

Corporate Governance Operation Status:

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Does Company follow the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	V		The Company has formulated the code of practice, which is reviewed one article after another according to the Corporate Governance Code of Practice and formulated in accordance with the templates and measures promulgated by the competent authority. For the Company’s corporate governance code of practice, please visit the official site of the Company.	No major difference
II. Company's ownership structure and shareholders' equity				
(I) Does the company establish and implement internal procedures for handling shareholder suggestions, questions, disputes and litigations?	V		The Company has established a mechanism for spokespersons and acting spokespersons and as well as an investor mailbox. The spokespersons and acting spokespersons will handle relevant shareholder issues. If legal issues are involved, legal counsel will handle them.	No major difference
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	V		The Company’s stock affairs are handled by the entrusted stock affairs agency, which reports monthly on matters related to the number of shares held by directors and major shareholders holding 5% of the shares, increase or decrease in pledges, and other stock matters.	No major difference
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliated companies?	V		The company and its affiliates have clear regulations on the management of personnel and assets between them, and have a dedicated agency to implement effective risk control and firewall mechanisms through the implementation of internal control and internal audit systems.	No major difference
(IV) Does the Company have internal regulations prohibiting company insiders from using undisclosed information in the market to buy or sell securities?	V		The company has established “Procedures for Management of Material Internal Information Processing and Insider Trading Prevention” and prohibits insiders of the Company from taking advantage of information unpublished at the market to transact any securities. In order to strengthen corporate governance and prevent insider trading in advance, it is stipulated that directors shall not trade their stocks during the closed period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report.	No major difference
III. Composition and responsibility of board of directors				
(I) Does the board of directors formulate a diversity policy, specific goals for management and achieve proper implementation?	V		Please refer to the Board of Directors information (II) in this annual report (Page 7) regarding the diversification and independence of the board.	No major difference
(II) Besides establishing the Compensation Committee and Audit Committee in accordance with the law, has the Company voluntarily set up other functional committees?	V		Apart from the Remuneration Committee and Audit Committee, the Company has assembled other functional committees at its own discretion.	No major difference
(III) Has the Company established a set of policies and assessment tools to evaluate the board’s performance? Is performance evaluated regularly at least on an annual basis? In addition, has the result of the performance assessment been submitted to the board of directors’ meeting and used as reference for the remuneration and nomination or reelection of individual directors?	V		The Company has formulated the performance evaluation and assessment guidelines of the board of directors and it is stipulated that it shall be carried out at least once a year. If necessary, an external professional independent organization or an external team of experts and scholars can be appointed to perform such evaluation and assessment. On March 11, 2025, the Company's Board of Directors submitted the 2024 Board of Directors' performance evaluation report and used the evaluation results as a reference for selecting or nominating directors. The performance evaluation results of individual directors were also used as a reference for determining their individual remuneration and nomination for reappointment. The overall result of the performance evaluation was mainly “good.”	No major difference
(IV) Are external auditors’	V		The Company's finance department assesses the	No major

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independence assessed on a regular basis?			independence and competency of CPAs every year, and requires CPAs to issue "Declaration of Independence" and "Audit Quality Indicators (AQIs)" in accordance with the standards of (Note 1) and 13 AQI's indicators for evaluation. After confirming that the auditors have no other financial interests and business relationships with the Company except for the fees and financial and tax cases, and that the auditor's family members do not violate the independence requirements, the evaluation results for the most recent year have been discussed and approved by the Audit Committee on December 25, 2024, and submitted to the Board of Directors for a resolution to approve the auditor's independence and suitability evaluation.	difference
IV. Does the listed company have an appropriate number of qualified corporate governance personnel and has designated a corporate governance supervisor to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with information necessary to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings, etc.)?	V		Based on the approval by the board of directors on November 13, 2020, the Company has designated the CFO as the head of corporate governance, whose major responsibilities are to provide the directors with the information they need to perform their business, assist the directors in complying with laws and regulations and supervise and handle matters related to the board of directors and shareholders' meeting according to the laws. According to the "TWSE Listed Company Board Establishment and Exercise of Powers Requirements", the newly appointed corporate governance supervisor shall attend 18 hours of initial training within one year of assuming the position, and thereafter, shall continue with 12 hours of ongoing training annually. Further education in 2024 (Note 2) The 2024 business implementation status was as follows: 1. Assist independent directors to perform job duties, provide necessary documents and arrange the training for the directors. 2. Assist with the legal compliance of board of directors' meeting and shareholders' meeting procedure and resolution. 3. Maintain investor relationship. 4. Notify the directors seven days prior to the convening of the meeting of board of directors, convene the meeting and provide the meeting materials. For any issues in the agenda that require recusal, a reminder will be made in advance and complete the minutes of meeting of the board of directors within 20 days after the conclusion of the meeting. 5. To register the date of the shareholders' meeting in advance in accordance with the law, prepare the meeting notice, meeting manual, and meeting minutes within the statutory period, and handle change registration matters when the Articles of Incorporation are revised or the directors are re-elected.	No major difference
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder area on the Company's website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?	V		The Company has established the position of spokesperson and the mailbox, and has set up a section for interested parties on the Company's official site to maintain a smooth communication channel with stakeholders and properly respond to important issues of interest to stakeholders; as well as external reporting channels and handling staff, etc. (Note 3)	No major difference
VI. Has the Company commissioned professional stock agency institution to handle shareholders' meeting affairs?	V		The Company commissioned professional stock agency institution to handle shareholders' meeting affairs.	No major difference

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VII. Information disclosure				
(I) Does the Company have a website to disclose its financial, business and corporate governance information?	V		The Company has set up a website and has a dedicated person responsible for maintaining and updating information, as well as disclosing information related to financial business and corporate governance in real time. The link of the site: www.tsgroup.com.tw	No major difference
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, placing information on the Company's website during corporate briefings, etc.)?	V		The Company has established Chinese and English websites and designated a person to be responsible for information collection, updating, maintenance and disclosure. In addition, a spokesperson system has been implemented and two corporate briefings were held in 2024. The relevant process has been disclosed on the Company's website for reference.	No major difference
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	V		The Company announced and submitted the 2024 annual financial reports on March 11, 2025, and the submission was completed within the prescribed time limit. The financial reports for the first, second and third quarters and the operating status of each month are announced and reported within the prescribed time limit.	No major difference
VIII. Is there any other material information (including but not limited to employee rights, employee care, supplier relations, stakeholder rights, further education for directors and supervisors, the status of implementation of the risk management policy and risk measurement measures, the status of implementation of the customer policy, and the purchase of liability insurance for directors and supervisors) that will help stakeholders understand governance practices at the company?	V		<p>1. Employee rights and welfare: The Company's personnel policies comply with labor laws and regulations, and it has established Welfare Committee to ensure compliance. The Company provides employees with multiple communication channels to ensure timely and transparent information dissemination. Employees participate in collective oversight and management to safeguard their welfare and rights, serving as a basis for the Company's improvement efforts.</p> <p>2. Investor relations: The Company in a timely manner announces financial, business and material information on the Company's official site and MOPS, so that investors can fully understand and designate the dedicated personnel responsible for handling shareholder suggestions and answering questions.</p> <p>3. Supplier relations: we maintain a sound relationship with suppliers.</p> <p>4. Rights of interested parties: in order to protect the rights and interests of interested parties, the Company has established various sound communication channels and handles them properly with the principle of good faith and bears proper responsibilities to maintain their legitimate rights and interests.</p> <p>5. Directors' further education: (Note 4)</p> <p>6. Implementation of risk management policies and risk measurement standards: the Company formulates various internal regulations according to law, and conducts various risk management and assessments.</p> <p>7. Performance of the customer policy: we maintain a steady and sound relationship with customers.</p> <p>8. Purchases of liability insurance for directors by the Company: the Company has purchased liability insurance for directors and reported it to the Board of Directors on March 11, 2025.</p>	No major difference

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IX. Please explain the improvements based on the recent corporate governance evaluation results released by the Taiwan Stock Exchange Corporate Governance Center. Also, identify priority areas for strengthening measures for those aspects that have not yet been improved. (Waived for those not listed as the company under evaluation for the corporate governance evaluation) The summary is as follows: Improvement: 1. The Company shall upload the annual financial reports disclosed in English 16 days before the shareholders' meeting. 2. The Company's annual report clearly outlines its dividend policy. Matters not yet improved and prioritized for improvement: 1. The Company shall establish and disclose on its website internal rules prohibiting directors, employees and other insiders from using undisclosed information in the market to buy or sell securities, including (but not limited to) that directors shall not trade their stocks during the closed period of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report. 2. The sustainability report prepared by the Company is submitted to the Board of Directors for approval. 3. The Company has established an employee training and development plans to enhance employees' career capabilities and discloses the content and implementation status. 4. The Company conducts employee satisfaction surveys on a regular basis, and discloses the status and improvement plans.				

(Note 1) Evaluation criteria for independence of auditors.

Assessment Item		Evaluation result	Requirements of independence met?
1	Does the CPA have direct or material indirect financial interest relationship with the Company?	No	Yes
2	Does the CPA engage in financing or guarantee actions with the Company?	No	Yes
3	Does the CPA have any close business relationship and potential employment relationship with the Company?	No	Yes
4	Does the CPA and his/her audit team members have served as directors, officers or any other positions that have a significant influence on the audit work in the Company at present or in the last two fiscal years?	No	Yes
5	Does the CPA provide the Company with any non-audit service items that may directly affect the audit work?	No	Yes
6	Does the CPA perform any brokerage the stocks or other securities issued by the Company?	No	Yes
7	Does the CPA act as the Company's attorney or coordinate to resolve conflicts with any other third parties on behalf of the Company?	No	Yes
8	Does the CPA has any kinship with any of the Company's directors, officers or personnel with positions that have a significant impact on the audit work?	No	Yes

(Note 2) Corporate governance supervisors' training status

Date of Training	Organizer	Course Name	Training Hours	Total training hours of the year
March 8, 2024	Taiwan Stock Exchange Corporation	2024 Corporate Governance Evaluation and Promotion Course	3	21
March 22, 2024	Taiwan Stock Exchange Corporation	Creating a new carbon era with sustainable knowledge	3	
July 3, 2024	Taiwan Stock Exchange Corporation	2024 Cathay United Bank's Sustainable Finance and Climate Change Summit	6	
September 6, 2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3	
November 7, 2024	Taiwan Stock Exchange Corporation	Publicity meeting on the preparation and production function of the sustainability report of listed companies	3	
December 4, 2024	Securities and Futures Institute	Sustainable Development Committee and Sustainable Development Seminar	3	

Note: Corporate Governance Director - Hsiu-Chi Chen was first appointed on July 1, 2023. According to Article 24 of the "Operation Directions for Establishment of Board of Directors by TWSE Listed Companies and Exercise of Powers", the Corporate Governance Director should take at least 12 hours of advanced study every year, in addition to taking at least 18 hours of advanced study within one year from the date of taking up this position.

(Note 3) Identity of stakeholders, key issues of concern, communication channels

Interested parties	Issues concerned	Communication channels	Response method and communication frequency
Shareholders	1. Corporate governance 2. Operating performance 3. Shareholders participation	Contact person: Spokesperson General Manager Chen Tel: (02)2509-0036 Email: tstcomp@tsigroup.com.tw	1. Announcement of important information from time to time 2. At least one corporate briefing every year 3. Monthly operating income announcement 4. Regularly announce financial reports and annual reports 5. Hold a regular shareholders meeting once a year
Customers	1. Corporate governance 2. Service quality 3. Customer protection and communication	Contact person: Spokesperson General Manager Chen Tel: (02)2509-0036 Email: tstcomp@tsigroup.com.tw	1. Regularly communicate the integrity management policy 2. Irregular announcements of important information 3. At least one corporate briefing session per year
Suppliers	1. Corporate image 2. HSE 3. Supplier management 4. Supplier communication channels	Contact person: Mr. Wei of Management Department/ Mr. Kuo of Construction Business Department Tel: (02)2509-0036 Email: service@tsigroup.com.tw	1. Review and revise regulations every quarter 2. Visit the factory irregularly 3. Evaluation at least once a year
Employees	1. Employee benefits 2. Labor-management relations 3. Operating performance	Contact person: Assistant Manager Lin of Chairman's Office Tel: (02)2509-0036 Email: vivian.lin@tsigroup.com.tw	1. Regularly review health checks, group insurance, various subsidies, etc. 2. Pre-employment training for new employees, education and training for on-the-job employees, and irregular health lectures 3. Hold labor-management meetings once a quarter 4. Convene the Welfare Committee meeting once a quarter
Competent authority	1. Legal compliance 2. Corporate governance 3. Risk management 4. Communication with competent authorities	Contact person: Assistant Manager Lin of the Finance Department/ Ms. Yeh of the Management Department Tel: (02)2509-0036 Email: tstcomp@tsigroup.com.tw	1. Regular review and revision of regulations 2. Participate in policy discussions of competent authorities from time to time 3. Discussions and revisions of relevant laws and regulations 4. Cooperate with the competent authorities in supervision and inspection
Local community	1. Waste management 2. Water resource management 3. Energy and emissions 4. Community care	Contact person: Mr. Wei of the Management Department Tel: (02)2509-0036 Email: service@tsigroup.com.tw	1. Disclose and promote information on the official website from time to time 2. Communicate with the building management committee from time to time 3. Irregular telephone communication
Media	1. Corporate image 2. Operational financial performance 3. Corporate governance and anti-corruption	Contact person: Spokesperson General Manager Chen Tel: (02)2509-0036 Email: tstcomp@tsigroup.com.tw	1. Disclose and promote information on the official website from time to time 2. Irregular telephone communication 3. At least one corporate briefing session per year

(Note 4) Directors' continuing education: The directors of the Company participated in continuing education courses in accordance with the provisions of the "Templates for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies" issued by the Taiwan Stock Exchange Corporation and received completion certificates.

Job title	Name	Date of Training	Organizer	Course Name	Training Hours
Chairman	Chun-Fa Huang	August 9, 2024	Taiwan Investor Relations Institute	Practical analysis of the new version of corporate governance and board performance evaluation in 2024	3
		November 11, 2024		Taiwan's future under the US-China conflict	3
Vice Chairman	Ming-Tan Hsu	June 3, 2024	Taiwan Securities and Futures Institute	Institutional Investors' Perspectives Forum	3
		September 6, 2024		2024 Annual Insider Trading Prevention Promotion Conference	3
Director	Wei-Te Hsu	March 22, 2024	CDP Taiwan Conference	Creating a new carbon era advocacy conference with sustainable knowledge	3
		June 3, 2024	Taiwan Securities and Futures Institute	Institutional Investors' Perspectives Forum	3
Director	Chun-Tsao Huang	August 1, 2024	Taiwan Securities and Futures Institute	Economic Situation and Market Opportunities of New Southbound Countries	3
		August 9, 2024	Taiwan Investor Relations Institute	Practical analysis of the new version of corporate governance and board performance evaluation in 2024	3

Job title	Name	Date of Training	Organizer	Course Name	Training Hours
Independent Director	Sheng-Yu Liang	September 13, 2024	The Institute of Internal Auditors - Chinese Taiwan	How to use Excel functions to improve audit and financial efficiency practical workshop	6
Independent Director	Chui-Ming Peng	July 18, 2024	Taiwan Securities and Futures Institute	Opportunities and challenges for Taiwan's industrial transformation under geopolitics - exclusive analysis by PMI/NMI	3
		September 19, 2024		Sustainable supply strategy amidst the surge in global risks	3
Independent Director	Jui-Hsiang Huang	July 3, 2024	Taiwan Stock Exchange	2024 Cathay United Bank's Sustainable Finance and Climate Change Summit	6