

Corporate Governance Operation Status and Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons:

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, who reports on the number of shares held by directors and major shareholders holding 5% of the total shares issued, pledge increase or decrease and other shareholding matters on a monthly basis.	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

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Besides establishing the Compensation Committee and Audit Committee in accordance with the law, has the Company voluntarily set up other functional committees?	V		In addition to establishing a Remuneration Committee and an Audit Committee as required by law, the Company has also established a Sustainable Development Committee.	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, 2026, the Company's Board of Directors submitted the 2025 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' independence assessed on a regular basis?	V		The Company's finance department assesses the 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 26, 2025, and submitted to the Board of Directors for a resolution to approve the auditor's independence and suitability evaluation.	No major 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	V		Pursuant to a resolution of the Board of Directors on November 13, 2020, the Company has established the position of Corporate Governance Officer. The primary responsibilities include providing directors with the information necessary for the performance of their duties, assisting directors in complying with laws and	No major difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
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.)?			<p>regulations, and supervising and handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with applicable laws.</p> <p>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. Status of continuing education of 2025 (Note 2)</p> <p>2025 Implementation status:</p> <p>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.</p>	
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 a spokesperson position and email address, and has created a stakeholder section on its website to maintain open communication channels with stakeholders and respond appropriately to their key concerns. It also has internal and external whistleblowing channels and designated case officers. Communication with stakeholders was reported to the Board of Directors on August 13, 2026. (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

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
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 establish 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 2025. 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 2025 annual financial reports on March 11, 2026, 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		<ol style="list-style-type: none"> 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. 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. 3. Supplier relations: we maintain a sound relationship with suppliers. 4. Rights of interested parties: in order to protect the rights and interests of interested 	No major difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>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, 2026.</p>	
<p>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:</p> <p>Improvement:</p> <ol style="list-style-type: none"> 1. The sustainability report prepared by the Company has been submitted to the Board of Directors for approval. 2. The Company has established an employee training and development plans to enhance employees' career capabilities and discloses the content and implementation status. 3. The Company conducts employee satisfaction surveys on a regular basis, and discloses the status and improvement plans. <p>Matters not yet improved and prioritized for improvement:</p> <ol style="list-style-type: none"> 1. There is at least one director of a different gender on the Board of Directors. 2. The Company discloses the total weight of waste disposed of in the past two years. 				