26,847	24,925	32,438	41,693	28.5%	51,317	23.1%
Memory Manufacturing	2,356	1,701	1,757	2,176	23.8%	3,022	38.9%
Taiwan IC Packaging	4,660	3,931	4,233	4,825	14.0%	5,163	7.0%
Taiwan IC Testing	2,187	1,906	2,002	2,286	14.2%	2,434	6.5%
IC Product Output Value	14,676	12,666	14,478	16,421	13.4%	18,236	11.1%
Global Semiconductor Market Revenue and Growth Rate (%) (US$ in 100 million)	5,741	5,269	6,305	7,917	25.6%	9,999	26.3%

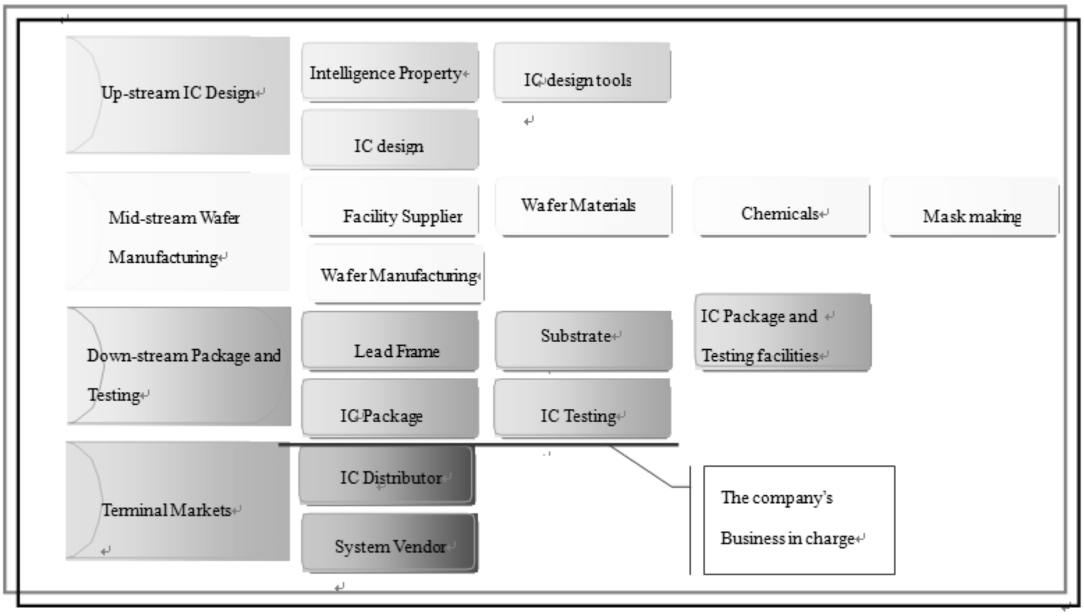
Source: TSIA, ITRI's IEK (2026.02)

According to statistics of ITRI's IEK, it showed that the output value of Taiwan's entire IC industry amounted to NT$6,522.5 Billion (US$ 209.1 Billion), an increase of 22.7% from 2024. The IC Packaging industry totaled NT$ 482.5 Billion (US$ 15.5 Billion), an increase of 14.0% from 2024. The Testing Industry totaled NT$ 228.6 Billion (US$ 7.3 Billion), an increase of 14.2% from 2024.

IEK estimates that the output value of Taiwan's IC industry can reach to NT$7,715 Billion in 2026, the growth rate is about 18.3%. The main growth driver is AI applications diverse, such as AI mobile, AI PCs. These factors have fueled the expansion of advanced manufacturing processes and related packaging and testing businesses, ensuring that Taiwan's semiconductor industry maintains a stable growth.

(2) Relevant of the up-stream, mid-stream and down-stream in the industry

In the structure of semiconductor industry, the Company responsible in the packaging and testing of the down-stream, which provides customers with services of IC packaging and testing.



(3) Product Trends

With driven by 5G mobile communications, the technologies of high-performance computing(HPC), AI, autonomous driving, etc., will reach a new milestone, and the development of electronic products is oriented towards multi-functions, high performance, high integration and producing light & thinner. Under the trend of diversified high-performance computing requirements for end products, the demand for high reliability, high performance, and low power consumption continues to increase. Heterogeneous integration packaging technology enables the integration of multiple chips in a smaller space, achieving better performance and higher integration. As a result, the application of heterogeneous integration packaging technology has become increasingly widespread, playing a crucial role in the semiconductor industry.

In recent years, the Consumer Electronics Show mostly involved smart solutions, such as smart health care, smart medical care, smart home, smart city, smart factory, smart car, and smart robot solutions, etc. AI applications stood out as a promising sector for the semiconductor manufacturing industry.

(4) Product Competition

In the semiconductor industry, packaging and testing, the Company provides customers with satisfying services and efficiency as the main competitiveness.
The Company's main business scope is the packaging and testing of IC and various semiconductor components. At present, the Company's main competitors are Orient Semiconductor, ChipMOS Technologies, Greatek Electronic, Sigurd Microelectronics, Taiwan IC Packaging, Formosa Advanced Technologies, Walton Advanced Engineering and other companies.

4.1.3 Research and Development

(1) Expenditures on research and development of the recent year and as until the annual report is published and printed

A. 2025 R & D Expenses is NT$ 117,183,000.
B. As of publication of this report, the Company's R & D Expenses is NT$ 19,918,000.

(2) Technics and Products successfully developed

In addition to the traditional packaging products, the Company provides products of stacked die package, multi-chip module, system packaging, MEMS component packaging technologies are mature production. Among them, MEMS components are light, thin, short, small and with the multifunction of sensor, calculating and action. The application of MEMS is broad and the market demand has great potential.

Due to the requirement of Green Environmental Directive "WEEE", "RoHS", "EUP" issued by European Union, the Company responds to them by introduce green manufacturing and committed in environmental protection packaging.

Results of research and development in the most recent year as follows:

A. Power Components Module Package and Testing, including thin and thick aluminium wire and clip bonding.
B. Environmental Optics sensor module for cell phone or mobile device package and testing.
C. MEMS sensor module package (e.g. MEMS accelerometer, gyroscope, pressure meter, altimeter, tire gage, MEMS microphone and etc.)
D. Multi-functional MEMS Module package
E. Miniaturization Optical Sensor Package
F. Multi-functional Photoelectric Sensor Module Package
G. Power Module IGBT(450A/1200V) Package
H. 0.3mm Thin QFN Package
I. Flip Chip on QFN/TSOT Package
J. Pulse Detector Sensor Package
K. Oximeter Sensor Package
L. Lamination Microphone Package
M. Power module MOSFET 100V/100A Package
N. light sensor with different thickness package
O. Low Power Module IPM/ SPM Package
P. MIS Like Package
Q. Water Proof Pressure Sensor Package
R. Smart Lock Identify Sensor Package
S. TWS optical Sensor Package
T. Thermal pile Thermal Sensor Package
U. MEMS Auto Focus Sensor Package
V. Discrete SiC Schottky Diode TO Package
W. MEMS Speaker Sensor Package
X. Skin sensor Package

4.1.4 Long-term and Short-term Development

(1) Long-Term Development

A. Focus in the new application area under the industry development trend.

B. Strive for new customers actively and strengthening customer relationship management.

(2) Short-Term Development

A. Traditional IC packaging and Sensor IC packaging are both important. The Company continues to develop sensor components and vehicle IC packaging, including microelectromechanical (MEMS), environmental optical sensor, and products and application on the need of vehicle.

B. Consolidating the existing customer relationships and provide complete services that meet the need of customers.

C. Planning and developing operating profit centre to pay attention and review on the economic scale of each production line, improving the resources utilisation, reduce waste, increase in income, decrease in expenditure and to increase the Company’s profit.

4.2 Market and Sales Overview

4.2.1 Market Analysis

(1) Operating Revenue by geographical area

Unit: NT$ in Thousands

Region	Year 2025	
	Operating Revenue	Percentage
Asia	4,643,306	84%
Europe	624,326	11%
America	290,342	5%
Total	5,557,974	100%

(2) Market Share

The Company is currently one of the major packaging and testing suppliers in power management and flash memory ICs in Taiwan. The Company is also the first Company with MEMS package. MEMS industry is benefiting from the rev up market in smartphones and tablets with high specification and affordable, vehicle electronic application and wearable device. In addition, the application field and market scale of microelectromechanical products and the MEMS component is demanding, including Accelerometers, Gyroscopes, Electronic compasses, silicon microphones (Si-Mic), tire pressure monitor and MEMS component.

The Company’s technical ability and the quality of the products had passed the certification including IATF16949 and ISO14001. Product Quality and the ability to mass production have been recognized by well-known domestic and foreign manufacturers. It shows that the Company’s production technics or management ability and the development in new product are with strong competitiveness in the industry. Its market share is as follows:

Unit: NT$ in 100 million

Item / Year	The production value of IC Packaging and Testing Nationwide (A) (Note 1)	The production value of IC Packaging and Testing of the Company (B) (Note 2)	(B)/(A)
Year 2025	7,111	55.6	0.78%

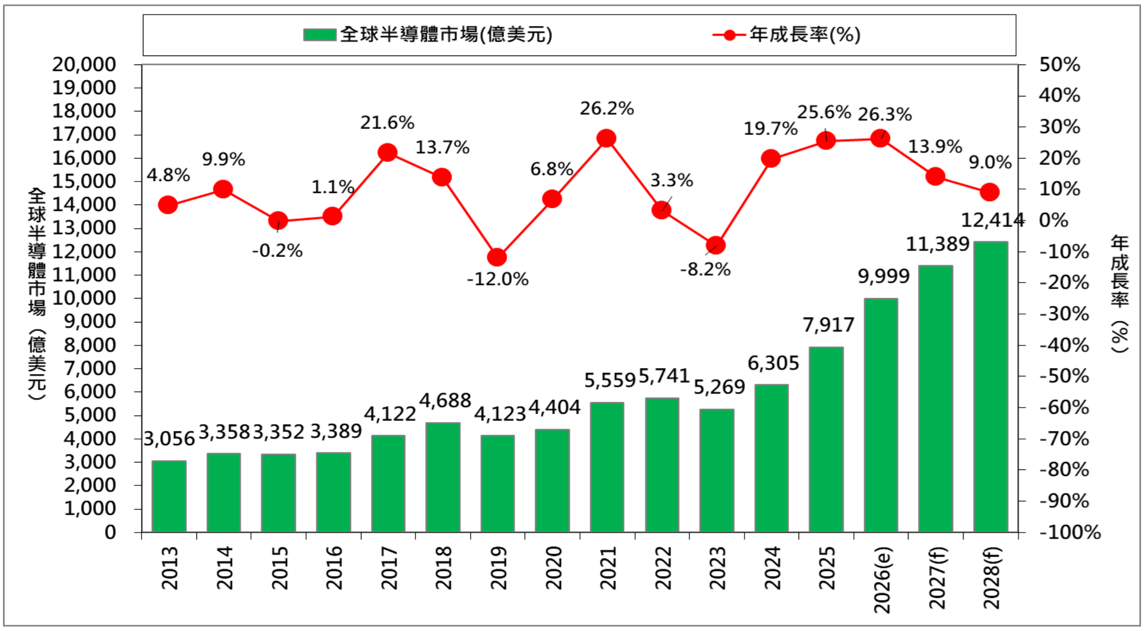
Note 1： Source：TSIA, IEK (2026. 02)

Note 2： The Company’s 2025 consolidated revenue.

(3) Supply and Demand of Future Market and the Growth

According to the latest forecast report released by WSTS, the global semiconductor market reached US$ 791.7 billion in 2025 with 25.6% growth. The upward revision is mainly driven by Logic and Memory, boosted by AI-related applications and continued demand in computing and data center infrastructure. Looking ahead to 2026, WSTS predicts that the global semiconductor market will grow by more than 26.3%, reaching a market size of $999.9 billion. Benefit from the development of emerging semiconductor applications, such as AI, HPC and electric vehicles, which drive the demand for high-end chips. From the perspective of new trends, has become the main driving force for semiconductor innovation.

Global Semiconductor Market Demand Annual Forecast Trends



Source: WSTS (2025.12、2026.02) ; IEK (2026.02)

(4) Competitive Niche

A. Technical ability and the quality of the product have been recognized by domestic and foreign well-known manufacturer, the Company received the IATF16949 Quality Certification and ISO14001/QS9000 International Environmental Protection Certification.
B. Actively arranging competitiveness and niche products.
C. Put in effort for the Industry upgrade innovative research project by the Ministry of Economic Affairs.
D. Stable human resources.
E. Flexible production ability.
F. Continuous innovative development in new technics and new products.
G. Receive verification and cooperate with famous foreign customers.

(5) Favorable and Unfavorable Factors in the Long-Term

A. Favorable Factors:
    - Semiconductor industry cluster and rooted in Taiwan.
    - Integrated device manufacturing plants (IDM) release packaging and testing orders.

B. Unfavorable Factors:
    - China Government supports their local companies of semiconductor industry.
    - Competitors expand their factory productivity and accelerate growth by merger.
    - Competitors strive for the Company’s customers actively.

C. Measures of responding:
    - Optimize customer service and maximize values and benefits.
    - Strive for IDM customer’s outsourcing (packaging and testing orders).
    - Focus on high-growth and develop potential products actively.

4.2.2 Production Procedures of Main Products

Major Products and Their Main Usages

Major Products	Usage	Manufacturing Process
Small Outline Plastic Dimension IC (SOP)	1. Consumer Electronics 2. Automotive electronic component 3. Memory 4. Communication Component 5. Power Management 6. Mobile Device 7. Optical Sensor	Grinding ↓ Dicing ↓ Loading ↓ Wire Bond ↓ Molding ↓ Marking ↓ Plating ↓ Forming ↓ OQA ↓ Testing ↓ Packaging ↓ Export
Thin Small Outline Plastic Dimension IC (TSOP)		
Small-Outline Transistor (SOT、TO)		
Microelectromechanical Systems (MEMS)		
Extra Thin Planar Structure Plastic Grain Carriers (TQFP)		
Thin Planar Structure Plastic Grain Carriers (LQFP)		
Quad Flat No-Lead Package (QFN)		
Photoelectric (OPLGA、AIO、SMA、DMA、OMS)		

4.2.3 Supply Status of Main Materials

The main raw materials of the package are lead Frame, substrate, Au /Cu wire, film/epoxy and compound, which are currently produced and represented by domestic and foreign suppliers.

The Company and its subsidiaries maintain long-term cooperation and good relation with two or more well-known domestic and foreign suppliers to ensure sufficient raw materials for production.

Major Raw Material	Main Supply Region	Status of Supply	Procurement Strategy
Lead Frame	Taiwan, Singapore, Malaysia, China	Stable	1. Developing long-term relations to ensure the stability of obtaining production materials 2. The Company is increasing in purchase from local suppliers in the recent years to reduce the risk and costs of international transportation.
Substrate	Taiwan, Japan, China	Stable	
Au /Cu Wire	Taiwan, Korea, Singapore	Stable	
Compound	Taiwan, Japan	Stable	
Film/Epoxy	Taiwan, Japan, China	Stable	

4.2.4 Major Suppliers and Customers

(1) Major Suppliers in recent Two Years

Unit: Amount in NT$ Thousands

Item	Year 2024				Year 2025			
	Name	Amount	%	Relation to the Company	Name	Amount	%	Relation to the Company
1	Company AA	297,011	18	None	Company AA	502,355	24	None
2	Company BB	244,538	15	None	Company BB	324,548	15	None
3	Company CC	242,053	15	None	Company CC	299,683	14	None
4	Company DD	181,048	11	None	Company DD	200,925	10	None
	Others	679,193	41	None	Others	786,371	37	None
	Net procurement	1,643,843	100		Net procurement	2,113,882	100	

Reason for increase or decrease:

The change of procurement amount and percentage were mainly due to the product portfolio of the year.

Note: As of the date of publication of the annual report, there is no financial report of 2026Q1 has been reviewed by certified public accountant.

(2) Major Customers in recent Two Years

Unit: Amount in NT$ Thousands

Item	Year 2024				Year 2025			
	Name	Amount	%	Relation to the Company	Name	Amount	%	Relation to the Company
1	Customer A	568,478	11	None	Customer A	850,364	15	None
2	Customer B	737,835	14	None	Customer B	807,572	14	None
3	Customer C	538,193	10	None	Customer C	520,411	9	None
	Others	3,528,054	65		Others	3,379,627	62	
	Operating revenue	5,372,560	100		Operating revenue	5,557,974	100	

Reason for increase or decrease:

The change of sales amount and percentage were mainly due to the change of customer market share.

Note: As of the date of publication of the annual report, there is no financial report of 2026Q1 has been reviewed by certified public accountant.

4.3 Human Resources Information in recent Two Years and as of the date of this annual report

March 2, 2026

Year		Year 2024	Year 2025	As of March 2, 2026
Number of Employees	Technician	741	675	676
	Managerial Personnel	266	250	248
	Operators	1,695	1,713	1,672
	Total	2,702	2,638	2,596
Average Age		40.29	41.73	42.14
Average Years of Service		11.61	12.57	12.94
Education	Ph.D.	0.04%	0.00%	0.00%
	Masters	5.32%	3.82%	3.86%
	Bachelor’s Degrees	67.10%	48.48%	49.07%
	Senior High School	24.89%	45.85%	45.22%
	Below Senior High School	2.65%	1.85%	1.85%

Note: The above information including the employees of the Company and its subsidiaries.

4.4 Environmental Protection Expenditure

4.4.1 Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incident.

Parent company-Lingsen

Document No	20-115-030033
Violation Date	2025.12.30
Competent Authority	Taichung City Environmental Protection Bureau
Articles of law violated	Article 22, Paragraph 2 and 3 of the Air Pollution Control Act
Content of law violated	Failure to complete stationary pollution source monitoring in accordance with the prescribed seasonal schedule
Penalty amount	NT$100,000
Current and Future countermeasures	Strengthen communication with company personnel to ensure timely completion of testing

Other Subsidiaries: No violations.

4.4.2 An estimate possible expenses that could be incurred currently and, in the future, and measures being or to be taken.

The Company has identified environmental risks during the operational process according to ISO 14001, based on the preventive measures that can be continuously conducted, including equipment hardware improvement, enhancement of personal educational training, and strengthening of operating system management. In the future, the Company’s primary environmental protection expenditures and items will include: costs of replacement, renewal, and upgrade of existing pollution prevention equipment, waste disposal costs, and environmental monitoring costs.

4.5 Labor Relationship

Current employees' welfare measures, advanced studies, training, retirement systems and its implementation of the company. Any Loss suffered by the company in the recent year and up to the annual report publication date due to labor disputes.

The Company respects and promotes international human rights by providing employees with a quality employment environment and maintaining harmonious labor relations effectively. The Company has consistently valued employee benefits and welfare, and has actively cultivated talent, implemented labor laws and regulations, and strengthens employee awareness to prevent labor disputes. Through channels such as labor-management meetings, suggestion boxes and communication management units, to achieved competent communication and effective problem-solving. About the management and implementation of labor relations such as employee welfare measures, in-service education, training and retirement systems are planned and conducted in accordance with the requirements of law.

4.5.1 Human Rights

For further protection and promotion of human rights, the Company supports and respects international standards, including the UN Universal Declaration of Human Rights, the first & second principles of UN Global Compact, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

The Company has formulated and implemented relevant employee management systems and procedures in accordance with local laws and regulations and respect for the principles of internationally recognized basic labor human rights, so as to protect the legitimate rights and interests of employees and employ non-discriminatory treatment policies. In the implementing of human rights management, the Company adopts the Responsible Business Alliance (RBA) Code of Conduct as the management framework, internal and external audits at our facilities are carried out on a regular basis in accordance with the RBA audit process.

Related supplementary information is as follows:

Target	Topic Issues	Mitigation Actions
Employees	No forced labor	Employment of sufficient labor to meet capacity and prevent overtime.
Employees	Sexual Harassment	Ensure a safe and zero-harassment working environment.
Employees	Zero discrimination in hiring	Zero discrimination in hiring. Complies with local labor laws and regulations.
Young Workers	Child labor was prohibited	Verifies the resume and actual age of applicants prior to hiring employees.
People with disabilities	Employment of people with disabilities	Regularly monitored the number of employees with disabilities monthly according to labor laws and regulations

The Company makes hiring decisions based on the required professional skills, offering equal opportunities to all qualified candidates. Applicants are not treated differently for factors including their race, nationality, gender, m, age, sexual orientation, or political beliefs. In 2025, female employee ratio was 57.85% and female ratio in managements was 38.32%. There is no significant difference in remuneration ratio between male and female for the Company.

The Company conducted multiple human rights protection training courses in 2025 including plant safety and health, first-aid personnel training, friendly workplace, etc. The total training hours are 2,336 hours, and a total of 2,336 participants have completed the training.

Please refer to the Company website and Sustainability Report for details on our human rights management principles.

4.5.2 Performance-oriented Compensation System

The Company conducts and implements reasonable employee compensation and the Company's employee compensation is based on educational level, performance and market value. According to the Company's overall operation, team and individual performance, the Company offer incentive bonuses and annual profit-sharing bonuses to reward employees' diligent contributions to the Company. Profit-sharing bonuses in cash are rewarded to employees with outstanding performance based on our business results. Annual bonuses are rewarded to employees based on their individual performances and results.

Based on the Company's Articles of Incorporation, if the Company is profitable, not less than 8% of the profits shall be allocated as compensation to employees, and not less than 2% shall be allocated as compensation to non-executive employees, so that all employees can enjoy the benefit of achievement.

The Company launched the "employee stock ownership trust" in OCT. 2003, and has invited employees to become our shareholders. Employees can choose to participate according to their personal intention. The trust allows employees the opportunity to share the operational results of the Company over the long term.

4.5.3 Retirement pension, leaves

The compensation is in lined with laws and regulations in terms of retirement pension, leaves and other mandatory benefits to safeguard the rights of our employees.

In terms of labor pension system, the Company allocates the employee's retirement reserve funds to the Labor Pension Reserve Supervisory Committees each month in compliance with regulations, and then allocates the funds to employees' account at Central Trust of China. The Company ensures sufficient allocation annually, and processes the employee labor pension payment in accordance with the Labor Standards Law. As until end of 2025, the remaining balance in the pension account is NT$ 685,510,000.

Since July 1, 2005, for employees who select the retirement system under the Labor Pension Act, 6% of their monthly salary is paid into their individual labor pension account to secure their rights and interests.

4.5.4 Employee Welfare Programs

(1) Comprehensive insurance system：The Company provides employees with statuary labor insurance and national health insurance as well as comprehensive paid group insurance plans.

(2) Extended parental leave without pay: In accordance with laws and regulations, the Company provides breast milk collection rooms. To help employees balance their personal and work lives, the Company offers parental leave to support for employees' parenting needs.

(3) Club Recreation: Employees are encouraged to set up recreational clubs on their own initiative.

(4) Health Care: In addition to regulatory annual checkups annually, a variety of health promoting activities and education are then organized for employees accordingly to give them further knowledge and skills for self-managing their health.

In addition, the Company provides subsidies for marriage, childbirth and funerals, as well as discounts in designated shops.

4.5.5 Education and Training

The Company has set management skills or core professional competencies requirements for managers and colleagues at all levels. Internal training courses are designed based on job function to plan mandatory training courses. The Company encourages all colleagues to continue to learn and develop their personal careers in line with industry trends.

The Company conducted multiple training courses in 2025 included the following:

(1) Internal Training

A. New employee training

Courses including new employee orientation training, basic training.

To help new employees quickly adapt to the work environment, orientation training is provided for new employees to give them a basic understanding of semiconductor packaging and testing processes.

To help new employees quickly develop professionalism, they are paired with a mentor to help them quickly integrate into the corporate culture.

B. Competency training

Courses including quality, manufacturing process, problem analysis and solving. The purpose is to develop the leadership of the management and building up technical languages inside the factory.

C. Managerial personnel training

Courses including executive trainee cultivation, mid- and high-level management skills.

(2) External Training

Encourage employees to participate in external training related to their positions. After the training, colleagues will bring their training experience and new knowledge back to the Company for sharing. Through the external training, colleagues can further expand and broaden their knowledge in the professional field.

To equip employees with the necessary skills and knowledge, the Company designs phased learning roadmaps offering diverse courses in regulations, technical skills, management, and personal effectiveness for different career stages, ensuring continuous talent development. In 2025, the program engaged 4,943 participants, recording over 10,032 hours of training in employees and the training expense was NT$3,030,000.

4.5.6 Freedom of association and collective bargaining

The Company respects employees' freedom of association and allows employees to form trade unions. Union representatives are elected by employees, and represent the employees in regular engagement with the management. The unions also work to protect the rights of employees and maintain a stable and healthy employer & employee relationship. The Company's union has been established for over 30 years, the rights and obligations of both labor and management are clearly defined in the Company's rules and relevant regulations. Meanwhile, the unions have not expressed the need for collective bargaining, and so no collective agreement has been entered into.

4.5.7 Employee Engagement and Organizational Health Survey

On a biannual basis, the Company conducts employee engagement and organizational health surveys. The most recent survey was conducted in NOV. 2025. A total of 216 employees were randomly sampled, and 100% of the questionnaires answered were valid. The Company analyzed employee well-being aspects such as job satisfaction, purposes of work, happiness and job stress, with an average score of 3.9 out of 5 for employee engagement. Based on this analysis, provides an important reference for the continuous improvement of the Company’s system.

The Company also performs annual analysis on the causes of attrition for different job Type, the turnover was mainly attributed to factors such as remuneration, career growth and personal reasons, so as to make corresponding improvements for increasing employee job satisfaction and talent retention rates. Such as, for onsite department with high turnover among new hires, various actions will be adopted to help employees adapt to their work environment and prevent the depletion of human capital. Establish promotion to recognize high performers, ensuring them are fairly rewarded and promoted.

4.5.8 Protection Measures to ensure the safety and health of our employees, the occupational environment and the implementation

Aiming to establish the healthiest possible workplace, and to mitigate health risks to employees in the workplace, the Company has adopted rigorous safety and health control measures focused on preventing occupational injuries and diseases and promoting employee safety, physical and mental health. The Company have ISO 45001 certification for occupational safety and health management systems, the above certifications is maintained and valid. The latest certificate is valid to Oct.2, 2027.

(1) Safety and Health Management
By the Occupational Health and Safety Act, the Company has established a “Safety and Health Committee”, which holds a meeting quarterly, discusses various safety strategies and proposals and formulate precautions, to ensure the safety of the work environment and the employees.

(2) Emergency Response Measures

To ensure the safety of employees and factory sites, the Company enacted the "Operational Procedure for Responding Emergency Situation".

An emergency response team (ERT) is formed, and the members of this team should receive various emergency response trainings and regular rehearsals with respect to various accidents in order to strength the disaster response skills of ERT members and to achieve the objective of protection and control at the initial stage of disaster.

(3) Employee Health Enhancement

To preserve and promote the health of its employees, the Company fosters collaboration among the onsite industrial safety protection department, the onsite medical personnel, strives to reduce cerebral injuries and cardiovascular conditions that might be induced or aggravated by overwork, night work or shift work. In accordance with the OSHA, the Company implements a health service management plan every year to maintain the safety, health and well-being of employees and stakeholders.

In 2025, planned personal health management activities included the following:

Health Service	Description
Allocate Onsite medical personnel	1. Allocate full-time nursing staff. 2. On-site services by doctors Specialist doctors provide monthly clinical services at the factory sites which provide employees with convenient access to professional medical consultation services within the factory campus. (6 times per month).
Health Examinations and Tracking	1. Health Examination ‣The number of people checked reached 342. ‣100% completion rate for mandatory regulatory checks 2. Abnormal health examination report management Provide doctors' recommendations from health checkups for employees with abnormal BMI, high blood sugar, and high blood lipids and encourage regular self-tracking. When necessary, it also provides medical referrals.
Health Promotion	1. Survey and health education 2. Maternal Health Protection 3. Health Education (Digital Publicity) Based on employee health examination results, provide health education information and knowledge. Additionally, through the encouragement of wellness initiatives, fosters healthy habits and promotes sustainable lifestyles, ultimately achieving overcome metabolic syndrome. 4. Crafting Sports Clubs The Company organized 3 Social Clubs. Through various types of sports clubs, the Company encouraged our employees to exercise regularly.

Caring for Health	According to the injury and illness caring protocol, the onsite medical personnel worked together with department supervisors, human resources to perform fitness for work evaluation and adjust the content of the work in stages according to the recovery situation.
AED Installation	1. Self-installation of AEDs 2. Regularly organize AED & first aid training.

(4) Workplace Protection Measures

Item	Content
Operational safety	Maintenance and repair of fire safety equipment, operational testing.
Training	Orientation training and On Job Training (OJT), fire drills, protective equipment, and emergency preparedness training.
Disaster prevention	Fire safety equipment and warning system.

(5) Occupational disasters and prevention

A total of 0 Inpatient occupation accidents occurred at the Company in 2025. The ratio is 0% based on total employees. The Company investigated every occupational accident and identified the root causes. The Company also performed necessary construction or administrative improvement or provide necessary personal health and safety equipment. Mandatory health and safety education and training and campaigns were reinforced to reduce the risk of repeat accidents.

A total of 0 Inpatient fire incidents, 0 casualties occurred at the Company in 2025. The ratio is 0% based on total employees. To ensure comprehensive environmental safety, our Company conducts daily safety inspections of office environments, equipment, and machine rooms by dedicated personnel. Additionally, we conduct annual fire evacuation drills for all employees to continuously strengthen their emergency response capabilities and ensure everyone's safety.

4.5.9 Losses suffered by the Company in 2025 and as of the date of this annual report due to labor disputes：

Subsidiary: Panther Company

No.	No.1140021658
Violation Date	2025.05.29
Issue Date	2025.09.04
Competent Authority	Hsinchu County Labor Affairs Department
Articles of law violated	Labor Standards Act Article 22 Paragraph2
Content of law violated	Failure to pay workers' wages in full as required
Penalty amount	NT$ 20,000
Current and Future countermeasures	The Company have been reviewed and improved, so that the matter that was found in violation will meet regulatory requirements.

Parent Company and Other Subsidiaries:
None

4.6 Cybersecurity management

4.6.1 Cybersecurity Risk Management Structure

The Company has set up a Cybersecurity Committee to initiate and promote the management of cybersecurity. The Committee is headed by the Company General Manager, and meetings are convened by the Chief of MIS officer. Senior managers from each department serve as committee members, and meetings are organized regularly to formulate and review the objectives and policy of IT security management.

4.6.2 Cybersecurity Policy

The Company's cybersecurity policy is to "protect the Company's intellectual property, and comprehensively enhance the awareness for cybersecurity ".
The Company adopts active Cybersecurity strengthening procedures, e.g.

(1) Improve various internal cybersecurity management mechanisms.
(2) Protect the confidentiality, integrity and availability with proactive action.
(3) Increase the employees' cybersecurity awareness through arranged for cybersecurity incident response drills at factory site and various cybersecurity training sessions.

4.6.3 Specific Management Plan

(1) The Management of Cybersecurity

The Company built the internal systems in virtual network and the extranet will be blocked and unable to connected the intranet of the Company. The Company takes multiple internet safeguard system. The front-end of the Company’s internal network is a new generation 7th layer firewall with the automatic back up mechanism, advanced continuous penetration attack protection, intrusion and threat prevention system and website evaluation system and etc.

At the same time, in response to the increase in threats of phishing email attack each year, the Company also established a front-end email anti-virus filter system and automatically excluding the emails with threats.

The internal hosts and endpoints of the Company are automatically dispatched latest virus protection codes and malicious program featured comparison code from the central control anti-virus system to block the virus, Trojan Horses, Ransomware, malicious programs attached in documents to effectively reduce the risk of hacking attacks. For Microsoft Windows Operating System, we plotted multiple WSUS hosts are deployed the latest revision files from the Microsoft to prevent hackers from attacking and intruding through operating system vulnerabilities.
To raise the awareness of IT safety to our employees, we established educational website for our employees, enacted the emergency response procedures for hackers attack and drilled, summarized and revised every year.

(2) Data access control

A. The access to the Company's internal control systems and the authorization of data usage shall review and approved by the each individual dedicated supervisors and use and changed afterwards.

B. Setting up the password to the account, required complicated review by the rule of the system and changed regularly.

C. When the user left the position or resigned, the Company will remove his or her authority to assess and cancel his or her account immediately to prevent any unauthorized usage.

D. Data Access Record Storage
Filing and Storage of information like track record of the system file and document access and the correspondence mails.
All computers that have been completed with the scrap, its hard drive shall be dismantled and destroyed in order to fulfill the management system by law and the related information safety policy.

(3) Establishment of an information data center monitoring system

To enhance physical security, surveillance cameras and other protective equipment are installed in the data center to ensure the security of critical information facilities.

(4) Cybersecurity Mechanisms

A. In order to ensure the continued feasibility of the information system, system files are stored daily and weekly with local back up and remote back up to reduce risk of loss by the unpredictable natural disasters and man-made disaster.

B. The Company enacted the information system emergency event that has handle procedures and guideline with drill and amendment every year to make sure when the information system facing emergency events like significant information safety accident, natural disasters or man-made disasters is able to recover the availability of the information system.

(5) Cybersecurity training for employees

A. The Company regularly educates employees includes social engineering drill and related IT security knowledge. The Company looks to increase the employee's IT security awareness through various IT security training sessions, to ensure the knowledge of IT security will be integrated into employees' day-to-day operations.

B. In addition, in view of the frequent occurrence of business email compromise in recent years, the Company trains personnel involved in handling cash flows, e.g. colleagues in business, finance, and procurement units, in order to prevent business email compromise, and optimizes internal processes to ensure the security of receipts and payments.

(6) The committee has weekly report to the General Manager on the implementation of cybersecurity.

(7) Implementation Status

Item	Content	Implementation Status
Regular disaster recovery drills	Test system response, database response, data verification, etc. Attendees: IT Department & and outsourcers.	Annually and issued a report
External audits	Appoint CPAs Firm conduct to the Company's information security control systems.	Annually

(8) Insurance status

Information security risk is an emerging type of insurance.

The Company suspends the purchase of information security insurance, consider insurance coverage, claims coverage, claims identification, and identification agency qualifications, applicable industries.

In recent years, the Company faces the ever-changing and growing information security threat. The Company inspects the defense mechanism regularly (including firewall, antivirus system, etc.) to ensure compliance with security policies.

(9) Future Management Plans

Strengthen supply chain information security management.
Deepen the awareness of internal staff information security.
Enhance early warning and defense capabilities.

4.6.4 Resources Invested in the Management of Cybersecurity for 2025

The related expense Invested in the management of cybersecurity was NT$19,569,000. The execution content includes: inspection and improvement of information security framework; inspection of network equipment, servers, terminals and other equipment; inspection of network activities; website security inspection; information security protection inspection...etc.

The Company also continues to improve employees' information security literacy. In addition to irregularly sending information security promotions and conducting cybersecurity training for employees, the Company encourages employees to understand the importance of cybersecurity training and urges them to comply with regulations. In the year 2025, the accumulated external hours were 16 hours.

4.6.5 In 2025 and as of the date of this annual report, the Company has not experienced any material cyberattack incidents that have materially and adversely affected as a result.

4.7 Important Contracts

March 2, 2026

Agreement	**Counterparty**	**Period**	**Main Content**	**Restriction Clause**
Land Lease	Bureau of Industrial Parks, Ministry of Economic Affairs	From November 01, 2014 to January 14, 2036	Land and Building Lease (15 projects)	None
Bank Loan	Mega Bank, Tantze	From June 27, 2025 to June 26, 2028	Medium & long-term Loan	Sustain certain financial ratio
Bank Loan	Taishin Bank	From January 11, 2025 to January 11, 2028	Medium & long-term Loan	Sustain certain financial ratio
Bank Loan	China Trust Commercial Bank, Taichung	From March 5, 2021 to March 4, 2026	Medium & long-term Loan	Sustain certain financial ratio
Bank Loan	O-Bank, Taichung	From March 5, 2021 to March 4, 2026	Medium & long-term Loan	Sustain certain financial ratio
Bank Loan	Taipei Fubon Commercial Bank, Taichung Port	From April 11, 2021 to May 20, 2026	Medium & long-term Loan (2 projects)	Sustain certain financial ratio
Bank Loan	Shanghai Commercial Bank, Hsinchu	From March 30, 2020 to January 23, 2040	Medium & long-term Loan (5 projects)	None
Bank Loan	Mega Bank, Northern Hsinchu	From February 11, 2020 to July 16, 2027	Medium & long-term Loan	Sustain certain financial ratio
Bank Loan	First Commercial Bank, Hsinchu	From June 19, 2023 to October 15, 2030	Medium & long-term Loan (2 projects)	None
Bank Loan	China Trust Commercial Bank, Taichung	From September 8, 2023 to August 15, 2030	Medium & long-term Loan	Sustain certain financial ratio
Sales Agent	LINGSEN AMERICA INC.	From January 1, 2026 to December 31, 2026	Broker Agent for the sales between US and Taiwan	None
Sales Agent	AZIMUTH INDUSTRIAL,INC.	From July 24, 2021 to July 23, 2026	Broker Agent for the sales between US and Taiwan	None
Engineering Contract for Generating Electricity by solar	Chang Wah Electromaterials INC.	From August 28, 2014 to November 6, 2034	Engineering for Generating Electricity by solar photovoltaic energy	None
Contract of Purchase and Sell of Electricity	Taiwan Power Company	From November 7, 2014 to November 6, 2034	Wholesale of Electricity	None
Building and Leasing of Solar Photovoltaic Energy System	Cheng Yang Energy Co., Ltd.	From March 24, 2020 to March 23, 2040	Building and Leasing of Solar Photovoltaic Energy System	None
Building and Leasing of Solar Photovoltaic Energy System	Red Kai Ent CO.,	From June 1, 2022 to May 31, 2042	Building and Leasing of Solar Photovoltaic Energy System	None
Energy Saving Projects	Energy Bureau, MOEA	From March 15, 2022 to December 31, 2027	Energy Saving Projects	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT$ in Thousands

Item \ Year	Year 2024	Year 2025	Difference	%
Current Assets	3,589,262	3,828,563	239,301	7
Property, plant and Equipment	3,354,746	3,180,360	(174,386)	-5
Other Assets	555,862	587,629	31,767	6
Total Assets	7,499,870	7,596,552	96,682	1
Current Liabilities	1,406,762	1,607,142	200,380	14
Non-Current Liabilities	613,090	1,010,915	397,825	65
Total Liabilities	2,019,852	2,618,057	598,205	30
Capital	3,801,023	3,801,023	0	0
Capital Surplus	1,154,573	1,042,313	(112,260)	-10
Retained Earnings	502,140	158,115	(344,025)	-69
Other Equities	(2,426)	(23,823)	(21,397)	882
Treasury shares	(176,415)	(176,415)	0	0
Non-controlling Interests	201,123	177,282	(23,841)	-12
Total Equity	5,480,018	4,978,495	(501,523)	-9

Analysis of changes in financial ratios:

1. Analysis of Deviation over 20%
   (1) Increase in Non-current Liabilities, Total Liabilities:
   It was mainly due to the increase in long-term borrowing.
   (2) Decrease in Retained Earnings:
   It was mainly due to the operating loss.
   (3) Decrease in Other Equities:
   It was mainly due to currency exchange loss arising from translation of foreign operations, and the subsidiary disposing the investment in equity instrument measured at fair value through other comprehensive income, the cumulative profit and losses directly transferred to retained earnings.
2. Future Plan on Financial Position: Not applicable.

5.2 Analysis of Financial Performance

Unit: NT$ in Thousands

Item	Year 2024	Year 2025	Difference	%
Operating Revenue	5,372,560	5,557,974	185,414	3
Gross Profit(Loss)	7,820	(87,578)	(95,398)	-1220
Net Operating Loss	(383,317)	(454,369)	(71,052)	19
Non-operating income and Expenses	81,898	41,384	(40,514)	-49
Net loss before income tax	(301,419)	(412,985)	(111,566)	37
Net loss from continuing operations	(297,634)	(418,094)	(120,460)	40
Net profit (loss) from discontinued operations	96,491	0	(96,491)	-100
Net loss	(201,143)	(418,094)	(216,951)	108

1. Analysis of changes in financial ratios: (Analysis of Deviation over 20%)
   (1) Gross Profit(Loss), Net loss before income tax, Net loss from continuing operations, Net loss:
   It was mainly due to operating loss which resulting from higher material cost.
   (2) Decrease in Non-operating Income and Expenses:
   It was mainly due to the increase of loss on foreign exchange.
   (3) Net profit (loss) from discontinued operations:
   It was mainly due to the gain on disposal of the subsidiary in 2024.
2. Sales Volume Forecast and Related Information
   For additional details, please refer to Chapter I. Letter to Shareholders in this Annual Report.
3. Future Plan on Financial Performance:
   In the face of an increasingly fierce competitive environment and future reinvestment, the Company has developed an appropriate financial strategy and a capital demand plan for the current year. Continues to observe market conditions and interact closely with customers to understand customer demand.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT$ in Thousands

Cash and Cash Equivalents, Beginning of Year (A)	Net Cash Flow from Operating Activities (B)	Net Cash Flow from Investing Activities (C)	Net Cash Flow from Financing Activities (D)	Effect of Exchange Rate (E)	Cash Surplus (A+B+C+D+E)
$1,544,076	92,597	(342,124)	268,578	(16,316)	1,546,811

Analysis of Cash Flow：

(1) Operating Activities
Mainly came from the operation profits excluding the depreciation and amortization expenses.

(2) Investing Activities
Mainly for capital expenditures.

(3) Financing Activities
Mainly came from bank borrowings, which are partially used in cash distribution from capital surplus.

5.3.2 Liquidity Analysis and Remedies for Cash Deficit

Item	Year 2024	Year 2025
Cash Flow Ratio (%)	44.22	5.76
Cash Flow Adequacy Ratio (%)	96.78	81.50
Cash Reinvestment Ratio (%)	5.11	-0.20

1. Analysis of changes in financial ratios:

(1) Cash Flow Ratio declined: Mainly due to the reduction of net cash generated by Operating Activities in 2025 compared to 2024.

(2) Cash Flow Adequacy Ratio declined: Mainly due to the reduction of net cash generated by Operating Activities for the past five years in 2025 compared to the same period in 2024.

(3) Cash Reinvestment Ratio declined: Mainly due to the reduction of net cash generated by Operating Activities in 2025 compared to 2024.

2. Remedial Actions for Liquidity Shortfall: not required.

5.3.3 Cash Flow Projection for Next Year:

The Company estimates to pay capital expenditures and bank repayment by bank borrowings and cash in bank.

5.4 Recent Years Major Capital Expenditures and Impact on Financial and Business

Project	Actual or Planned Source of Capital	Actual Use of Capital	Impacts on the finance and operation
Production Equipment	Our fund or Bank fund	NT$508,082,000	Based on capital expenditures listed above, the Company's production capacity increased, with positive effect to the finance and operation of the Company.

5.5 Long-term Equity Investment Policy and Results

5.5.1 The Company's Investment Policy is that investment for the need of business development and future growth of the Company. The organizational structure, investment purpose, market condition, business development, shareholding percentage and other items of the investment enterprise shall be assessed carefully, so as the reference for the decision-making Company organizations to make decisions. The Company invigilating and managing the subsidiaries in accordance of internal control system and with the execution of enacted "Operational Procedure of monitoring Subsidiaries".

5.5.2 The Operational Highlights of Affiliated companies have been announced at the MOPS in accordance with the law. For the related information, please refer to the Website at https://mops.twse.com.tw. The main reason for the loss of unprofitable investment was that the production capacity has not yet reached economic scale. The Company will continue to provide guidance to achieve profit. The Company will continue focusing on core businesses growth. The investment will also follow core development strategy of the Company

5.6 Analysis of Risk Management

5.6.1 Risks Associated with Changes Interest Rates, Foreign Exchange Rates and Inflation

(1) **Interest Rate Fluctuations:**

The interest rate risk of the Company and its subsidiaries is mainly from floating-rate bank loans borrowed for operating and investing activities, and the future cash flow of interest expense will fluctuate due to changes in interest rates. On the basis of consolidated financial statements in 2025, a hypothetical increase in interest rates by 1% would have resulted in a change in the net profit(loss) before tax by approximately NT$6,066 thousand.

In terms of assets, the Company and its subsidiaries allocate funds in a conservative and prudent manner to ensure the safety of working capital and maintain liquidity, and holds idle funds as term deposits in the bank.

(2) **Foreign Exchange Fluctuation:**

The currency risk of the Company and its subsidiaries mainly comes from cash and cash equivalents, accounts receivable, borrowings and accounts payable denominated in foreign currency, so the fluctuation of foreign exchange rate may affect the operating income, operating costs and expenses, and even profit denominated in foreign currencies. On the basis of consolidated financial statements in 2025, if the exchange rate of the NT dollar changed by 1% against the US dollar, the net profit (loss) before tax would have changed by NT$2,427 thousand.

In order to avoid the adverse impact of foreign exchange rate fluctuation on the operating results of the Company and its subsidiaries, the hedging strategy of the Company is based on the principle of natural hedging. The Company utilizes the foreign-denominated debt to counterbalance its position of foreign currency assets. The Company will closely be observing the change of foreign currency and made the adjustment of the position in foreign currency to avoid the risk of exchange rate, use foreign exchange derivative contracts, including foreign exchange in a timely manner.

(3) **Inflation :**

According to the statistics of the Directorate-General of Budget, Accounting and Statistics (DGBAS) of Executive Yuan, the economic growth rate in 2025 was 8.68%, the annual growth rate of consumer price index (CPI) in 2025 was (1.66 %) lower than the previous year. The DGBAS predicts that the Taiwan's GDP and CPI annual growth rates at 7.71% and 1.68% in 2026.

The Company and its subsidiaries will closely be observing the change in global economic and market prices, took the necessary actions in a timely manner, including adequately raw material inventories, the products selling prices with the increased costs, thus shall effectively mitigate the impact of inflation.

5.6.2 Risks Associated with High-Risk/Highly Leveraged Investments; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions

(1) To manage risks, the Company has established internal control policies and procedures according to the relevant laws and regulations of FSC, which include “Procedures for Lending Funds to Other Parties”, “Procedures for Making Endorsements and Guarantees”, and “Procedures for Acquisition or Disposal of Assets”. The Company will follow these procedures and protocols strictly.

(2) In 2025 and as of the date of this annual report, the Company had not engaged in any high-risk or highly leveraged financial investments or transactions such as lending funds to other parties, endorsement, or guarantee and Financial Derivative Transactions.

5.6.3 Future R&D Plans and Expected R&D Spending

(1) **Future R&D Plans**

For additional details, please refer to the “4.1.1 (3) New Product (Service) Development” section under Chapter IV. Operational Highlights on page 51 in this Annual Report

(2) **Further expenditures expected for R&D**

The Company input 2% ~ 3% of the revenue for the further expenditures expected for research and development.

5.6.4 Risks Associated with Changes in the Government Policies and Regulatory Environment

The Company management closely monitors all domestic and foreign governmental policies and regulations that might impact the Company’s business and financial operations. During 2025 and as of the date of this Annual Report, the following changes or developments in governmental policies and regulations may influence the Company’s business operations:

(1) For the IFRSs that have been issued by International Accounting Standards Board but not yet endorsed and issued into effect by the F S C, the Company is continuously assessing the possible impact on consolidated financial reports and will complete assessment based on the FSC timeline.

(2) The minimum wage adjusted from NT$28,590 to NT$29,500 with the increase of 3.0%. The Company made the adjustment in according to laws and regulations.

(3) In accordance with the “Climate Change Response Act” and three subordinate regulations were announced, for emitters with direct and indirect emissions exceeding a certain threshold, carbon fees will be levied starting in 2025. The Company's emission levels have not yet exceed applicable thresholds pursuant to the current regulatory requirements, will continue to monitor the latest government announcements and policies.

5.6.5 Risks Associated with Changes in Technology and Industry

(1) The technology of semiconductor industry was improving rapidly. The Company handled the need of the clients by collecting and analyzing market information, actively innovating and developing technology, strengthen our packaging and testing capabilities, avoid the impact of change in technology to the Company’s operation. Due to the Company’s product differentiate the market with other major package and testing companies, we insist on providing clients our excellent services and improve the operational efficiency and reduce costs for the projects to maintain the market competitiveness.

(2) Regarding information security, the Company has an Information Security Policy in place to provide a basis for management. The policy provides effective control and clear definitions of roles and management responsibilities. The interdepartmental and interdisciplinary Information Security Committee was created for the purpose of promoting information security management on an ongoing basis to ensure the information security management mechanisms work properly.

(3) Global information security incidents are frequent. The Company's information security team will also pay close attention to various information security incidents at any time, and take relevant preventive measures in a timely manner to reduce the impact of information security risks on the Company's operations. The Company has committed to improving overall information security maturity, to requiring employees to comply with relevant network information security regulations through regular announcements and to complete information security awareness education and training, and implement email social engineering walkthroughs.

5.6.6 Changes in Corporate Reputation and Impact on the Company’s Crisis Management

The Company bears the core faith of innovative, proactive, integrity, down-to-earth, and sharing excellence for fifty years. For the implementation about the CSR and corporate image, please refer to page 29~43 in this Annual Report.

5.6.7 Risks Associated with Mergers and Acquisitions

In 2025 and as of the date of this Annual Report, the Company had not conducted any merger or acquisition.

5.6.8 Risks Associated with Capacity Expansion or Construction of New Factory

For Capacity Expansion, the Company will closely monitor the market trends, ensure the capacity utilization is effective, and evaluate based on actual market demand and customer requirements.

5.6.9 Risks Associated with Sales Concentration & Purchasing Concentration

The Company with the policy of disperse the source of suppliers. The Company set the scheduled evaluation and selects new suppliers and alternative materials that meet the criteria of the Company's quality and environmental management system. For main raw materials, we established more than 2 alternative suppliers to ensure the supply of raw materials for mass production and to reduce the risk of purchasing with singular source simultaneously. In addition, we build up the geographic location data of the source of suppliers and quickly grasp and reduce the impact of regional natural disasters in the supply of raw materials in the future.

In 2025, there are two customers whose sales percentage accounted for over 10% of the Company. The Company actively expands customers in various application fields, e.g., memory, NB, communication, automotive and consumer electronics, etc. Meanwhile, through continuously enhancing the flexibility of capacity allocation, the Company can lessen the impact from fluctuations in the global economy and spread risks.

5.6.10 Potential Impact and Risks Associated with Sales of Significant Numbers of Shares by the company's Directors, or Shareholders Who Own 10% or More of the company's Total Outstanding Shares

The value of the Company shareholders' investment may be reduced by possible future sales of the Company shares owned by major shareholders. As of the date of this Annual Report, no single shareholder owned 10% or more of the Company's total outstanding shares.

The share transfer of the Company's directors and managers have been reported based on official regulations and laws. Meanwhile, there is no significant share transfer activity.

5.6.11 Risks Associated with Change in Management: No such condition.

5.6.12 Litigation or Non-litigation Matters: None.

5.6.13 Other Major Risks

Please refer to 5.6.5 Risks Associated with Changes in Technology and Industry on page 76 in this annual report.

5.7 Other Important Matters: None.

VI. Special Disclosure

6.1 Summary of Affiliated Companies

6.1.1 Business Report of Affiliated Companies

The Company's 2025 Consolidated Business Report of Affiliates has been announced at the Market Observation Post System (MOPS). For the related information, please refer to the MOPS website

Path: MOPS/ Listed Companies / Basic Information / Electronic Books / Three Books and Tables for Related Enterprises.

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.2 Consolidated Financial Statements of Affiliated Companies

Please refer to the Representation Letter on page 2 in the Consolidated Financial Statements of the Company.

6.1.3 Affiliation Report: None

6.2 Private Placement Securities in the Most Recent Years and as of the Date of this Annual Report: None

6.3 Other Necessary Supplement: None.

VII. Any Events in the most recent year and as of the Date of this Annual Report that Had Material Impacts on Shareholders' Interest or Securities Prices as Stated in Subparagraph 2, Paragraph 3 of Article 36 of the Securities and Exchange Act of Taiwan:

Upon the expiry of the directors' terms of office, a re-election was conducted at the shareholders' meeting held on May 29, 2025. As a result, more than one-third of the Board of Directors was changed.

LINGSEN PRECISION INDUSTRIES, LTD.

Chairman: YEH, SHU-CHYUAN