



Stock Code: 2338

# Taiwan Mask Corporation

## 2024 Annual Report

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<https://www.tmcnet.com.tw/tw/Investors/AnnualReports>

- I. Spokesperson of the Company  
Name: Eve Yang  
Job title: Chief Financial Officer  
Telephone: (03)563-4370  
Email: eve\_yang@tmcnet.com.tw  
  
Acting Spokesperson:  
Name: LC Lin  
Job title: Director, IT Department  
Telephone: (03)563-4370  
Email: lclin@tmcnet.com.tw
- II. Headquarters, branch office, factory address and telephone  
Headquarters: No. 11, Innovation Rd.1, Science-Based Industrial Park, Hsinchu  
Branch office: None  
Factory: No. 11, Innovation Rd.1, Science-Based Industrial Park, Hsinchu  
Telephone: (03)563-4370  
Fax: (03)578-0752
- III. Stock transfer agent  
Name: Shareholder Services Department of Grand Fortune Securities  
Address: 6F., No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City  
Website: <https://www.gfortune.com.tw/Static/股務代理部/index.html>  
Telephone: (02)2371-1658
- IV. Certified Public Accountant (CPA) and firm for the latest financial report  
Name: Ya-Hui Cheng (CPA), Chien-Yu Liu (CPA)  
Accounting Firm: PricewaterhouseCoopers Taiwan  
Address: 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City  
Website: <https://www.pwc.com.tw>  
Telephone: (02)2729-6666
- V. Name of overseas exchange where securities are listed, and method of inquiry:  
Not applicable.
- VI. Company's website: <http://www.tmcnet.com.tw>

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# One. Report to Shareholders

To begin with, I would like to express my appreciation to all shareholders for their support. The global economic growth in 2024 is affected by the international situation, geopolitical conflicts and uncertainties, as well as inflation, which affects the fluctuation of energy and raw material prices, making the recovery of the consumer market uncertain. However, the continued development of AI, high-performance computing and cloud services has been driving the growth of related supply chains such as logic chips, memory and advanced packaging technologies. The global semiconductor market is expected to continue to grow by more than double digits in 2025. Overall, the difference between semiconductor process technologies and applications will result in a different end demand. In this regard, TMC has a stable deployment to plan for new capacity and new technologies in response to overall needs in a timely and appropriate manner, so as to grow together with strategic partners. At the same time, we will continue to strengthen operational management efficiency, deepen customer relationship management and services, and continue to grow together with strategic customers.

The operating results of TMC for 2024 are summarized as follows:

## Operation and Finance

Faced with a global semiconductor market downturn, TMC, through expanding its photomask foundry services for strategic partners and the concerted efforts of its management team and all employees, still maintained steady operational growth in 2024. The annual consolidated revenue of TMC reached NT\$7.56 billion, a 5% increase compared to the previous year. However, impacted by delays in the technology and product transformation of its subsidiaries, TMC recognized operating losses from its subsidiaries, resulting in a net loss after tax of NT\$786 million for the current period. In response to this, the Group has actively reorganized its resources and established effective allocation strategies to strengthen the photomask core business, continuously improve the quality and delivery time of 65/55nm photomask products, deepen partnerships with key customers, proactively expand the 40nm photomask customer base, and deploy 12-inch high-end and 28nm photomask production capacity.

### 1. 2024 consolidated revenue and net income, and the comparison with 2023:

Unit: NT\$ Thousand

Items	2023	2024	Growth rate
Operating income	7,199,935	7,561,749	5%
Net income (loss)	164,284	(786,011)	-578%

### 2. Profitability analysis

Unit: NT\$ Thousand

Items	2023	2024	Growth rate
Gross profit	1,836,369	1,421,687	-23%
Operating profit	748,631	221,394	-70%
Pre-tax profit	445,800	(666,049)	-249%
Net income	164,284	(786,011)	-578%
Basic after-tax EPS	1.75	(2.21)	-226%

## **Technology research and development**

Based on the customer demands in the market and technology progress, TMC gradually expands the capacity of 65/55/40/28nm key production machines according to the market demand, deepens the manufacturing technology service capability, progressively passes the certifications of customers and introduces mass production one by one; it invested in the development of technologies and capacity of 28nm photomasks in 2024 to strengthen technology service capability.

## **Production and manufacturing service**

In the establishment of real-time B2B, TMC provides more immediate, accurate and traceable information to FABs, to facilitate customers' convenient and real-time WIP management, assist customers in supplier management, and increase customer trust.

In addition, the Company builds new capacity in a timely manner to increase the production ability, and apply it to the needs of advanced photomasks, for optimizing orders, achieving a balance between production and sales, and maximizing profits. In the future, we will continue to make sound investments to deploy new production capacity position, continuously increases production value and efficiency as the feedback to shareholders. In addition, each subsidiary performs manufacturing and other related services according to its business nature, and continues to expand its operations and improve its quality and manufacturing service capabilities through effective management in order to strengthen its competitive edge in the market.

## **Summary of 2025 Business Plan**

1. Strengthen the core business of the Company, continue to work closely with strategic customers, and deepen customer cooperation. In line with the technological advancements of strategic customers, the Company has completed the mass production of 40nm photomasks and has successively obtained customer certifications for 28nm photomasks. Furthermore, based on long-term market demand, the Company continues to deploy high level photomask production capacity, aiming to expand customer certification and mass production timelines, thereby fostering sustained growth with strategic customers.
2. On the operational front, the Company continues to establish and utilize AI-powered analysis and classification models to build a traceability mechanism for rapid and effective production improvements, thereby enhancing yield rates, shortening delivery time, and reasonably controlling costs, ultimately increasing capacity utilization and optimizing order intake to improve company profitability.
3. Continuous implementation of sustainable development:  
TMC adheres to the business philosophy of "Respect for the sky, love for people, and protect the planet". We pursue sustainable development with energy creation and energy conservation. By focusing on core business development, managing the Group's total resources, aiming at innovation and sustainability, and working with strategic customers, suppliers, subsidiaries of the Group, and stakeholders to integrate resources, we will continue to implement sustainable

development.

4. Integration of Group Synergies:

To enhance group synergies, the Company aims to establish a strategic mechanism and system characterized by speed, flexibility, and agility. This will enable the Company to adaptively adjust the allocation of group resources and the operational strategies of its investees in response to geopolitical and market uncertainties, as well as to expedite the transformation and support the successful operational turnaround of its subsidiaries.

**Future development strategies, impact of the competitive environment, regulatory environment, and the overall business environment**

1. Future development strategies

The Company continues to heighten its operations capability and deepen its customer service for its core business of photomask. Due to the alignment technology requirements of integrated circuits, Optical Proximity Correction Mask (OPC) and PSM (Phase Shift Mask) are widely used in 8" and 12" foundries due to the alignment technology of ICs, and they vary with the equipment and technology of each foundry. These require close cooperation with the foundry to produce products and services required by customers.

Therefore, it is our development strategy to establish and deepen good mutual cooperation with foundries, and become the cooperation partner of strategic customers, and to increase the proportion of related sales.

2. Impact of the competitive environment, regulatory environment, and the overall business environment

There is a close relationship between the development of the photomask industry and semiconductor industry. In recent years, the markets and applications of 5G and 6G, AI, IOT, automotive electronics, high-speed computing and energy-saving continue to grow, thus driving the prosperity of the semiconductor and related industries. The protectionism and geopolitics in many countries have brought about new business opportunities and growth, despite the impact and increased uncertainty. TMC increased its production capacity in a timely and appropriate manner, and steadily and progressively invested in new facilities to develop new technologies to assist customers and develop with them for mutual benefit.

Best wishes to all valued shareholders.

**Chairperson: Sean Chen**



## Two. Corporate Governance Report

### I. Profile of directors, president and vice president

#### (I) Information on present and vice presidents

March 30, 2025

Job title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Shares held by spouse, underage dependents		Shares held in the names of others		Main career (academic) backgrounds	Concurrent Position in Other Companies	Managers who are Spouse or Blood Relatives Within the Second Degree			Note
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Chief Executive Officer and President (Note 1)	Republic of China	Lidon Chen	Male	109/1/15	3,750,000	1.46%	0	0.00%	-	-	Master's, Department of Atmospheric Sciences, National Central University General Manager of Xintec Inc. General Manager of DelSolar Co., Ltd.	Chairperson, TrueLight Corporation Chairperson, YLTLINK Technology Corporation Chairperson, Xsense Technology Corporation Director, Yo-Juang Investment Corporation Director of Digital-Can Tech. Co., Ltd. Director, Aptos Technology INC. Director of Weida Hi-Tech Co., Ltd. Director of Moment Semiconductor, Inc. Director, Pilot Qiangxiang Co., Ltd. Chairperson, Taiwan Mask Charity Foundation	-	-	-	Note 2
Senior Deputy General Manager and Group Chief Financial Officer	Republic of China	Eve Yang	Female	109/3/17	1,953,000	0.76%	0	0.00%	-	-	MBA, University of North Alabama, USA Vice President of Finance, FOCl Fiber Optic Communications, Inc.	Chairperson, Youe Chung Capital Corporation Director of Digital-Can Tech. Co., Ltd. Director, Xsense Technology Corporation Director, TrueLight Corporation	-	-	-	Note 2
Chief Operating Officer	Republic of China	Nester Huang	Male	109/2/20	1,643,000	0.64%	0	0.00%	-	-	Bachelor degree, Department of Applied Physics, Tunghai University Director of Manufacturing (Back-end processes), Micron Technology, Inc. General Manager, JCET Group Co., Ltd.	Chairperson of Digital-Can Tech. Co., Ltd. Chairperson, Aptos Technology INC. Director, Innova Vision INC.	-	-	-	Note 2
Vice President	Republic of China	Chaucer Chung	Male	112/08/04	300,000	0.12%	1,000	0.00%	-	-	Department of Physics, Fu Jen Catholic University - Master's Degree Manager of PIE/MQR Dept., TSMC Chief of Operations Division, Japan Factory, Hon Hai Precision	Director, Yo-Juang Investment Corporation	-	-	-	Note 2

Note: There are no situations where the aforementioned personnel are the same person as the Chairperson, or is a spouse or first-degree relative of the Chairperson.

Note 1: The Board of Directors approved the appointment of Mr. Lidon Chen as the CEO and President of the Company on November 16, 2024.

Note 2: Acting as a director/Chairperson as the legal representative



(II) Profile of directors and independent directors

March 30, 2025

Job title	Nationality or Place of Registration	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) backgrounds	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relationship	
Chairperson	Republic of China	Sean Chen	Male 58	112/5/24	3 Years	109/3/18	2,000,000	0.78%	2,000,000	0.78%	754,000	0.29%	-	-	Director, Tachun Venture Capital Co., Ltd. Chief Executive Officer, xFuture Ltd. GLMS Group (NTT Com Asia Partner) Executive Vice President Director of Business Unit, AVerMedia Technologies, Inc. CEO and Co-founder, Goosean Media Inc. Assistant Vice President, Sales Consultation, Oracle Corporation Asia Pacific, Greater China region IT Manager, Taiwan Semiconductor Manufacturing Company, Ltd.	Chairperson, Taiwan Mask Corporation Chairperson, Jaas data inc. Chairperson, Miracle Technology Co., Ltd. Director, Xsense Technology Corporation Director, BKS Tec Corp.				Note 2
Director	Republic of China	Lidon Chen	Male 61	112/5/24	3 Years	109/3/18	2,750,000	1.07%	3,750,000	1.46%	-	-	-	-	Master's, Department of Atmospheric Sciences, National Central University General Manager of Xintec Inc. General Manager of DelSolar Co., Ltd.	Director, CEO and President of Taiwan Mask Corporation Chairperson, TrueLight Corporation Chairperson, YLTLINK Technology Corporation Chairperson, Xsense Technology Corporation Director, Yo-Juang Investment Corporation Director of Digital-Can Tech. Co., Ltd. Director, Aptos Technology INC. Director of Weida Hi-Tech Co., Ltd. Director of Moment Semiconductor, Inc. Director, Pilot Qiangxiang Co., Ltd. Chairperson, Taiwan Mask Charity Foundation				- Note 2
Director	Republic of China	Chao-Yi Wu	Female 42	112/5/24	3 Years	109/3/18	9,907,000	3.86%	10,458,000	4.08%	668,000	0.26%	-	-	Master's degree, Cornell University, USA Manufacturing and Engineering Department, Wintec Industries Inc. Management Department, Sinyi Realty Inc., Japan Account Manager, Browave Corporation President, Browave Corporation Japan	Chairperson, Taiwan Mask Corporation President, Browave Corporation Japan Director, Browave Corporation Chairperson, Ontario Capital Co., Ltd. Director, Taiwan Mask Charity Foundation Supervisor, Yu Jing Tang Co., Ltd.				
Director	Republic of China	Youe Chung Capital Corporation Representative: Ming-Chung Chang	Corporate Male 63	112/5/24	3 Years	112/5/24	36,731,440	14.32%	35,331,440	13.78%	-	-	-	-						
Director	Republic of China			112/5/24	3 Years	112/5/24	0	0%	0	0%	-	-	-	-	EMBA from National Central University Senior Vice President, Delta Electronics Co., Ltd. Director, Delta Electronics Co., Ltd. Director, Delta Electronics Foundation					

Note 1: None of the aforementioned personnel concurrently serve as both Chairperson and president or an equivalent position (manager at the highest level), nor are they spouses or first-degree relatives of the Chairperson.

Note 2: The representative is a juridical person who also serves as a director/Chairperson.

Job title	Nationality or Place of Registration	Name	Gender Age	Date elected/ appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) backgrounds	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job title	Name	Relation ship	
Independent Director	Republic of China	Wei-Chen Wang	Male 67	112/5/24	3 Years	110/7/05	-	-	-	-	-	-	-	-	Department of Accounting, National Chengchi University CPA, PwC Taiwan	Independent director, Taiwan Mask Corporation Independent director, ENNOSTAR Inc. Independent director, FEATURE INTEGRATION TECHNOLOGY INC. Independent director, Etron Technology CPA, Zhicheng Hexing CPA Firm	-	-	-	-
Independent Director	Republic of China	Huan-Kuei Cheng	Male 70	112/5/24	3 Years	110/7/05	6,051	0.00%	6,051	0.00%	-	-	-	-	Master of Business Administration, Saginaw Valley State University, Michigan, USA Director, National Chung-Shan Institute of Science and Technology Director, Browave Corporation Supervisor, National Chung-Shan Institute of Science and Technology Assistant Professor, Institute of Accounting, Soochow University	Independent director, Taiwan Mask Corporation Director, National Chung-Shan Institute of Science and Technology	-	-	-	-
Independent Director	Republic of China	Hui-Fen Chan	Female 56	112/5/24	3 Years	111/5/26	7,000	0.00%	0	0.00%	-	-	-	-	Master of Law, Boston University Bachelor of Law, National Taiwan University  Taiwan Attorney and New York State Attorney Qualification Chief Legal Officer, Altek Corporation Head of Legal Affairs, Siliconware Precision Partner Attorney, H. L. Partners Attorney, Lee and Li	Independent director, Taiwan Mask Corporation Independent director, ITEQ CORPORATION, Independent Director, iCatch Technology, Inc. Independent Director, Formosa I Wind Power Co., Ltd. (Note 2) Chairperson, Vision & Law Management Consulting Co., Ltd. Chairperson, Vision & Law Immigration Co. Ltd. Chairperson, KEEP ENLIGHTMENT MARKETING CORP.	-	-	-	-

Note:

1. There are no situations where the aforementioned personnel hold concurrent positions as the Chairperson and general manager or equivalent position (manager as the highest level), or is a spouse or first-degree relative of the Chairperson.
2. Formosa I Wind Power Co., Ltd. is not a public company.

(III) Major shareholders of corporate shareholders

March 30, 2025

Name of Corporate Shareholders	Majority corporate shareholders
Youe Chung Capital Corporation	Taiwan Mask Corporation (100%)

## (IV) Main shareholders of majority corporate shareholders

March 30, 2025

Name of Legal Person	Majority corporate shareholders
Taiwan Mask Corporation	Yo-Juang Investment Corporation (13.78%), Chao-Yi Wu (4.08%), Taiwan Mask Corporation (2.91%), Hui-Chen Lai Wu (1.98%), Lidon Chen (1.46%), Ontario Capital Co., Ltd. (1.3%), Ming-Chih Chou (1.13%), HannsTouch Holdings Company (0.93%), and Custody of a series of funds under Avant Star Fund Management Company by the Business Department of Standard Chartered International Commercial Bank (0.85%), Custody of the Vanguard Emerging Markets Stock Index Fund segregated account, managed by Vanguard Group, by the Business Department of Standard Chartered International Commercial Bank (0.82%)

## (V) Disclosure of professional qualifications of directors and independence of independent directors

February 28, 2025

Name \ Criteria	Professional qualifications and experience	Independence (Note 1)	Concurrently serving as an independent director in other publicly listed companies
Sean Chen	<ol style="list-style-type: none"> <li>1. Have more than 20 years of work experience in the area of commerce or otherwise necessary for the business of the Company.</li> <li>2. Experience in technology industry.</li> <li>3. Currently the Chairperson of Taiwan Mask Corporation.</li> <li>4. Not been a person of any conditions specified in Article 30 of the Company Act.</li> </ol>	Not applicable	None
Lidon Chen	<ol style="list-style-type: none"> <li>1. Have more than 20 years of work experience in the area of commerce or otherwise necessary for the business of the Company.</li> <li>2. Experience in semiconductor and photovoltaic industry.</li> <li>3. Currently serves as CEO, President and Director of Taiwan Mask Corporation and Chairperson of Taiwan Mask Charity Foundation.</li> <li>4. Not been a person of any conditions specified in Article 30 of the Company Act.</li> </ol>	Not applicable	None
Chao-Yi Wu	<ol style="list-style-type: none"> <li>1. Have more than 10 years of work experience in the area of commerce or otherwise necessary for the business of the Company.</li> <li>2. Experience in technology and real estate industry.</li> <li>3. Currently a director of Taiwan Mask Corporation and Taiwan Mask Charity Foundation.</li> </ol>	Not applicable	None

Name \ Criteria	Professional qualifications and experience	Independence (Note 1)	Concurrently serving as an independent director in other publicly listed companies
	4. Not been a person of any conditions specified in Article 30 of the Company Act.		
Representative, Yo-Juang Investment Corporation: Ming-Chung Chang	<ol style="list-style-type: none"> <li>1. Have more than 20 years of work experience in the area of commerce or otherwise necessary for the business of the Company.</li> <li>2. Experience in technology industry.</li> <li>3. Not been a person of any conditions specified in Article 30 of the Company Act.</li> </ol>	Not applicable	None
Wei-Chen Wang	<ol style="list-style-type: none"> <li>1. More than 20 years of accounting and auditing experience.</li> <li>2. CPA, PwC Taiwan</li> <li>3. Currently an independent director of Taiwan Mask Corporation and other publicly traded companies.</li> <li>4. Not been a person of any conditions specified in Article 30 of the Company Act.</li> </ol>	All independent directors meet the requirements set forth in Article 3, Item 1 of the "Regulations Governing the Appointment of Independent Directors of Publicly Listed Companies and Matters to be Complied with."	3
Huan-Kuei Cheng	<ol style="list-style-type: none"> <li>1. More than 20 years of auditing and corporate governance experience.</li> <li>2. Had worked as a university professor.</li> <li>3. Currently a director of National Chung-Shan Institute of Science and Technology and an independent director of Taiwan Mask Corporation.</li> <li>4. Not been a person of any conditions specified in Article 30 of the Company Act.</li> </ol>		0
Hui-Fen Chan	<ol style="list-style-type: none"> <li>1. More than 20 years of legal affairs and commerce experience.</li> <li>2. Taiwan Attorney and New York State Attorney Qualifications.</li> <li>3. Current an independent director of Taiwan Mask Corporation and other publicly traded companies.</li> <li>4. Not been a person of any conditions specified in Article 30 of the Company Act.</li> </ol>		3

Note 1: Status of independence: Including but not limited to whether the independent director, spouse or second-degree relatives are serving as directors, supervisors or employees of the Company or its affiliates; the number of shares and the shareholding percentage held by the independent director, spouse or second-degree relative (or in the name of others); whether the person is serving as a director, supervisor or employee of a

company that has a specific relationship with the Company; the independent director, spouse or second-degree relative have not provided the Company or its affiliates with business, legal, financial, accounting and other services to receive remuneration within the last 2 years.

(VI) Diversity and Independence of the Board of Directors

1. Diversity of the Board of Directors

The “Corporate Governance Best Practice Principles” defined that the composition of the Board should be diverse. In addition to limiting those who hold concurrent positions to no more than one-third of the total Board seats, and ensuring that female directors account for at least one-third, the diversity policy should be formulated based on the Company's operations, business activities and growth, and should include, but is not limited to the standards of the following two aspects:

- (1) Background and value: Gender, age, and more.
- (2) Professional background and skills and industry experience.

The Board’s diversity policy, specific management objectives, and the status of achievement:

Diversity policy and management objective	Achievement
There should be at least three independent directors, accounting no less than 1/5 of the board seats.	Achieved
The number of directors taking concurrent positions as the Company's managers shall not exceed 1/3 of the board seats.	Achieved
The number of female directors accounts for one-third of the Board seats.	To be elected in the next Board of Directors
Diversification of professional capabilities	Achieved

In 2024, the implementation of the diversity policy for Board members of the Company (including professional abilities, independence, and gender diversity) is as follows:

(1) Achievement of diversification of professional abilities

Core abilities Name	Basic composition								Business judgment ability	Accounting and financial analysis ability	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership ability	Decision-making ability
	Nationality	Gender	Employee	Age(years)			Seniority as an independent director									
				41-50	51-60	61-70	< 3 years	> 3 years								
Sean Chen	R.O.C	M		V				Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	
Lidon Chen		M	V		V			Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	
Chao-Yi Wu		F		V				Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent	
Ming-Chung Chang		M			V			Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	
Wei-Chen Wang		M			V		V	Excellent	Excellent	Excellent	Excellent	Good	Good	Excellent	Excellent	
Huan-Kuei Cheng		M			V		V	Excellent	Excellent	Excellent	Excellent	Good	Good	Excellent	Excellent	
Hui-Fen Chan		F			V		V	Excellent	Good	Excellent	Excellent	Good	Good	Excellent	Excellent	

(2) Implementation of independence and gender diversity

The Company's 13th Board of Directors consists of seven directors with a gender distribution: five (71%) of which were male directors and two (29%) female directors; in terms of independence, three are independent directors, accounting for 43% of the total number of seats on the Board; none of the three independent directors have served more than two terms.

2. Independence of the Board of Directors

The Company has three independent directors, who have more than one-third of the Board seats, all of whom are professionals with rich professional and industrial experience. Independent director Wei-Chen Wang is a CPA and has more than 20 years of practical experience in the industry, accounting, finance and auditing. Independent director Huan-Kuei Cheng was a director and supervisor of the National Chung-Shan Institute of Science and Technology and taught at a university; he also has rich experience in business, accounting, auditing, internal control, internal audit, corporate governance and industry. Independent director Hui-Fen Chan is a practicing attorney in Taiwan and New York State of the US, and has worked in the semiconductor industry; she also has extensive business, legal and industry experience. All three independent directors meet the qualifications specified in Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and

Compliance Matters for Public Companies”, including professional expertise, work experience, independence, and limits on the number of concurrent independent directorships. None of them fall under the circumstances specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

## II. Remuneration paid during the most recent fiscal year to directors of the Board (including independent directors), the general manager, and vice general managers

### (I) Remuneration for directors (including independent directors) Unit: NTD Thousand

Job title	Name	Director compensation							Proportion of Total Remuneration (A + B + C + D) out of Net Income (Note 10)		Compensation received as employee							The sum of A, B, C, D, E, F and G as a percentage of the net profit after tax (Note 10)		Related profit sharing from investees other than the subsidiaries or the parent company (Note 11)
		Compensation (A) (Note 2)		Pension (B)		Director remuneration (C) (Note 3)		Fees for services rendered (D)(Note 4)			Base Compensation, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Employee remuneration (G) (Note 6)					
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	From All Consolidated Entities (Note 7)		The Company	All companies included in the financial statements (Note 7)			
												Cash	Stock	Cash	Stock					
Chairperson	Sean Chen							30	30											
Director	Lidon Chen							30	30			5,344	5,344							
Director	Chao-Yi Wu							30	30	-0.03%	-0.03%									
Director	Representative, Yo-Juang Investment Corporation: Ming-Chung Chang							30	30											
Independent Director	Wei-Chen Wang	1,440	1,440					30	30											
Independent Director	Huan-Kuei Cheng	1,440	1,440					30	30											
Independent Director	Hui-Fen Chan	1,440	1,440					30	30	-0.93%	-0.93%									

Note:

1. The policy, system, standards and structure of remuneration payments to independent directors, and describe the relations between the responsibility, risk, time committed to the organization and other factors and the amount of remuneration to them.

(1) Director remuneration payment policy:

According to Article 23 of the Articles of Incorporation, the Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit for director remuneration. However, profits must first be taken to offset against cumulative losses, if any. Employee remuneration, as mentioned above, can be paid in cash or in shares. Qualified employees of subsidiaries are also included in the payment. Current year profit situation as mentioned in the preceding paragraph refers to the profit which is the current year's pre-tax profit before distribution of employee remuneration and director and supervisor remuneration. The distribution of employee and director remuneration shall be executed after the resolution approval at the Board meeting with more than two-thirds of directors attending and of more than half of the attending directors agreed and passed the resolution, and reported to the shareholders meeting.

(2) The remuneration standards and packages, the procedure for determining remuneration and its linkage to the Company's operating performance and future risks:

The remuneration of the Company's directors shall be determined by the Board of Directors, as authorized by the Articles of Incorporation, with reference to the extent of each director's participation in the Company's operations and his or her contribution, and with reference to the usual level of domestic and foreign industry payment standards. If the Company is



profitable, the board (including the Remuneration Committee) shall decide the amount of remuneration for directors in accordance with the Articles of Incorporation. Independent directors are ex-officio members of the Audit Committee. Considering their duties, risks and time commitment, they are paid reasonable remuneration in addition to the director remuneration they receive. According to the Company Charter, the Company shall distribute not more than 2% of the current year's profit situation for director remuneration. The proportion distributed by the Company is reasonable, in accordance to the Charter.

2. In addition to the disclosure shown in the above table, the remuneration received by the directors for their service provided to all companies listed in the financial reports in the most recent fiscal year: None.

(II) Remuneration range of directors (including independent directors)

Range of compensation paid to the Company's directors	Name of director			
	Sum of first 4 compensations (A+B+C+D)		Sum of first 7 compensations (A + B + C + D + E + F + G)	
	The Company (Note 8)	From All Consolidated Entities (Note 9) H	The Company (Note 8)	From All Consolidated Entities (Note 9) I
Below NT\$ 1,000,000	Chao-Yi Wu, Lidon Chen, Sean Chen, Ming-Chung Chang	Chao-Yi Wu, Lidon Chen, Sean Chen, Ming-Chung Chang	Chao-Yi Wu, Sean Chen, Ming-Chung Chang	Chao-Yi Wu, Sean Chen, Ming-Chung Chang
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Hui-Fen Chan, Huan-Kuei Cheng, Wei-Chen Wang	Hui-Fen Chan, Huan-Kuei Cheng, Wei-Chen Wang	Hui-Fen Chan, Huan-Kuei Cheng, Wei-Chen Wang	Hui-Fen Chan, Huan-Kuei Cheng, Wei-Chen Wang
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)			Lidon Chen	Lidon Chen
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$50,000,000 ~ NT\$99,999,999				
NT\$ 100,000,000 and above				
Total	7 people	7 people	7 people	7 people
Total	7 people	7 people	7 people	7 people

Note 1: The names of directors should be separately listed (legal person shareholder should list the name of the legal person and the representative separately), and the payment to each director and independent director should be summarized and disclosed.

Note 2: Refers to the remuneration of directors in the most recent year (including the salary, differential pay for the job, severance pay, various rewards, bonuses and others).

Note 3: Fill in the remuneration amount allocated to directors approved by the board meeting in the most recent year.

Note 4: Refers to the related business implementation expenses of directors in the most recent years (including transportation, special disbursement, various allowance, housing, cars and other tangibles). In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here.

Note 5: Refers to the salary, differential pay for the job, severance pay, various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles for the

directors taking concurrent positions as employees (including as the general manager, assistant general manager, other department managers or employees). In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS2 Share-based Payment, including obtaining employee stock options, restricted stock awards, participation in new share issuance through cash capital increase, should be included in the remuneration.

Note 6: Refers to those directors taking concurrent positions as employees (including as the general manager, assistant general manager, other department managers or employees) and receiving employee compensation (including stocks and cash) in the most recent year, of whom the allocated employee compensation approved by the board shall be disclosed. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year.

Note 7: The total amount of remunerations paid to directors of the Company by all companies (including the Company) shall be disclosed in the consolidated report.

Note 8: The total amount of various types of remunerations paid by the Company to each director and disclose the names in the specified range grades.

Note 9: The total amount of various types of remunerations paid by all companies (including the Company) in the consolidated report to each director should be disclosed. Disclose the names of directors in the specified range grades.

Note 10: The net income after tax refers to the number in the standalone financial report.

Note 11: a. This field should state the amount of remuneration paid to directors from non-consolidated affiliates or parent companies.

b. If a director of the Company receives a remuneration from non-consolidated affiliates or the parent company, the amount shall be included in Field I of the appropriate range grade, and the field name should be changed to "Parent company and all non-consolidated affiliates".

c. Remunerations refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the directors of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

\* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(III) Remuneration for President and Vice Presidents

Unit: NT\$ Thousand

Job title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and Allowances (C)(Note 3)		Employee remuneration (D) (Note 4)				Proportion (%) of Total Remuneration (A + B + C + D) out of Net Income (Note 8)		Whether receive remuneration from non-consolidated affiliates or the parent company (Note 9)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities (Note 5)	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	K.J. Wu (Note 1)													
Chief Executive Officer and General Manager	Lidon Chen											21,636	21,636	
Chief Operating Officer	Nester Huang	14,256	14,256	0	0	7,380	7,380	0	0	0	0	-4.58%	-4.58%	None
Chief Financial Officer	Eve Yang													
Vice President	Che-Pin Tseng (Note 2)													
Vice President	Chaucer Chung													

Note 1: K.J. Wu passed away on May 18, 2024, and received no remuneration.

Note 2: Che-Pin Tseng resigned from the position of Vice President on June 30, 2024.

(IV) Range of remuneration to President and Vice Presidents

Range of remuneration to the Company's President and Vice Presidents	Names of President and vice presidents	
	The Company (Note 6)	From All Consolidated Entities (Note 7) E
Below NT\$ 1,000,000		
NT\$1,000,000 ~ NT\$1,999,999	Che-Pin Tseng	Che-Pin Tseng
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999	Nester Huang, Eve Yang, Chaucer Chung	Nester Huang, Eve Yang, Chaucer Chung
NT\$5,000,000 ~ NT\$9,999,999	Chaucer Chung Lidon Chen	Chaucer Chung Lidon Chen
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		

Note 1: The names of general manager and assistant general managers should be separately listed and summarized to disclose the payment for each person.

- Note 2: Refers to the salary, differential pay for the job and severance of general manager and assistant general managers in the most recent year.
- Note 3: Refers to the various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles and other remunerations of general manager and assistant general managers in the most recent year. In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS2 Share-based Payment, including obtaining employee stock options, restricted stock awards, participation in new share issuance through cash capital increase, should be included in the remuneration.
- Note 4: Refers to the employee remuneration (including stocks and cash), approved by the board, to be allocated to the general manager and assistant general managers in the most recent year. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year.
- Note 5: The total amount of remunerations paid to the general manager and assistant general managers of the Company by all companies (including the Company) shall be disclosed in the consolidated report.
- Note 6: The total amount of various types of remunerations paid by the Company to the president and each vice president is disclosed by name within the specified pay grade. The amount disclosed in the table is the actual payment for 2024.
- Note 7: The total amount of various types of remunerations paid by all companies (including the Company) in the consolidated report to each one of general managers and assistant general managers should be disclosed. Disclose their names in the specified range grades.
- Note 8: The net income after tax refers to the number in the standalone financial report.
- Note 9: a. This field should clearly state the amount of remuneration paid to general managers and assistant general managers from non-consolidated affiliates or parent company.  
b. If the general manager or assistant general managers of the Company receive remuneration from a non-consolidated affiliates or the parent company, the amount shall be included in Field E of the appropriate grade range, and the field name should be changed to "The parent company and all non-consolidated affiliates."  
c. Remunerations refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the general manager and assistant general managers of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.
- \* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

## (V) Remuneration for management level - Top five

Unit: NTD Thousand

Job title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and Allowances (C)(Note 3)		Employee remuneration (D) (Note 4)				Proportion (%) of Total Remuneration (A + B + C + D) out of Net Income (Note 6)		Whether receive remuneration from non- consolidated affiliates or the parent company (Note 7)
		The Company	From All Consolidate d Entities (Note 5)	The Company	From All Consolidat ed Entities (Note 5)	The Company	From All Consolidate d Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	All companies included in the financial statements	
								Cash	Stock	Cash	Stock			
Chief Executive Officer and President	Lidon Chen	4,440	4,440			904	904							
Chief Operating Officer	Nester Huang	3,090	3,090			1,347	1,347					21,636	21,636	無
Chief Financial Officer	Eve Yang	3,090	3,090			1,397	1,397	0	0	0	0	4.58%	4.58%	
Vice President	Chaucer Chung	2,400	2,400			2,986*	2,986*							
Vice President	Che-Pin Tseng	1,236	1,236			746	746							

Note: Che-Pin Tseng resigned from the position of Vice President on June 30, 2024. \*The bonus includes a recruitment bonus

Note 1: The "Five highest paid executives" refer to the Company's managers. Please refer to Tai-Cai-Zheng-San-Zi No. 0920001301 document published by the Securities and Futures Bureau, Financial Supervisory Commission on March 27, 2003 on the standards which define the scope of roles of managers. As for the calculation of the five highest amount in remuneration, it is the total of salary, retirement pensions, bonuses and allowances and employees' remuneration (that is, A + B + C + D) recorded on the consolidated financial reports received by the Company's managers, which are then ranked to show the managers who have the five highest figure in remuneration.

Note 2: Refers to the salary, differential pay for the job and severance of five highest paid managers in the most recent year.

Note 3: Refers to the various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles and other remunerations of the five highest paid managers in the most recent year. In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including obtaining employee stock options, restricted stock awards, and participation in new share issuance through cash capital increase, should be included in the remuneration.

Note 4: Refers to the employee remuneration (including stocks and cash), approved by the board, to be allocated to the five highest paid managers in the most recent year. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year and then fill out Table 1-3.

Note 5: The total amount of remunerations paid to the five highest paid managers of the Company by all companies (including the Company) shall be disclosed in the consolidated report.

Note 6: The net income after tax refers to the number in the standalone and individual financial reports.

Note 7: a. This field should clearly state the amount of remuneration paid to the five highest paid managers from non-consolidated affiliates or the parent company. (Please fill in "None," if there is none).

b. Remunerations refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the five highest paid managers of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

\* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(VI) Names of managers who are assigned employee compensation and the assignment

As of February 28, 2025 Unit: NTD Thousand

	Job title (Note 1)	Name (Note 1)	Stock	Cash	Total	Total as a percentage of net income (%)
Managerial Officer	Chief Executive Officer and President	Lidon Chen	-	0	0	0
	Chief Operating Officer	Nester Huang				
	Chief Financial Officer	Eve Yang				
	Vice President	Chaucer Chung				

Note 1: Names and titles can be disclosed separately and the profit distribution can be summarized in an aggregate amount.

Note 2: Refers to the employee remuneration (including stocks and cash), approved by the board, to be allocated to the executive managers in the most recent year. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year. The net income after tax refers to the number in the standalone financial report.

Note 3: The applicability for managers is based on Document No. 0920001301 of Tai-Cai-Zheng-San-Zi No. announced by the Financial Supervisory Commission on March 27, 2003.

(1) General manager and the equivalent position levels (2) Assistant general manager and the equivalent position levels (3) Department directors and the equivalent position levels (4) Head of the Finance Department (5) Head of the Accounting Department (6) Other people who manage matters for and sign on behalf of the Company.

Note 4: For the directors, general manager and assistant general managers who receive employee remuneration (including stocks and cash), this Table will be filled out.

(VII) Analysis of the total remuneration paid, as a percentage of net income in the standalone financial report, to the Company's board directors, supervisors, the general manager and assistant general managers during the most recent two years by the Company and all companies included in consolidated statements

Unit: NT\$ Thousand; %

Year	Items	Total compensation for directors		Total compensation for President and vice presidents		Total compensation		Total amount as percentage of net income of the Company and on the consolidated financial statements	
		The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements	The Company	All companies included in consolidated statements
2023		16,320	16,320	19,381	19,381	35,701	35,701	9.75	9.75
2024		4,590	4,590	21,636	21,636	26,226	26,226	-5.55	-5.55

The remuneration policies, standards and packages, the procedure for determining remuneration and its linkage to the Company's operating performance and future risks:

1. The director remuneration is determined in accordance with the Articles of Incorporation, and is no more than 2% of the profit of the year. The Remuneration Committee deliberates on the amount, which is then submitted to the board for resolution.
2. The appointment, remuneration, and dismissal of the president and vice presidents are subject to the Company's regulations, and remuneration is paid according to their contribution, performance, duties and service tenure. The Remuneration Committee deliberates on the standard of remuneration for the president and vice presidents, which is then submitted to the board for resolution.
3. The Company's main principle for remuneration is to connect duties and performance results, and provide remuneration relatively competitive to attract and retain talents.

### III. Implementation status of corporate governance

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

The Board of Directors met 6 times in 2024 and the attendance of directors was as follows:

Job title	Name	Actual Attendance in Person (B)	Number of proxy attendants	Percentage of actual attendance (%) (B/A)	Note
Chairperson	Sean Chen	6	0	100	
Director	Lidon Chen	6	0	100	
Director	Chao-Yi Wu	6	0	100	
Director	Representative, Yo-Juang Investment Corporation: Ming-Chung Chang	6	0	100	
Independent Director	Wei-Chen Wang	6	0	100	
Independent Director	Huan-Kuei Cheng	6	0	100	
Independent Director	Hui-Fen Chan	6	0	100	

Other matters that shall be recorded:

I. If the Board of Directors operations encounter any of the following situations, it shall state clearly the Board meeting date, term, proposal content, all of the independent directors' opinion, and the Company's handling of the opinion of the independent director:

1. Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and Article 14-3 of the Securities and Exchange Act does not apply. For the explanation on the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the information on the operation of the Audit Committee in this year's annual report. (p. 16)

2. Other BOD resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors: None.

II. For the recusal of directors due to conflicts of interest, please describe the name of the director, the proposal content, the reason for recusal and the participation in voting:

Board Meeting Date	Name of director	Content of proposal	Reasons for recusal	Participation in voting
113/03/6	Director, Chao-Yi Wu	Plan to participate in the private placement of common shares of TrueLight Corporation as a strategic investor	Director Chao-Yi Wu is related to other offerees of this case.	Recused themselves from the discussion and voting on this case
113/5/7	Director Lidon Chen	Proposal regarding the appointment and removal of non-compete restrictions for the Company's managerial officers by the directors of TrueLight Corporation.	Director Lidon Chen concurrently serves as the Company's managerial officer and is a related party to this case.	Recused themselves from the discussion and voting on this case
113/8/7	Director Lidon Chen	2023 distribution of employee remuneration for managerial officers and director remuneration	Director Lidon Chen is also a managerial officer.	Recused themselves from the discussion and voting on this case



113/8/7	Director Lidon Chen	Proposal for lending funds to a subsidiary.	Director Lidon Chen serves as a director of subsidiary Aptos Technology.	Recused themselves from the discussion and voting on this case
113/11/6	Director Lidon Chen	Lidon Chen was appointed as CEO and President.	Director Lidon Chen is a related party to this case.	Recused themselves from the discussion and voting on this case
113/11/6	Chairperson, Sean Chen	Sean Chen was appointed as the Chairperson and Chief Strategy Officer of the subsidiary.	Chairperson Sean Chen is a related party to this case	Recused themselves from the discussion and voting on this case

III. Self-assessment by the Board of Directors, its evaluation cycle, scope of assessment, method, and assessment contents:

1. Evaluation cycle and period:

The Company shall hold the Board of Directors performance evaluation at least once a year, current year performance evaluation shall be carried out at the end of the year as the evaluation cycle based on the evaluation procedures and indicator. Assessment results shall be reported to the Board of Directors in the 1st quarter of the following year.

2. Scope and method of assessment: The scope of the Company's Board of Directors' performance evaluation includes performance evaluation for overall Board of Directors, functional committees (including Audit Committee and Remuneration Committee) and individual board members. Methods can be internal self-assessment by the board, self-evaluation by board members or other appropriate methods to conduct performance evaluation.

3. Evaluation contents:

- (1) Board performance evaluation: Includes the level of participation in the operation of the Company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.
- (2) Individual board member performance evaluation: Includes the alignment of the goals and missions of the Company, awareness of the duties of a director, level of participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education and internal control.

IV. Targets and implementation status evaluation of strengthening the functional competence of the Board of Directors in current year and the most recent fiscal year:

1. The Company has formulated the "Rules of Procedure for Board of Directors Meetings " in accordance with Paragraph 8, Article 26-3 of the Securities and Exchange Act for compliance.
2. The Company has established an remuneration committee on December 28, 2011, which determines and regularly reviews the remuneration to directors and managerial officers, and regularly reviews the policies, systems, standards and structure of performance appraisal and salary remuneration of directors and managerial officers.
3. The Company has established its Audit Committee on June 23, 2017, which performs its duties specified in the Securities and Exchange Act, the Company Act and other laws and regulations.
4. In order to put corporate governance into practice and strengthen board functions, the Company formulated the Board and Functional Committee Performance Appraisal Measures on May 6, 2020. The internal board performance appraisal is conducted (subject to the appraisal procedures and indicators) at least once a year, and once every three years by external independent specialized institution or teams of external experts and scholars, and the results are reported to the board in the first quarter of the next year.
5. The results of the 2024 self-evaluation of the Board and functional committees are "Excellent", and there are no improvements needed. The results have been reported to the Board meeting on March 12, 2025.
6. In 2024, the Company engaged an external independent institution - Taiwan Institute of Ethical Business to conduct the Board performance evaluation. The result was rated as "Excellent", and the evaluation outcome was reported to the Board of Directors on March 12, 2025.

(II) Implementation of 2024 Board of Directors' performance evaluation

Evaluation cycle	Assessment duration	Scope of assessment	Assessment methods	Assessment contents	Assessment result
Conduct once a year	113/01/01-113/12/31	Board of Directors as a whole	Internal self-evaluation of the Board of Directors	Board performance evaluation: Includes the level of participation in the operation of the Company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.	Self-evaluation by the board: An average score of 4.88, the result is considered excellent, in line with the corporate governance requirements.
	113/01/01-113/12/31	Each individual director	Self-evaluation of directors	Individual board member performance evaluation: Includes the alignment of the goals and missions of the Company, awareness of the duties of a director, level of participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education and internal control.	Self-evaluation by the board members (self- or peer-evaluation): An average score of 4.91, the result is considered excellent, in line with the corporate governance requirements.
	113/01/01-113/12/31	Each functional committee	Self-evaluation of committee member	Functional committee performance appraisal: The participation in the operation of the Company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.	1. Self-evaluation of the Audit Committee: An average of 5. 2. Self-evaluation of Remuneration Committee: An average of 4.98. The results are considered excellent, in line with corporate governance requirements.

Evaluation cycle	Assessment duration	Scope of assessment	Assessment methods	Assessment contents	Assessment result
Conduct once every 3 years	113/01/01-113/12/31	Board of Directors as a whole	The Company has commissioned external independent organizations (Taiwan Institute of Ethical Business) to conduct assessments	I. The performance evaluation of the Board of Directors includes the following four major aspects for performance evaluation of the Board of Directors: 1. Professional competence. 2. Decision-making effectiveness. 3. The level of emphasis placed on internal control and its supervision. 4. The attitude toward sustainable operations. II. The evaluation methods include: Questionnaires, document reviews, in-person interviews, and substantive audits.	1. Assessment result: "Professional competence" (4.76 points). "Decision-making effectiveness" (4.78 points). "The level of emphasis placed on internal control system and its supervision" (4.71 points). "The attitude toward sustainable operations" (4.79 points). (The maximum score for each of the above items is 5 points.). 2. Overall observation conclusion: (1) The directors of the evaluated enterprise have a deep understanding of and actively discuss the business strategy, sharing a strong consensus and tacit understanding with the management. Communication and discussions among the directors are highly active. They recognize the importance of sustainable development and promote the implementation of the enterprise through concrete actions. (2) The interviewed directors expressed affirmation regarding the Company's current internal integrity system, while also demonstrating a high level of attention to talent development and risk management.

(III) Operations of the Audit Committee

The 3rd session of the Audit Committee held meetings 6 times (A) in 2024, and the attendance of independent directors is shown as follows:

Job title	Name	Attendance in person (B)	Number of proxy attendants	Percentage of actual attendance (%) (B/A)	Note
Independent Director	Wei-Chen Wang	6	0	100	
Independent Director	Huan-Kuei Cheng	6	0	100	
Independent Director	Hui-Fen Chan	6	0	100	

Other matters that shall be recorded:

I. If the Audit Committee operations encounter any of the following situations, it shall state clearly the Audit Committee meeting date, term, proposal content, resolution results of the Audit Committee meeting, and the Company's handling of the opinion of the Audit Committee:

1. Items listed in Article 14-5 of the Securities and Exchange Act:

Meeting date	Content of proposal	Any objection, expression of reservations or significant recommendations by independent directors	Results of the Audit Committee's resolution	Company's response to the Audit Committee's opinions
4th meeting of the 3rd term 113/03/06	(1) 2023 Business Report and Financial Statements. (2) Planned not to continue the issue of common shares by private placement approved by the 2023 regular shareholders' meeting. (3) Private placement of securities. (4) 2023 Internal Control System Validity Evaluation and Declaration of Internal Control System. (5) Endorsements/guarantees for subsidiary Miracle Technology CO., LTD. (6) The appointment of the Company's accounting, finance and corporate governance officers. (7) Appointment and remuneration of CPAs in 2024.	None	Unanimous vote by all attending committee members to approve the proposal after the Chair consulted with the members	Approved by the directors who participated in the discussion and vote.
5th meeting of the 3rd term 113/05/14	(1) Changes to the Company's accounting officer. (2) Proposal regarding the appointment and removal of non-compete restrictions for managerial officers by the directors of TrueLight Corporation. (3) The Company's Q1 2024 financial report.			
7th meeting of the 3rd term 113/08/07	(1) The Company's Q2 2024 financial report. (2) Proposal for lending funds to a subsidiary.			
8th meeting of the 3rd term 113/11/06	The Company's Q3 2024 financial report.			

2. Besides the abovementioned items, resolutions that are passed by more than two-thirds of all of the directors but not passed by the Audit Committee: None.

II. For the recusal of independent directors due to conflicts of interests, please describe the name of the independent director, the proposal content, the reason for recusal and the participation in voting: There have been no occurrences of situations for the recusal of independent directors due to conflicts of interests, therefore, not applicable.

III. Communications situations among independent directors, internal audit officer and accountant (including communications on the company finance and business situation, the major events, method and results):

1. Important highlights of the communications between independent directors and internal audit officer

Date	Important highlights of the communications
113/03/03	(1) Aggregated report on 2023 Audit items and deficiency tracking improvement status..
	(2) 2023 Internal Control System Validity Evaluation and “Declaration of Internal Control System”
113/05/07	(1) Aggregated report on Q1 2024 Audit items and deficiency tracking improvement status.
	(2) Report on the Group’s audit implementation.
113/08/07	(1) Aggregated report on Q2 2024 Audit items and deficiency tracking improvement status
	(2) Report on the Group’s audit implementation.
113/11/06	(1) Aggregated report on Q2 2024 Audit items and deficiency tracking improvement status.
	(2) Report on the Group’s audit implementation.
	(3) 2025 Audit Plan and Regulations for the Management of Sustainable Information.

The Company’s internal audit officer communicates the auditor’s report results with the audit committee, and reports to the audit committee at the quarterly meetings. If special circumstances arise, the internal audit officer will report to the audit committee immediately. There are no special circumstances in the year of 2024. Communications between the Company’s Audit Committee and the Internal audit officer have been well.

2. Important highlights of the communications between independent directors and accountant

Date	Important highlights of the communications
113/03/03	The CPAs expressed opinions of the review results for the Company’s 2023 Consolidated/Standalone Financial Statements, and discussed them with the independent directors.
113/05/07	The accountant expressed opinions of the review results for the Company’s Q1 2024 Consolidated Financial Statements, and discussed them with the independent directors.
113/08/07	The accountant expressed opinions of the review results for the Company’s Q2 2024 Consolidated Financial Statements, and discussed them with the independent directors.
113/11/06	The CPAs expressed opinions of the review results for the Company’s Q3 2024 Consolidated Financial Statements, and discussed them with the independent directors.

The Company’s certified public accountants (CPA) will report the audit or review results of the current quarter’s financial statement during the audit committee’s quarterly meetings, as well as other communication matters required by relevant laws and regulations. If special circumstances arise, the CPA will report to the audit committee immediately. There are no occurrences of the abovementioned special circumstances in 2024. Communications between the Company’s Audit Committee and CPA have been well.

(IV) Composition, job duties of Remuneration Committee and implementation status

1. Information of the members of the Remuneration Committee

Identity	Name	Criteria	Having more than 5 years' work experience and professional qualifications listed below	Compliance of independence (Note)										Number of listed companies that the members of the Remuneration Committee concurrently serve in	Note		
				1	2	3	4	5	6	7	8	9	10				
Independent Director	Wei-Chen Wang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent Director	Huan-Kuei Cheng			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	
Independent Director	Hui-Fen Chan		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	
Others	Chi-Jen Chou			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	

Note: A "✓" is placed in the box if the members met the following conditions during active duty and two years prior to the date elected.

- (1) Not employed by the Company or any of its affiliated companies.
- (2) Not a director or supervisor of the company or any of its affiliates (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, a subsidiary or a related company under the same parent company, as appointed in accordance with these regulations or with the laws of the country of the parent company or subsidiary.)
- (3) Does neither hold more than 1% of the Company's outstanding shares in their own names or under the name of their spouse, underage children, or proxy shareholders, nor is a top-10 natural-person shareholder of the Company.
- (4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of any of the above persons listed in Subparagraph (2) and (3) or of the manager listed in (1).
- (5) Not directly owning 5% or more of the Company's total issued shares, nor being one of the top five shareholders in terms of the number of shares owned, nor serving as a director, supervisor or employee of a corporate shareholder who is designated as the Company's director or supervisor in accordance with Paragraph 1 or 2, Article 27 of the Company Act (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, a subsidiary or a related company under the same parent company, as appointed in accordance with this regulations or with the laws of the country of the parent company or subsidiary).
- (6) Not a director, supervisor or employee of another company or institution in which the majority of board seats or voting rights are controlled by the same person in the Company (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, a subsidiary or a related company under the same parent company, as appointed in accordance with these regulations or with the laws of the country of the parent company or subsidiary.)
- (7) Not a director, supervisor or employee of another company or institution, who is also the Chairperson, general manager or equivalent position, or a spouse of these personnel, of the Company (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, a subsidiary or a related company under the same parent company, as appointed in accordance with these regulations or with the laws of the country of the parent company or subsidiary.)
- (8) A director, supervisor, manager or a shareholder with over 5% ownership of a company or institution which does not have financial or business dealings with the Company (The same does not apply, however, in cases where the specified company or institution holds 20% or more but no more than 50% of the total number of issued shares of the Company, and the person is an independent director of the Company, its parent company, a subsidiary or a related company under the same parent company, as appointed in accordance with this regulation or with the laws of the country of the parent company or subsidiary).
- (9) Not a professional individual or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing or commercial, legal, financial, accounting services, which receive less than NT\$500,000 in accumulated remuneration over the most recent two years, to the company or to any affiliate of the company or a spouse thereof. This excludes roles as Remuneration Committee, Public Acquisition Review Committee or M&A Special Committee member appointed in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.
- (10) Does not meet any of the conditions stated in Article 30 of The Company Act.

2. Information on the operational status of the Remuneration Committee

- (1) The Remuneration Committee has 4 members, and there are 4 incumbents as of the publication date of the annual report.
- (2) The term of the current members: From May 24, 2023 to May 23, 2026. The Remuneration Committee convened 4 meetings in 2024 (A). The qualifications and attendance of the members are as follows:

Job title	Name	Actual number of attendants (B)	Attendance by proxy Times	Percentage of actual attendance (%) (B/A)	Note
Convener	Huan-Kuei Cheng	4	0	100%	
Committee member	Chi-Jen Chou	3	0	75%	
Committee member	Wei-Chen Wang	4	0	100%	
Committee member	Hui-Fen Chan	4	0	100%	

Other matters that shall be recorded:

- I. If the board of directors does not adopt or revise the suggestions of the Remuneration Committee, the date, session, content of proposals, resolutions of the board of directors and the Company's handling of the opinions of the Remuneration Committee shall be stated (If the salary and remuneration approved by the Board of Directors is more than the recommended amount by the Remuneration Committee, explanation for the differences and reason are expected): None.
- II. The resolved matters by the Remuneration Committee about which a member expresses an objection or reservation that has been included in records or stated in writing shall state the date, session, content of proposals, all of the members' opinions and the handling of the opinions of the members: There have been no situations of objections or reservation of opinions by the committee members for each of the discussion.

3. Duty of the Salary and Compensation Committee

According to the Company's Remuneration Committee Foundation Principles, the Committee shall have the loyalty and shall exercise the due care of a good administrator in conducting the following job responsibilities as listed in the Foundation Principles and submit the suggestions to the board of directors for discussion:

- (1) Establish and conduct regular review of directors' and managers' performance assessment and compensation policies, systems, standards and structures.
- (2) Conduct regular assessment of compensation for the Company's directors and managers.

The committee member shall carry out the aforesaid duty based on the following principles:

- (A) The performance evaluation of the directors and managerial officers and their salary and remuneration shall be considered in reference to the payment standard among industry peers and individual performance, in relevance to its reasonableness with the Company's operations performance and future risks.
- (B) Shall not lead directors and managerial officers to pursue salary and remuneration, engaging in risky conducts that outstrip the Company's capacity to handle.

(C) The bonus proportion of short-term performance for directors and senior level managerial officers and partial changes to remuneration payment time shall be decided in consideration of the industrial characteristics and the nature of the Company's business.

The remuneration in the above two subparagraphs, includes cash remuneration, stock warrants, employee stock bonus, retirement scheme or post-employment benefit, various allowance and other measures with substantial incentives; its scope shall be consistent with the directors and managers remunerations as mentioned in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

The Board of Directors will not adopt or revise the suggestions by this Committee, it shall be passed by the consent of more than half of the attending directors with more than two-thirds of all directors attending the meeting, and will, during the resolution, provide specific explanation of the remuneration proposal whether it is or it is not more than the amount as suggested by this committee based on overall consideration of the aforesaid items.

If the remuneration that the Board has passed is more than the amount suggested by this Committee, in addition to including the reasons for differences in records, the Company shall submit this information to the website designated by the competent authority within two days from the day the remuneration is passed.

For subsidiaries of the Company, based on its division of responsibilities, any matters to be resolved that require a decision by the Board of Directors, shall first be sent to this Committee for suggestions, followed by submission to the Board of Directors for discussion.

- (V) The succession planning for the board members and important management executives
1. In response to the Group's development needs, it is necessary to recruit and nurture key talents immediately; in this regard, the Company has been continuously nurturing successors of principal management. In the succession planning, the successor must possess the common values of integrity, prompt decision-making and agility, teamwork and collaboration with customers, and customer loyalty. The Company fosters alignment and commitment among key management personnel regarding its vision and short-, medium-, and long-term strategies and goals through the annual management meeting (TTNY). Regular operational meetings are also held to review business performance and the achievement of short-term objectives, enabling timely adjustments to ensure the realization of medium- and long-term goals. The Company also systematically cultivates the perspective and capabilities of key management personnel through various means, including meetings, consensus-building workshops, executive coaching, assignments to subsidiaries for practical experience, and guidance from external experts. Additionally, the Company is committed to creating an attractive and growth-oriented environment where diverse talent can thrive and reach their full potential.
  2. Succession planning for Board members has become increasingly important as the Group continues to expand and overall business operations grow more complex. The Board of Directors, considering the requirements of the Group's long-term business development, appoints individuals with strong academic backgrounds, industry experience, and integrity to serve as company directors. The Company values the diversity of directors, each of the directors is familiar with corporate governance, and each has their expertise area. Together, they continue to provide strategic guidance and corporate governance advice to management, effectively monitoring the company's management and operations outcomes. Directors attended timely training for related laws and regulations to fulfill the duties of the Board.



(VI) Status of corporate governance implementation and the differences between the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, as well as the reasons

Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
I. Does the Company stipulate and disclose the corporate governance practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has adopted corporate governance best practice principles approved by the Board of Directors, and disclosed on the company’s website.	No significant differences
II. The shareholding structure of the Company and shareholders' rights and interests (I) Does the company stipulate internal operating procedures to process matters in regard to the shareholders’ recommendations, doubts, disputes and litigation, and conduct implementation based on these procedures?	V		(I) The Company has a spokesperson who can handle the suggestions, questions and disputes of shareholders. If there are any dispute matters, the Company’s legal team will take over for handling.	No significant differences
(II) Does the Company have a list of major shareholders who actually control the company and a list of shareholders who ultimately control these major shareholders?	V		(II) For a shareholding situation whereby there are directors, managers and main shareholders with over 10% shareholding, such information will be submitted and disclosed on the website of Market Observation Post System in a timely fashion according to legal requirements.	
(III) Does the Company create and implement risk control and firewall mechanisms with its affiliates?	V		(III) The Company has formulated monitoring and governance procedures for subsidiaries, procedures for lending capital and endorsements/guarantees, asset acquisition and disposal procedures and so on related internal procedures, so as to establish appropriate risk management control and firewall. Audit personnel regularly monitor the implementation status.	
(IV) Does the Company stipulate internal regulations that prohibit insiders from buying and selling securities with the	V		(IV) The Company has formulated Procedures for Handling Material Inside Information and policies to prevent insider trading.	

Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons										
	Yes	no	Description											
unpublished information on the market?														
III. Composition and responsibilities of the board of directors (I) Does the board of directors stipulate and implement a diverse policy regarding the composition of the board members?	V		<p>(I) The Company's board has seven members (including three independent directors), whose expertise covers technology industry, strategy and operation management, sales, finance, accounting, auditing, legal affairs, corporate governance, and sustainability. The Company has formulated a diversification policy for the composition of the board and has implemented accordingly, refer to Article 20 of the Company's Corporate Governance Code of Conduct for the diversification policy, which has been disclosed on the Company's website simultaneously.</p> <p>There are a total of seven members (including three independent directors) for the Company's 13th Boards of Directors members, expertise covering industrial and finance, accounting and business, fulfilling the diversification of Board members. Sean Chen, Lidon Chen, Ming-Chung Chang, Chao-Yi Wu, all of whom are skilled in leadership, business judgment, management, crisis management, and have industry knowledge and international market perspectives; Wei-Chen Wang, a certified public accountant with extensive experience in industry, accounting and finance; Peter Cheng, a former university professor and director and supervisor of the National Chung-Shan Institute of Science and Technology with experience in industry and academia; and Hui-Fen Chan is a practicing attorney in Taiwan and New York State of the US, and has worked in the semiconductor industry, and she also has extensive business, legal and industry experience.</p> <p>Specific management objectives of the diversification policy and the current status:</p> <table border="1" data-bbox="792 1134 1850 1477"> <thead> <tr> <th>Diversity policy and management objective</th> <th>Achievement</th> </tr> </thead> <tbody> <tr> <td>There should be at least three independent directors, accounting for no less than one-third of the Board seats</td> <td>Achieved</td> </tr> <tr> <td>The number of directors taking concurrent positions as the Company's managers shall not exceed 1/3 of the board seats.</td> <td>Achieved</td> </tr> <tr> <td>At least two seats of female directors.</td> <td>Achieved</td> </tr> <tr> <td>Diversification of professional capabilities</td> <td>Achieved</td> </tr> </tbody> </table>	Diversity policy and management objective	Achievement	There should be at least three independent directors, accounting for no less than one-third of the Board seats	Achieved	The number of directors taking concurrent positions as the Company's managers shall not exceed 1/3 of the board seats.	Achieved	At least two seats of female directors.	Achieved	Diversification of professional capabilities	Achieved	No significant differences
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Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
(II) Other than the establishment of a Remuneration Committee and Audit Committee which are required by law, does the Company plan to set up other functional committees?		V	(II) Besides the establishment of a Remuneration Committee and Audit Committee, the Company will establish other functional committees in the future based on the considerations of the company's operational requirements.	
(III) Does the Company stipulate performance assessment regulations and assessment methods for the board of directors and conduct the performance assessment on a yearly basis, and was the result of performance assessment reported to the board of directors for the reference of individual directors' salary and nomination of reappointment?	V		<p>(III) Pursuant to the "Rules for Performance Evaluation of Board of Directors and Functional Committees", the internal performance evaluation is conducted for the Board and functional committees at least once a year, and once every three years by external independent specialized institution or teams of external experts and scholars. During the evaluation period, the performance evaluation shall be conducted at the end of each year pursuant to the Rules. The results are reported to the board in the first quarter of the next year.</p> <p>Measurement items of the Board's performance assessment to include five major aspects as below:</p> <ol style="list-style-type: none"> <li>I. Level of participation in business operations of the Company.</li> <li>II. Improve the decision-making quality of the board of directors.</li> <li>III. Composition and structure of the board of directors.</li> <li>IV. Election and continuing education of the directors.</li> <li>V. Internal control.</li> </ol> <p>Measurement items of the directors' performance assessment to include six major aspects as below:</p> <ol style="list-style-type: none"> <li>I. Understand the objectives and mission of the Company.</li> <li>II. Understanding of directors' job responsibilities.</li> <li>III. Level of participation in business operations of the Company.</li> <li>IV. Internal relationship management and communication.</li> <li>V. Professionalism and continuous education of directors.</li> <li>VI. Internal control.</li> </ol> <p>The results of the 2024 evaluation of the Board (including the self-evaluation and outsourced evaluation) have been reported to the Board meeting on March 12, 2025. The results will also serve as a reference for determining individual directors' remuneration and for their re-nomination. The</p>	

Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons																																				
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IV) Does the company regularly evaluate its certified public accountant's independence?	V		<p>performance evaluation results of the Board of Directors and functional committees in the most recent three years are posted on the official website.</p> <p>(IV) The company regularly conducts a review of the CPA's independence based on Certified Public Accountant Act and The Norm of Professional Ethics for Certified Public Accountant. The independence and suitability of the Company's attesting CPAs are assessed in accordance with the "Corporate Governance Best Practice Principles" and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," as well as with reference to the Audit Quality Indicators (AQIs).</p> <table border="1"> <thead> <tr> <th colspan="2">Auditor independence</th> <th colspan="2">Independence</th> </tr> <tr> <th>Item</th> <th>Explanation</th> <th>Yes</th> <th>no</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The professional accountants should avoid and should not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.</td> <td>V</td> <td></td> </tr> <tr> <td>2</td> <td>The audit or review of financial statements provides moderate but not absolute certainty to a wide range of potential users of statements. In addition to maintaining independence in fact, accountants' independence in appearance is more important. Therefore, members of the audit service team, other co-practicing accountants, firms, and firm-affiliated companies must maintain independence from audit clients.</td> <td>V</td> <td></td> </tr> <tr> <td>3</td> <td>The accountants appointed by the Company has the following qualifications: (See 3.1~3.3 below)</td> <td></td> <td></td> </tr> <tr> <td>3.1</td> <td>Integrity: A professional accountant should be straightforward and honest in all professional and business relationships.</td> <td>V</td> <td></td> </tr> <tr> <td>3.2</td> <td>Objectivity: A professional accountant should not allow bias, conflict of interest or undue influence of others to override professional or business judgments.</td> <td>V</td> <td></td> </tr> <tr> <td>3.3</td> <td>Independence: An accountant should maintain independence in appearance and fact when performing the audit or review of financial statements, and express opinions in a fair manner.</td> <td>V</td> <td></td> </tr> <tr> <td>4</td> <td>The independence of accountants is related to integrity, impartiality, and objectivity. There is no lack or loss of independence of accountants at the time</td> <td>V</td> <td></td> </tr> </tbody> </table>	Auditor independence		Independence		Item	Explanation	Yes	no	1	The professional accountants should avoid and should not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.	V		2	The audit or review of financial statements provides moderate but not absolute certainty to a wide range of potential users of statements. In addition to maintaining independence in fact, accountants' independence in appearance is more important. Therefore, members of the audit service team, other co-practicing accountants, firms, and firm-affiliated companies must maintain independence from audit clients.	V		3	The accountants appointed by the Company has the following qualifications: (See 3.1~3.3 below)			3.1	Integrity: A professional accountant should be straightforward and honest in all professional and business relationships.	V		3.2	Objectivity: A professional accountant should not allow bias, conflict of interest or undue influence of others to override professional or business judgments.	V		3.3	Independence: An accountant should maintain independence in appearance and fact when performing the audit or review of financial statements, and express opinions in a fair manner.	V		4	The independence of accountants is related to integrity, impartiality, and objectivity. There is no lack or loss of independence of accountants at the time	V		
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Assessment items	Operational status				Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description		
				of appointment, which in turn affects the standpoint of integrity and objectivity and impartiality.	
			5	The independence of accountants is not affected by self-interest, self-assessment, defense, familiarity and coercion.	V
			6	Independence being affected by self-interest means obtaining financial benefits through the Company, or conflicts of interest with the Company due to other interest relationships. No circumstances shown as follows: (6.1~6.6 below)	
			6.1	Have a direct or significant indirect financial interest relationship with the Company.	V
			6.2	Have financing or guarantee activities with the Company or its directors and supervisors.	V
			6.3	Consider the possibility of losing the Company as a client.	V
			6.4	Have a close business relationship with the Company.	V
			6.5	There is a potential employment relationship with the Company.	V
			6.6	Contingent fees related to the Company's audit case.	V
			7	In terms of the independence being affected by self-assessment, reports or judgments made by accountants in non-audit service cases are used as an important basis for audit conclusions in the process of auditing or reviewing financial information; or that members of the audit service team have served as the Company's directors and supervisors, or may hold positions that directly and significantly influence the audit. No circumstances shown as follows: (7.1~7.2 below)	
			7.1	Members of the audit service team are currently serving or have served in the last two years as the Company's directors, supervisors or managers, or the positions that directly and significantly influence the audit.	V
			7.2	The non-audit services provided to the Company directly affect the key matters of audit.	V
			8	Independence being affected by defense refers to that members of the audit service team become the defenders of the audit client's position or opinions, causing their objectivity to be questioned. No circumstances shown as follows: (8.1~8.2 below)	V
			8.1	Promote or mediate the trading of stocks or other securities issued by the	V

Assessment items	Operational status				Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	no	Description			
				Company.		
			8.2	The accountant has acted as counsel of the Company or represented the Company in coordinating matters relating to conflicts with a third party.	V	
			9	Independence being affected by familiarity refers to the close relationship with the board of directors, supervisors, and managers of the Company, which makes accountants or audit service team members overly concerned with or sympathetic to the interests of audit clients. No circumstances shown as follows: (9.1~9.3 below)		
			9.1	Have a family relationship with the Company's directors, supervisors, managers, or persons who have significant influence on the audit.	V	
			9.2	A certified public accountant from the joint CPA firm, within one year after retirement, serves as the Company's director, supervisor, manager or position that has a significant influence on the audit.	V	
			9.3	Accept valuable gifts or gratuity from the Company or its directors, supervisors, and managers.	V	
			10	The impact of coercion on independence refers to that the members of the audit service team bear or feel intimidation from the Company that prevents them from maintaining objectivity and clarifying professional suspicions. No circumstances shown as follows: (10.1~10.2 below)	V	
			10.1	Accountants are requested to accept improper choices made by the management in accounting policies or improper disclosures in financial statements.	V	
			10.2	In order to lower audit expenses, pressure is applied on accountants to improperly reduce the audit work that should be performed.	V	
			Competence		Requirements of competence met	
			Item	Explanation	Yes	no
			1	Whether they have accountant qualifications to perform accounting tasks.	V	
			2	Whether there has been no punishment by the competent authority or the CPA association, or sanction in accordance with Paragraph 3, Article 37	V	

Assessment items	Operational status				Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description		
				<p>of the Securities and Exchange Act.</p> <p>Article 37 of the Securities and Exchange Act (Regulation of CPA Auditing and Attestation)</p> <p>Paragraph 3 Depending upon the seriousness of mistake or omission committed by a certified public accountant in the attestation of the financial reports referred to in Paragraph 1, the Competent Authority may impose any of the following sanctions:</p> <p>(1). Warning.</p> <p>(2). Suspension from practicing any attestation under this Act for a period of two years.</p> <p>(3). Voidance of his/her attestation permission.</p>	
			3	Knowledge of the industry relevant to the Company.	V
			4	Whether to perform the audit of financial statements in accordance with generally accepted auditing standards and the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant, and issue financial reports in accordance with the audit planning schedule.	V
			5	Whether taking advantage of an accountant's status to be an unfair competition in business.	V
			6	Whether the latest changes in accounting, auditing and other related laws and regulations are proactively provided to the management, and are fully discussed and communicated on major differences.	V
			<p>Assessment result</p> <p>Both Ya-Hui Cheng, CPA and Chien-Yu Liu, CPA of PwC Taiwan met the requirements of independence and satisfied the evaluation criteria of suitability. The evaluation results were submitted to and approved by the Audit Committee on March 6, 2024, and deliberated and approved by the Board of Directors on the same day.</p>		
III. Does the listed or OTC company have qualified and suitable number of corporate governance personnel, and	V		The Company currently has established corporate governance units to handle meeting related matters for the Board of Directors and shareholder meetings, to process company registration and registration of alteration, prepare meeting minutes for the Board of Directors' and shareholders' meetings.		No significant differences

Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
does the company appoint a corporate governance officer to be responsible for matters regarding corporate governance (including but not limited to providing directors with information required for the implementation of business operations, assisting directors to comply with laws and regulations, and preparing meeting minutes for the board of directors meeting, shareholders meeting and so on)?			<p>The Company's dedicated governance officer is responsible for corporate governance-related issues in order to protect shareholders' rights and interests and strengthen the functions of the board. The governance officer has several years of experience in shareholder service and administration works in TWSE/TPEX listed companies, and also adheres to the philosophy of corporate governance and continues to carry out tasks required for the position. The main duties of the Company's corporate governance personnel consist of providing directors with information required for the implementation of business operations, assisting directors to comply with laws and regulations, and handling related matters for the board of directors meeting and shareholders meeting according to the laws and regulations, and so on.</p> <p>2024 Business implementation status:</p> <ol style="list-style-type: none"> <li>1. Assists independent directors and directors to implement business operations, provides necessary information and arranges continuous learning for directors: <ol style="list-style-type: none"> <li>(1) Regularly notifies the Board members on the latest revisions to laws and regulations and its development relating to the company's area of operations and corporate governance.</li> <li>(2) Monitors the confidential level of related information and provides the directors the required company information, maintaining communications among directors and every business head ensuring smooth exchanges.</li> <li>(3) Assists independent directors and directors to formulate annual continuing education plans and course arrangements according to the company's industrial characteristics and the director's experiences and background.</li> </ol> </li> <li>2. Assists in the procedures for meetings of Board of Directors and Shareholders and resolutions matters, in compliance to laws and regulations: <ol style="list-style-type: none"> <li>(1) Reports to the Board of Directors, independent directors, Audit Committee on corporate governance implementation status, confirms whether the Shareholders meeting and Board of Directors meetings are convened according to the laws and regulations and the corporate governance best practice principles.</li> <li>(2) Assists in reminding directors the related laws and regulations for executing businesses or for making official resolutions to the Board of Directors.</li> <li>(3) Responsible for checking on matters relating to announcing material information of important resolutions by the Board of Directors to ensure the legality and accuracy of the material information in guaranteeing fairness on investors trading information.</li> </ol> </li> </ol>	



Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			<p>3. Maintaining investor relationships: Make arrangements for directors and major shareholders, institutional investors or general shareholders for exchanges and communications when the need arises, to ensure investors obtain sufficient information to assess and decide the reasonableness of the corporate capital market value, so as to allow shareholders rights and interests are well maintained.</p> <p>4. Informing directors of the formulated Board meeting agenda seven days prior to the meeting, convening board meetings and providing meeting information, providing reminders beforehand where recusal of directors due to conflicts of interests is required for any topic discussion, and to complete board meeting records within 20 days of the meeting.</p> <p>5. Registering the date of shareholders meeting in prior according to the laws and regulations, preparing meeting notice, meeting handout, and meeting records within the legal deadline, and carry out registration matters relating to revisions to Charter or re-election of directors.</p> <p>The training for the Corporate Governance Officer in 2024 is as follows: In 2024, the Corporate Governance Officer completed 12 hours of professional training courses in corporate governance and reported the continuing education status in accordance with regulations.</p>	
V. Has the Company established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to sustainable development issues that stakeholders consider important?	V		<p>The Company has established a “Stakeholder Section” on its official website, providing detailed information on key concerns, communication channels, and frequencies for each stakeholder. Contact information is also provided to ensure appropriate and timely responses to stakeholders’ concerns regarding significant corporate sustainability issues.</p> <p>1. Types of stakeholders The Company’s definition of stakeholder is “Internal and external groups or individuals who can exert influences to TMC or are subject to influence by photomask companies.” Based on this definition, the stakeholders of the Company include shareholders, investors, employees, customers, suppliers, and governance agencies and so on.</p> <p>2. Topics of concerns by stakeholders After the identification of the stakeholders, various communications channels are set-up in accordance to their influences on the Company and their areas of concern. Through the well-established communications channels by the Company’s responsible units, corporate governance, economic, environment and social topics as concerned by the stakeholders are compiled. The key influences to the Company’s sustainable development as defined by the assessment of major topics of concern are</p>	No significant differences

Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons										
	Yes	no	Description											
			<p>“Business ethics and business integrity,” “Reducing operations impacts to the environment,” “Improving customer service satisfaction” and “Social welfare and caring.”</p> <p>3. Communication channels with stakeholders</p> <table border="1"> <thead> <tr> <th>Contact channels</th> <th>Contact method</th> </tr> </thead> <tbody> <tr> <td>Relationship of shareholder and investor</td> <td>Company Spokesperson: CFO Eve Yang Contact Telephone No. – (03)5634370 Ext 618 Email – eve_yang@tmcnet.com.tw Company Acting Spokesperson - Director LC Lin Contact Telephone No. – (03)5634370 Ext 135 Email – lclin@tmcnet.com.tw</td> </tr> <tr> <td>Dedicated Customer Service Section</td> <td>Customer information contact - Senior Manager I-Sheng Huang Contact Telephone No. – (03)5634370 Ext 349 Email – jamesH@tmcnet.com.tw</td> </tr> <tr> <td>Supplier service section</td> <td>Supplier information contact - Deputy Manager Cheng-Hung Tsai Contact Telephone No. – (03)5634370 Ext 412 Email – mike_tsai@tmcnet.com.tw</td> </tr> <tr> <td>Employee relationship</td> <td>Employee relationship contact - Division Head Ya-Hui Huang Telephone – (03)5634370 ext 333 Email – where@tmcnet.com.tw</td> </tr> </tbody> </table>	Contact channels	Contact method	Relationship of shareholder and investor	Company Spokesperson: CFO Eve Yang Contact Telephone No. – (03)5634370 Ext 618 Email – eve_yang@tmcnet.com.tw Company Acting Spokesperson - Director LC Lin Contact Telephone No. – (03)5634370 Ext 135 Email – lclin@tmcnet.com.tw	Dedicated Customer Service Section	Customer information contact - Senior Manager I-Sheng Huang Contact Telephone No. – (03)5634370 Ext 349 Email – jamesH@tmcnet.com.tw	Supplier service section	Supplier information contact - Deputy Manager Cheng-Hung Tsai Contact Telephone No. – (03)5634370 Ext 412 Email – mike_tsai@tmcnet.com.tw	Employee relationship	Employee relationship contact - Division Head Ya-Hui Huang Telephone – (03)5634370 ext 333 Email – where@tmcnet.com.tw	
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VI. Does the Company entrust a professional shareholder services agency to conduct matters regarding the shareholders meeting?	V		The Company has appointed the Shareholder Service Department, Grand Fortune Securities to handle the Company’s shareholders meeting matters.	No significant differences										
VII. Information disclosure														
(I) Does the Company create a website to disclose information regarding its finance, business operations and corporate governance?	V		(I) The Company’s website has a dedicated page to disclose information regarding its finance, business operations and corporate governance.	There are no significant differences with the other matters except this part where the company										
(II) Does the Company adopt other methodology of information disclosure	V		(II) The Company has designated a personnel responsible for disclosing related information on the Market Observation Post System website on a regular basis and from time to time, has continued to monitor											

Assessment items	Operational status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
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(such as creating an English website, appointing a dedicated person to be responsible for the collection and disclosure of the Company's information, implementing the spokesperson system, and uploading videos of the investor conferences on the company's website)? (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	various outside reports and information and established the spokesperson system, all of the above based on the regulations of the Taiwan Stock Exchange. The company website is updated based on the investor conference processes.  (III)The Company has announced and filed its annual financial report within 75 days after the end of the year. The first, second, third and fourth quarter financial reports and monthly operating status were announced earlier than the deadline.	has not yet published and reported its annual financial report within two months after the end of the fiscal year at this moment.
VIII. Does the Company have other important information that can help people to understand the operations of corporate governance (including but not limited to the employees' rights, employee care, Investor relations, supplier relation, rights of interested parties, training status of directors and supervisors, implementation status of risk management policies and standards of risk measurement, the implementation of customer policies, the purchase of liability insurance for directors and supervisors by the Company and so on)?	V		(I) Status of employee rights and caring for employees: Please refer to the annual report section on "Labor relations information." (II) Status of rights and interests of the relationships with the investors, suppliers and stakeholders: Please refer to this annual report for the section on "Fulfillment of sustainable development" and the Company's website on the "page dedicated to the stakeholders." (III)Status of continuing education for directors: Please refer to this annual report section on "Continuing education of the directors and managers." (IV) Status of risk management policy and risk measurement standards: Please refer to this annual report section on "Analysis and assessment of risks." (V) The Company purchases liability insurance for all directors every year and has reported the latest status on insurance to the Board of Directors on March 12, 2025.	No significant differences

Assessment items	Operational status		Description	Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no		
<p>IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved:</p> <p>The Company has undergone corporate governance evaluation in accordance with the regulations of the competent authorities. In the latest (10th) Taiwan Stock Exchange governance evaluation, the Company ranked in the top 51% - 65% of listed companies and has continuously increased and improved the corporate governance indicators issued by the Corporate Governance Center. It will review and prepare improvement plans for the items that have not yet met corporate governance standards.</p>				

(VII) Fulfillment of sustainable development and differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for discrepancies

The Company fulfills its sustainable development based on the following principles:

#### Implementation of corporate governance

The Company's Board of Directors shall exercise the duty of care as prudent managers to supervise the Company in fulfilling its sustainable development duties, and constantly reviewing performance to ensure ongoing improvement and sound execution of the sustainable development policy.

The Company's Board of Directors ensure fulfillment of sustainable development duties from the following aspects:

1. Incorporate sustainable development into the Company's operational activities and development direction, and approve specific plans for the promotion of sustainable development.
2. Propose a mission (or vision or value) for sustainable development and formulate policies or management guidelines for sustainable development.
3. Ensure that information related to sustainable development is disclosed in a timely and accurate manner.

#### Development of sustainable environment

The Company complies with relevant environmental laws and regulations and ESG international standards to properly protect the natural environment and strives to achieve the goals of environmental sustainability in the performance of operating activities. This year, the Company is committed to improving the utilization efficiency of various resources and the use of renewable materials with low environmental impact, making the Earth's resources more sustainable.

The Company considers impacts to ecology, promotes and educates consumers on sustainable consumption concepts, and carries out its operations activities such as R&D, production and service, in accordance to the following principles, to lower the impacts of company operations to the natural environment:

1. Reduce exhaustion of resources and energy in its products and services.
2. Reduce the release of pollutants, toxic and wastes, and shall carry out proper handling of wastes.
3. Increase recyclability and reusability of raw materials or products.
4. Optimize sustainable use of renewable resources to the maximum.
5. Extend the durability of products.
6. Increase efficacy of products and services.

In order to increase the utilization rate of water resources, the Company carries out water conservation plans to properly handle sustainable utilization of water resources and prevent pollution of water, air and land. The Company also adopts measures with the best possible pollution prevention and control technology to reduce negative impacts to human health and environment.

The Company monitors how climate change affects business activities and, based on current operations and greenhouse gas survey, develops energy/carbon reduction and greenhouse gas reduction strategies, incorporates carbon credit as part of the Company's carbon reduction strategies and enforces them accordingly to reduce impacts of the Company's business activities on the natural environment.

#### Promotion of social welfare

The Company complies with relevant laws and regulations and international human rights conventions, and does not endanger the basic rights of workers. The Company's human resource policy shall abide by basic labor rights protection principles, establish appropriate management

methods and procedures.

The Company provides a working environment that is safe and healthy for labor, including necessary annual health checks and emergency facilities, and is committed to reducing harmful factors to the employees' safety and health, in order to prevent occupational hazards. At the same time, the Company should conduct regular educational training on safety and health to its employees, provide employees with a work environment that facilitates career development, and implement effective training programs to help develop the skills needed for career advancement.

The Company provides a transparent and effective consumer complaint procedures for its products and services, handling consumer appeals in a fair and timely manner, and abides by related laws and regulations to ensure respecting consumer privacy rights, protecting the personal information provided by the consumer.

### **Enhancing disclosure of corporate sustainability information**

The Company has prepared the 2024 Corporate Sustainability Report pursuant to the GRI Sustainability Reporting Standards 2021 released by the Global Reporting Initiatives (GRI) and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" released by TWSE, while referring to the sustainability indicators of the Sustainability Accounting Standards Board (SASB); the report was assured by PwC Taiwan. Relevant and reliable information on corporate sustainable development has been disclosed on the Company's website and the FSC's Market Observation Post System, and communication with stakeholders has been enhanced.

**Implementation of promoting sustainable development and differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for discrepancies**

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	V		<p>(I) The Company wants to ensure that the work environment is safe and that employee rights are protected and respected, so as to fulfill sustainable development responsibilities. It has engaged various functional departments to be responsible for management as assigned according to its business nature, with supervisors regularly reviewing and assessing implementation results. Each operation is in line with the commitments made by the company.</p> <p>The Company's promotion of the sustainable department is implemented by the Group's Environment, Safety and Engineering Division concurrently. Pursuant to the GRI Sustainability Reporting Standards 2021 released by the Global Reporting Initiatives (GRI) and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" released by TWSE, while referring to the sustainability indicators of the Sustainability Accounting Standards Board (SASB), the external advisors are engaged to educate and train the related units of the Company for the benchmark sustainable development for implementation. Through this method, it is sought to respond to stakeholders' concerns regarding sustainable development, publicly explain corporate sustainability in terms of economics, environment, and society, implement corporate social responsibility, and continuously move towards sustainable development.</p> <p>The implementation plans and results were reported to the Board of Directors on March 12, 2025. The Board of Directors has learned the progress of sustainable development implementation, and expects the continuous promotion to be superior to the legal requirements. The Company continues to drive sustainable development activities in the future.</p>	No significant differences

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons															
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			<table border="1"> <thead> <tr> <th>Dimension</th> <th>Members</th> <th>Work duties</th> </tr> </thead> <tbody> <tr> <td>Corporate governance</td> <td>Finance organization</td> <td>Information disclosure, dividends policy, tax-related matters, and proper handling of issues of concerns to stakeholders, assists in strengthening the functional competence of the board, and attends to shareholders' rights and interests.</td> </tr> <tr> <td>Social welfare</td> <td>Finance organization</td> <td>The finance organization as the coordinating unit in conjunction with Taiwan Mask Charity Foundation, its key functions include caring for society, community participation, welfare activities and corporate image, and the finance department's small team function will invite related units to join the activities.</td> </tr> <tr> <td>Environmental sustainability</td> <td>Operations organization</td> <td>Production processes management of photomask. Maintenance of production equipment, improvements; new factories are planned to be green buildings. Manufacturing related work, including hazardous substances management, resources. The Company integrates and promotes the Company's environmental protection, pollution prevention, safety and health implementation, by building and verifying the ISO 450001 system, as well as the tasks related to resource saving, communication of relevant laws and regulations, and implementation of greenhouse gas ISO 14064-1 system verification. Purchasing business includes suppliers management, green procurement management. Research and development of photomask, fixing abnormality of manufacturing processes, photomask finished product quality assurance, research and development of new products; related testing and certification of photomask, repair and related manufacturing processes. Promote green energy products related technology R&amp;D innovation.</td> </tr> <tr> <td>Customer equity</td> <td>Sales Organization</td> <td>Product sales, market research and development.</td> </tr> </tbody> </table>	Dimension	Members	Work duties	Corporate governance	Finance organization	Information disclosure, dividends policy, tax-related matters, and proper handling of issues of concerns to stakeholders, assists in strengthening the functional competence of the board, and attends to shareholders' rights and interests.	Social welfare	Finance organization	The finance organization as the coordinating unit in conjunction with Taiwan Mask Charity Foundation, its key functions include caring for society, community participation, welfare activities and corporate image, and the finance department's small team function will invite related units to join the activities.	Environmental sustainability	Operations organization	Production processes management of photomask. Maintenance of production equipment, improvements; new factories are planned to be green buildings. Manufacturing related work, including hazardous substances management, resources. The Company integrates and promotes the Company's environmental protection, pollution prevention, safety and health implementation, by building and verifying the ISO 450001 system, as well as the tasks related to resource saving, communication of relevant laws and regulations, and implementation of greenhouse gas ISO 14064-1 system verification. Purchasing business includes suppliers management, green procurement management. Research and development of photomask, fixing abnormality of manufacturing processes, photomask finished product quality assurance, research and development of new products; related testing and certification of photomask, repair and related manufacturing processes. Promote green energy products related technology R&D innovation.	Customer equity	Sales Organization	Product sales, market research and development.	
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				<table border="1"> <tr> <td></td> <td>Quality Assurance department</td> <td>Formulating product specification, quality guarantee planning, customer service, storage and transportation business.</td> </tr> <tr> <td>Employee care</td> <td>Human Resources department</td> <td>Talent recruitment and employment, remuneration and benefits and employee well-being and safety, educational training and development, communications and rights protection, complaint procedures.</td> </tr> </table>		Quality Assurance department	Formulating product specification, quality guarantee planning, customer service, storage and transportation business.	Employee care	Human Resources department	Talent recruitment and employment, remuneration and benefits and employee well-being and safety, educational training and development, communications and rights protection, complaint procedures.	
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II. Does the Company conduct risk assessment on environmental, social and corporate governance issues that are relevant to its operations and stipulate risk management policies or strategies based on principles of materiality?	V			<p>(I) The Company has a vision of corporate development and sustainable development and understands that various risks will affect the achievement of business and operational goals. To address this, the Company not only conducts risk assessments based on ISO 9001, ISO 14001, ISO 27001, ISO 45001, and ISO 14064-1 standards, but has also established a comprehensive risk management mechanism. This framework helps manage potential risks and guides the development of improvement strategies, mechanisms, and methods, ensuring steady growth and long-term sustainability.</p> <p>The Company established a “Risk Management Steering Committee” to integrate the above-mentioned system, and review and implement measures to address potential strategic, operational, financial, and hazardous risks. The Risk Management Steering Committee meets quarterly, and its members consist of the president &amp; function head. The committee uses the Risk Map to evaluate the probability of risk events and the severity of impact on the company's operations, define the risk level and the priority of risk control, and take corresponding risk management actions. Reporting annually to the Audit Committee and the Board of Directors on the Company’s risk environment, risk management priorities, risk assessment and results of countermeasures.</p> <p>(II) The Company evaluates and manages risks based on the materiality principle, to control the risks</p>	No significant differences						

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			<p>of the items with mid/high risks upon the risk assessment, including four major dimensions strategy, operation, finance, and hazard. (I) The Company has a vision of corporate development and sustainable development and understands that various risks will affect the achievement of business and operational goals. Therefore, the Company reviewed and established a risk management mechanism this year to manage various risks of the Company to ensure sustainable and stable growth and the pursuit of sustainable business goals.</p> <p>The Company established a "Risk Management Steering Committee" to review and implement measures to address potential strategic, operational, financial, and hazardous risks. The Risk Management Steering Committee meets quarterly, and its members consist of the president &amp; function head. The committee uses the Risk Map to evaluate the probability of risk events and the severity of impact on the company's operations, define the risk level and the priority of risk control, and take corresponding risk management actions. Report annually to the Audit Committee and the Board of Directors on the Company's risk environment, risk management priorities, risk assessment and countermeasures.</p> <p>(III)The Company evaluates and manages risks based on the materiality principle, to control the risks of the items with mid/high risks upon the risk assessment, including four major dimensions strategy, operation, finance, and hazard.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company set up an environmental management system designed to industry characteristics?</p>	V		<p>(I) The Company's environmental management system is implemented through the relevant procedures of the ISO 14001 system, to identify various environmental aspects and formulate management procedures, and take into account the control and economical use of water, power, oil, climate changes, and other resources to achieve the purpose of resource conservation.</p>	No significant differences

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
(II) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	√		<p>1. Water resources management: Committed to raising water resources utilization, and to set short, medium and long term goals, to pursue water resources sustainable reuse as the goal.</p> <p>2. Waste management: “Reducing manufacturing quantity, resource recycling” as core theme, recycling and reuse is the priority option in waste management.</p> <p>3. Climate change: Assessing whether climate change is related to or has an impact on the Company’s operational activities, and whether stakeholders have any climate-related requirements or expectations. Implementing ISO 14064-1:2018 greenhouse gas inventory and gradually establishing climate-related financial disclosures in accordance with the TCFD framework.</p> <p>(II) The Company has been committed to improving the efficiency of various resources for a long time. In addition to saving power by 1% per year as required by the Bureau of Energy, and establishing power-saving plan targets every year, we also use the central monitoring system to collect big data to improve operational management, while improving the energy utilization efficiency by replacing the current equipment with highly energy-efficient equipment, or installing frequency converters on rotating equipment; also, through energy-saving and tracing meetings, the Company strives to utilize energy and resources in the most efficient manner, to reduce waste and carbon. Pursuant to the Company’s commitment to environment, safety, and health policies, raw materials that reduce environmental impact are used, and waste is recycled, reduced, and reused.</p>	
(III) Has the Company assessed the current and future potential risks and	√		<p>(III) The Company has conducted assessment of current and future potential risks and opportunities arising from climate change to the enterprise, and adopts it into risk management, actively driving</p>	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons								
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opportunities from climate changes and taken measures to address climate-related issues?			<p>energy efficiency and carbon reduction.</p> <table border="1"> <thead> <tr> <th>Potential risks</th> <th>Potential opportunity</th> </tr> </thead> <tbody> <tr> <td>Carbon fee, renewable energy, fuel/energy tax and laws and regulations: Changes in laws and regulations may impact the green energy industry's subsidies amount and other conditions, if subsidies reduce, willingness to invest will drop.</td> <td>In search for manufacturers with a competitive niche, to avoid impacts to company operations due to cancellation of subsidies.</td> </tr> <tr> <td>Increased raw materials cost: Cost for bulk commodity raw materials has increased due to climate change, resulting in impacts to the company eventually.</td> <td>Control related amounts of raw materials to avoid simultaneous concentration of goods.</td> </tr> <tr> <td>Total volume and emissions trading: Climate change has resulted in the general rise of temperature, indirectly impacts the company's air-conditioning equipment for increased load.</td> <td>Monitor and review if there are any replacement requirements while conducting maintenance and cleaning work for the whole company, and plan ahead for replacing the old equipment, as a countermeasure to equipment with increased carbon emissions and reduced efficiency.</td> </tr> </tbody> </table> <p>The Company is committed to environmental protection, in response to green and clean production. By executing Process Safety Management (PSM) and a systemized PDCA</p>	Potential risks	Potential opportunity	Carbon fee, renewable energy, fuel/energy tax and laws and regulations: Changes in laws and regulations may impact the green energy industry's subsidies amount and other conditions, if subsidies reduce, willingness to invest will drop.	In search for manufacturers with a competitive niche, to avoid impacts to company operations due to cancellation of subsidies.	Increased raw materials cost: Cost for bulk commodity raw materials has increased due to climate change, resulting in impacts to the company eventually.	Control related amounts of raw materials to avoid simultaneous concentration of goods.	Total volume and emissions trading: Climate change has resulted in the general rise of temperature, indirectly impacts the company's air-conditioning equipment for increased load.	Monitor and review if there are any replacement requirements while conducting maintenance and cleaning work for the whole company, and plan ahead for replacing the old equipment, as a countermeasure to equipment with increased carbon emissions and reduced efficiency.	
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Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
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(IV)Has the Company compiled the	V		<p>management cycle, the Company has reduced pollution emissions and impacts to the environment; at the same time, it will formulate implementing plans and programs each year, regularly tracing and reviewing progress for each item, to ensure a successful achievement of the targets.</p> <p>The Company has passed ISO 14001 management system certification, the General Affairs department regularly conducts inspection and tracing, to realize hazards prevention and pollution prevention, at the same time, abides by RoHS regulation of European Union, strict adherence to the restriction of hazardous substances requirements. Maintained environmental management quality and fulfilling pollution prevention and responsibilities to the society through ISO 14001 environmental management system certification and SGS testing and verification system build up.</p> <p>To cope with the global trend of energy saving and carbon reduction in recent years, the ISO 14064-1 GHG inventory system has been established this year, to assess factory carbon emission sources and volumes. For sources with higher emissions, active restructuring has been carried out, for instance, the centralized monitor system is adopted to collect big data, enhancing the operation management of air conditioners. The company continues to implement the recovery of &gt;85% waste sulfuric acid and the reduction of various wastes, to achieve the goal of a pollution-free environment. Also promotes environmental policy to suppliers, contractors and carriers, with the expectation of working together towards environmental protection.</p>	
			(IV)Taiwan Mask’s environmental protection operations are carried out under the concept of	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
greenhouse gas emissions, water consumption and total weight of waste in the past two years and established management policies for energy saving and reduction of greenhouse gas emission, water consumption and other wastes?			<p>pollution prevention, with ongoing efforts in waste reduction and energy-saving improvements. The Company has established four major environmental policies: “energy saving and waste reduction, pollution prevention, legal compliance, and continuous improvement”. All three factories are certified with ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, and have implemented the ISO 14064-1:2018 Greenhouse Gas Inventory Management System. Following the “Plan-Execute-Check-Action” cycle, the Company strictly prohibits the use of specific hazardous chemicals and dangerous substances in electrical and electronic equipment, ensuring effective implementation of RoHS and REACH SVHC regulations. These efforts are further reinforced through internal audits, driving continuous advancement in environmental protection practices.</p> <ol style="list-style-type: none"> <li>Greenhouse gas: <p>In 2023, we completed the ISO 14064-1 greenhouse gas inventory verification. The verified emissions included direct emissions (Scope 1, 237.9732 metric tons CO<sub>2</sub>e/year), energy indirect emissions (Scope 2, 16,229.2124 metric tons CO<sub>2</sub>e/year), and other indirect emissions (Scopes 3 to 6, 7,735.1284 metric tons CO<sub>2</sub>e/year), resulting in a total greenhouse gas emission of 24,202.3140 metric tons CO<sub>2</sub>e/year.</p> </li> <li>Energy saving and waste reduction <p>In addition to continuously replacing outdated equipment with energy-efficient alternatives to reduce energy consumption, Taiwan Mask is also actively planning the use of renewable energy. Solar power systems with a total installation area of 2,677.5 m<sup>2</sup> were deployed at Plant 1, Plant 2, and Plant 6 in Taiwan, generating a total of 631,828 kWh of electricity</p> </li> </ol>	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			<p>between May 2023 and 2024. Through central monitoring systems, the Company tracks energy consumption across various systems in real time, enabling timely adjustments such as parameter optimization, installation of energy-saving inverters, and replacement of inefficient equipment to enhance energy efficiency.</p> <p>In 2024, major reduction measures included replacement of MAUs and cleanroom FFUs, optimization of chilled water booster pumps and process cooling water load allocation, installation of inverters on air handling units, replacement and upgrade of motors with new units and inverters, and the replacement of 20W LED lightings.</p> <p>3. Pollution prevention</p> <p>To avoid polluting the environment, effectively adopt preventive measures to prevent raw materials or manufacturing processes from generating wastes and harmful substances, leaks of untreated wastes into the surrounding environment, resulting in environmental pollution. Set-up leakage detection equipment for early detection to avoid resulting in pollution to spread, affecting personnel, equipment, and safety of the environment.</p> <p>Preventive equipment's maintenance and improvement, wastewater, air emissions and wastes generated from manufacturing operations can be treated appropriately, important parameters of various equipment are connected to the central monitoring system for instant monitoring.</p> <p>(1) Water pollution preventive system and recycling and reuse</p> <p>Based on the ISO 14001 Environmental Management System, Taiwan Mask has established a comprehensive framework for water resource management. The Company</p>	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			<p>monitors water usage across all facilities and maintains effluent management practices that not only exceed regulatory requirements but also include continuous online monitoring of effluent water quality. To prevent environmental pollution caused by potential system failures or tank leakage, a secondary containment system has been implemented. In addition to internal water quality testing, outsourced offline sampling and analysis are conducted to ensure the ecological integrity of nearby water bodies is strictly monitored.</p> <p>At present, chemical wastewater from production processes is collected through separate pipelines based on chemical properties and is treated accordingly to improve treatment efficiency. Treated wastewater is discharged into the Hsinchu Science Park wastewater treatment plant.</p> <p>To ensure the quality of discharged water, semi-annual water quality testing is conducted. Testing items include Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), pH value, Suspended Solids (SS), CN<sup>-</sup>, Cr+6, Cd, Pb, Cu, Zn, Ni, Cr, Hg, As, water temperature, ammonia nitrogen, nitrate nitrogen, anionic surfactants, boron, and fluoride. Over the past three years, all test results have consistently met or remained below legal standards.</p> <p>To mitigate potential water-related risks, the Company has proactively enhanced its water recycling systems and formulated contingency plans for water shortages. During drought periods, the Company cooperates with government agencies to implement water conservation measures in line with official targets, while also coordinating with the Science Park Administration or the Water Resources Agency to ensure stable water</p>	



Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			<p>supply without disrupting operations.</p> <p>The Company has installed water-saving equipment and continued to strengthen the recycling and reuse of wastewater to improve the operation efficiency of wastewater treatment facilities.</p> <p>Taiwan Mask's light shield is recycled and reused through condense and cleaning machines. The water conservation in the manufacturing process in 2024 reached 1,875 tons.</p> <p>From 2024 to 2025, the Company will continue implementing the process water recycling system for cleaning equipment, which not only recovers water but also reduces wastewater discharge. Plans are also in place to recycle equipment wastewater for use in cooling towers and further convert recycled water for ultrapure water production. The Company is committed to advancing water-saving projects and enhancing related recycling measures to achieve cumulative water-saving targets.</p> <p>(2) Air pollution prevention</p> <p>The plant conducts regular maintenance of scrubbers, including the replacement of raschig rings and nozzles to ensure treatment efficiency and enhance equipment stability, thereby ensuring that exhaust gas emissions meet regulatory requirements. Key operational parameters are monitored in real time through system integration to track equipment performance.</p> <p>According to regular monitoring results, concentrations of all air pollutants remain well below regulatory limits. The Company also maintains high pollutant removal efficiency by increasing the frequency of carbon replacement in the organic pollutant control</p>	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			<p>systems. In addition, old pipelines and dampers in scrubbers have been upgraded to improve the stability of the air pollution control systems. Over the past two years, the Company has complied with all emission and removal efficiency standards required by the latest environmental regulations.</p> <p>No ODS were emitted from any of the operating sites.</p> <p>To reduce pollutant emissions, the Company undertook several upgrades in 2024, including the replacement of aging scrubber fans and control panels, the addition of new fans with automatic bypass switching functions, and the installation of a VOCs incineration system to enhance the efficiency of the existing activated carbon towers - raising treatment efficiency to 86%. A zeolite rotary concentrator was also installed, which is well-suited to the Company's exhaust gas characteristics of high volume, low concentration, and a mixture of various organic components. During the operation of the rotary concentrator, the heat from high-temperature gas is "stored" in a heat storage medium and used to preheat incoming organic waste gas, thereby reducing fuel consumption for reheating and lowering operating costs. All fans are controlled via variable frequency drives to accommodate varying waste gas treatment needs.</p> <p>(3) Waste management</p> <p>To ensure the legal and safe treatment of waste and to minimize environmental impact, the Company enforces strict management procedures for waste handling. In 2024, Taiwan Mask Corporation conducted its annual on-site tracking audit for the disposal of general industrial waste, and the results complied with all legal requirements.</p> <p>The total amount of waste in 2024 was 788.58 metric tons, the total amount of non-</p>	

Assessment items	Operational status		Description	The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																												
	Yes	no																														
			<p>hazardous waste was 55.62 metric tons, and the total amount of hazardous waste was 732.96 metric tons.</p> <p>All waste is handled off-site by certified third-party contractors, with no treatment conducted within the facility. Waste disposal methods include reuse, recycling, and incineration. A total of 55.62 metric tons of waste was incinerated, while 744.7 metric tons were recycled, which accounted for 94% of total waste, representing a 9% increase compared to the previous year. This highlights the Company's effective collection and treatment of reusable resources.</p> <p>The Company's greenhouse gas emissions, water consumption volume and total weight of wastes generated over the past two years.</p> <table border="1"> <thead> <tr> <th>Items</th> <th>2023</th> <th>2024</th> <th>Note</th> </tr> </thead> <tbody> <tr> <td>Water consumption (tonnes)</td> <td>196,427</td> <td>275,168</td> <td></td> </tr> <tr> <td>Water usage intensity (tonnes)/turnover (NT\$10,000)</td> <td>139.85</td> <td>0.36</td> <td>Note 1</td> </tr> <tr> <td>Total waste weight (tonnes)</td> <td>285.08</td> <td>788.58</td> <td></td> </tr> <tr> <td>Total weight of waste (tonnes)/turnover (NT\$10,000)</td> <td>0.1981</td> <td>0.001</td> <td>Note 1</td> </tr> <tr> <td>Greenhouse gas emissions (metric tons CO2e)</td> <td>24,202.3140</td> <td>22,562.26</td> <td></td> </tr> <tr> <td>Greenhouse gas emissions (metric tons CO2e)/turnover (NT\$10,000)</td> <td>16.82</td> <td>0.030</td> <td>Note 1</td> </tr> </tbody> </table> <p>Note 1: 2024 The density is calculated uniformly using revenue (in NTD ten thousand)</p>	Items	2023	2024	Note	Water consumption (tonnes)	196,427	275,168		Water usage intensity (tonnes)/turnover (NT\$10,000)	139.85	0.36	Note 1	Total waste weight (tonnes)	285.08	788.58		Total weight of waste (tonnes)/turnover (NT\$10,000)	0.1981	0.001	Note 1	Greenhouse gas emissions (metric tons CO2e)	24,202.3140	22,562.26		Greenhouse gas emissions (metric tons CO2e)/turnover (NT\$10,000)	16.82	0.030	Note 1	
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Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
<p>IV. Social Issues</p> <p>(I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?</p> <p>(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?</p>		V	<p>(I) To fulfill sustainable development, protect all of the employees', customers' and stakeholders' basic human rights, abides by the principles as laid out in the various international human rights conventions such as the "United Nations Universal Declaration of Human Rights," "United Nations Guiding Principles," "United Nations Guiding Principles on Business and Human Rights," "The United Nations Global Compact," and "International Labor Organization," formulates and discloses human rights policy, disclosing related information on the company's website simultaneously.</p> <p>(II) The Company has formulated and implemented reasonable employee benefit measures, values employees' rights and fulfill its sustainable development responsibilities. Therefore, the remuneration policy of the Company is based on the correlations of the individual's capability, his/her contribution to the company, performance, and operations performance, appropriately reflect business performance or outcome in employees' remunerations to facilitate recruitment, retention and inspiration of human resources, and thereby accomplish the Company's goals toward sustainability. The Company's actual average employee salary adjustment for 2024 ranged from 0% to 10%.</p> <p>Status of the Company's employee benefit measures, continuing education and trainings: [Salary and motivation system]</p> <p>Salary and multiple rewards system (Dragon Boat Festival, Mid-Autumn Festival and year-end bonus), additional performance bonus, quarterly bonus and allocation of earnings, production bonus, station allowance; flexible salary adjustment for individuals; employee bonus, employee stock option.</p>	No significant differences

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
(III) Does the Company provide employees with a safe and healthy working environment and regularly conduct safety	V		<p>[Life care and protection] Enjoy complete group insurance (free life insurance/accident insurance/hospitalization medical treatment/accident medical treatment/occupational hazard); cash gifts and subsidies for child birth, weddings, death in the family; birthdays/occasions gift vouchers; free annual employee health check-ups; appointed store; welfare committee to regularly organize travels and various sporting events and domestic and overseas travel subsidies; employee health care, regular visits by doctors and nurses providing on-site care, professional consultation sessions and suggestions for employees; regularly hold Christmas party, badminton competitions and softball competitions.</p> <p>[Convenient facilities] Provides complete indoor employee parking spaces; gym, indoor badminton court, tennis court, table tennis and so on leisure facilities; established lactation room, complete facility for use by female employees; established employee canteen to offer meals, provides free coffee, tea beverages, and 180-inch large screen viewing; provides accommodation for job candidates from other cities.</p> <p>[Trainings] Provides new employee educational training; conducts work training based on the employee's work requirements; provides external training to employees for self-learning and growth.</p>	(III) In addition to establishing the Employee Welfare Committee, setting up gyms and medical rooms, and hiring professional fitness coaches and nursing staff, the Company implemented and passed the ISO 45001 certification this year. It also organizes various employee activities

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
and health training?			<p>and employee health examinations from time to time to protect the employees' physical and mental health.</p> <p>The Company's healthy work environment and employee safety protection measures are as below:</p> <ol style="list-style-type: none"> <li>1. Environment safety: <ol style="list-style-type: none"> <li>(1) Regularly check on, test and maintain the fire safety equipment and various public facilities and equipment every year, cooperate with the government regulation prohibiting smoking within the factory.</li> <li>(2) Engage professional office cleaning and disinfection companies regularly once a year, to ensure a safe and comfortable work environment.</li> <li>(3) Monitoring the operating environment as required by laws, and adding items to ensure a safe working environment.</li> </ol> </li> <li>2. Fire safety aspects: Established a complete fire safety system according to the Fire Services Act, and ensured immediate repair of faults.</li> <li>3. Employee health care: Health examinations are held at the end of each year for employees. The in-house nurses collect statistics on the results of health examinations and manage such by ranking and tracking of employees' health periodically. This year, a weight loss program was also organized to promote the concept of healthy weight management.</li> <li>4. Regularly review and promote labor safety and health matters, including transportation, health education, and safety, every month.</li> </ol>	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
(IV) Has the Company established effective career development training plans?	V		(IV) The Company has set-up comprehensive educational training, to assist employees with diverse career development.	
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for consumer protection and grievance procedures with respect to consumer health and safety, customer privacy, marketing and labeling of products and services?	V		(V) The Company has set-up a professional and dedicated customer service team (business/quality assurance/the Group's environment, safety, and engineering division) responsible for handling demands and complaints from customers. Abides by the environmental protection requirements of the EU RoHS Directive with suppliers. The Company follows related laws and regulations and international standards in the marketing and labelling of its products and services, and marked with obvious labelling.	
(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights and reported the implementation?	V		(VI) The Company aims to establish a stable semiconductor supply chain and attaches great importance to the partnership with supplier partners. Risk assessment, tracking, improvement, and management are conducted for raw material suppliers every year. Raw material shipments must comply with laws and regulations. Through rigorous supplier self-evaluation, we urge suppliers to comply with environmental protection and health regulations at all times. The Company also pays attention to the three major ESG aspects of suppliers, namely economics, society, and environment, and includes all relevant standards in the evaluation. Only those suppliers meeting the requirements can be included in the procurement counterparties after actual verification. If the supplier fails to meet the requirements, the transactions must be terminated, and alternative suppliers will be sought.	

Assessment items	Operational status			The differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	no	Description	
			TMC regularly reviews the four major risk items, namely product quality, price, delivery, and service via "supplier audit and inspection" and "supplier delivery quality assessment." Meanwhile, the environmental criteria and social standards are also evaluated, and the score ranking of the evaluation serves as the basis of supplier management.	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainable development reports and other reports which disclose the Company's non-financial information? Does the preceding report obtain verification or opinions from a third-party authentication unit?	V		The Company has prepared the 2024 Corporate Sustainability Report pursuant to the GRI Sustainability Reporting Standards 2021 released by the Global Reporting Initiatives (GRI) and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" released by TWSE, while referring to the sustainability indicators of the Sustainability Accounting Standards Board (SASB); the report was assured by PwC Taiwan. Relevant and reliable information on corporate sustainable development has been disclosed on the Company's website and the FSC's Market Observation Post System, and communication with stakeholders has been enhanced. The 2025 Corporate Sustainability Report is currently being prepared and is expected to be completed and disclosed on the Company's website and the Market Observation Post System in Q3 2026	No significant differences
VI. If the Company has established its corporate sustainable development best practice principles in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the operations and differences: The Company has established its "Corporate Sustainable Development Best Practice Principles" and there are no significant differences from the actual operations and the Principles for Listed Companies.				
VII. Other important information that can help others to understand the operations of the corporate sustainable development: This is a dedicated page on the Company's website to disclose corporate sustainable development operations and stakeholders, sustainability-related operations are regularly updated helping others to understand the status of the sustainability operations.				

Note 1: For a company who has already prepared its sustainable development report, a note is required for the operational status stating the method to search the sustainable development report and the index entries substitution.

2. Principles of materiality refers to major impacts to the Company's investors and other stakeholders as a result of environmental, social and corporate governance issues.



Climate-related information of publicly traded and OTC companies

(VIII) Implementation of reporting of climate-related information

Items	Implementation
1. Describe board and management supervision and governance of climate-related risks and opportunities.	1. TMC has established a corporate sustainability management committee to implement the ESG process, which covers the supervision and governance of climate-related risks and opportunities, and regularly reports to the Board.
2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy and finances (short, intermediate and long term).	2. Climate risk is within the scope of corporate governance, and we regard it as an opportunity to align with our upstream customers and downstream suppliers, and believe that business revenue will increase in the future. Short-term: The ISO 14064-1 greenhouse gas inventory and verification has been carried out this year. Interim: Conducting the Science Based Targets Initiative (SBTi) to set short-term and long-term carbon reduction targets. Long-term: moving toward the 2050 net zero target.
3. Describe the financial impact caused by extreme climate events and transition actions.	3. The extreme climate causes disruptions to the supply of raw materials, water, and power for production. We have arranged for more than two suppliers to carry out water-saving and water truck transportation plans, while adding generators and UPS (Uninterrupted Power Supply System) to avoid impacts on shipments and revenues, which in turn affect financial performance.
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	4. Carry out climate risks identification in Q1; formulate climate risks countermeasures or implementation plans in Q2; implement and correct climate risks countermeasures or implementation plans in Q3; and report the implementation results to the board in Q4 every year, and have the Corporate Sustainability Management Committee conduct quarterly review the progress of abovementioned works.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used and significant financial impacts should be explained.	5. Reservoirs are set up in response to extreme climate that may limit or cut off water supply. If the water restrictions in the science park exceed 20%, and the water is cut off for more than 1 day, water trucks will be dispatched, and the production will not be affected. If there is a time difference in scheduling of water trucks, work hours may be lost.
6. If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	6. To address the risk of power shortages in Plant 3, the addition of 1,500KW generators was completed in 2023, and the production machines in Plant 1 and 2
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	
8. If there are climate-related goals set, the activities, scope of	

Items	Implementation
greenhouse gas emissions, planning schedule, annual progress and other information covered should be explained. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits to be exchanged or the quantity of renewable energy certificates (RECs) should be explained as well.	have been equipped with UPS (Uninterrupted Power Supply System) to satisfy the usage deployment. 7. Planning for implementation by 2026. 8. Greenhouse gas inventory: The Company continues to carry out annual verification in accordance with ISO 14064-1:2018.
9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and concrete action plans	Please refer to 1-1 and 1-2 for details

### 1-1. Status of greenhouse gas inventory and assurance

#### 1-1-1 Greenhouse Gas Inventory Information

Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company conducted a greenhouse gas inventory for plant1 in 2022. The 2024 greenhouse gas inventory is scheduled for completion in the third quarter of 2025, after which the results will be disclosed on the Company's ESG report. The inventory results for the past two years, 2022 and 2023, are as follows

2023 year	Total emissions metric (tons CO <sub>2</sub> e/peryear)	Intensity metric (tons CO <sub>2</sub> e/NT\$ million)	2022 year	Total emissions metric (tons CO <sub>2</sub> e/peryear)	Intensity metric (tons CO <sub>2</sub> e/NT\$ million)
Scope 1	237.9732	0.033	Scope 1	151.4851	0.020
Scope 2	16,229.2124	2.254	Scope 2	15,291.8471	1.975
Scope 3	7,735.1284	1.074	Scope 3	3,516.7408	0.454

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

## 1-1-2 Greenhouse Gas Assurance Information

1. As the Company has a capital of less than NT\$5 billion, according to the Sustainability Development Roadmap, we are required to conduct individual company greenhouse gas assurance in 2027.
2. The Company voluntarily conducted assurance for our 2023 greenhouse gas emissions. The details of this assurance are as follows, with the third-party verification report disclosed on our company's website: <https://www.tmcnet.com.tw/tw/Sustainable/GreenhouseGases>

## 1-2 Greenhouse gas reduction targets, strategies, and concrete action plans

- I. Continuously track the energy consumption of each system through central monitoring, thereby adjusting parameters or adding frequency converters, and replacing outdated equipment to achieve energy saving effects.
- II. Reduction plans
  1. Replace the old with the new in Plant 1 MAU02.
  2. Chilled water booster pump load adjustment: The original configuration, in which Plant 2 chiller supplied chilled water to Plant 1, was modified so that a single unit now supplies both Plant 1 and Plant 2.
  3. Installation of variable frequency air-conditioning box for Plant 1.
  4. Motor replacement and addition of inverters.
  5. 20W LED lightings replacement.
  6. Plant 3 clean room replaced 34 FFUs.
  7. Integration and shutdown of the chilled water pump for the Plant 3 PCW-5 system.

(IX) Status of the Company’s practice of ethical management and differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies

Assessment items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	no	Description	
I. Stipulate ethical management policies and plans				No significant differences
(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?	V		(I) The Company's "Ethical Corporate Management Best Practice Principles" was established on August 6, 2015, and some amendments were approved by the Board of Directors on November 4, 2020. There is no difference between the actual operation and the approved "Ethical Corporate Management Best Practice Principles". The Company is in compliance with the laws and regulations. The Board of Directors was eager to and had duly approved the Corporate Social Responsibility Code of Conduct policy, and in the document, details of the policy and active commitments by the Board of Directors and management level to implement it can be found.	
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		(II) The Company has established a risk management organization to identify, evaluate and manage potential risks of the Company, and has evaluated that the acts described in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies are included in the scope of risk identification, evaluation and management, and has taken appropriate preventive measures. In addition, the Company has set-up a regular and random audit of the implementation situation by the audit personnel and CPA for active response of any potential conflicts of interests within the company.	
(III) Has the Company defined operating	V		(III) For promoting and educating on ethical conducts, the Company’s “Corporate Social	

Assessment items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	no	Description	
procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice and regularly reviewed and amended the program?			Responsibility Code of Conduct” and “Anti-Corruption Regulations” are published on the company website for reference by its personnel anytime as a basis for individual behavior. A unit to handle unethical behavior reporting is also established. If there are discoveries of any major events of violations or major damages to the company, the unit will prepare a report immediately and report to the independent directors to fulfill the implementation of unethical behavior handling. The company emphasizes its determination to combat dishonest practices through internal control system, work rules, new employee orientation education training, regular campaigns, and monitoring via accounting system, requesting its employees to adhere to the principle of conflict of interests avoidance, and promotes the company’s policy to its suppliers.	
II. Fulfillment of ethical management				No significant differences
(I) Does the Company evaluate the ethical record of the counterparties and clearly stipulate the ethical behavior clause in the contract signed with the counterparties?	V		(I) Before the Company enters into any business activity, will first conduct assessment of the counterparty for its legality, ethics and prudence, so as to ensure both parties engage in a fair and transparent trading conduct, create a fair environment for competition, maintaining the company’s competitiveness.	
(II) Has the Company established a full- (or part-) time specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	V		(II) Honesty and faithfulness have always been an important management philosophy of the Company, ethics has been promoted from various aspects in full efforts from the Board of Directors to each of the department management, to which all of the employees should adhere to the Ethical Corporate Management Best Practice Principles. The Company has also established an Audit Committee and internal control system to monitor the company in abiding by the laws and regulations. The Company assigned the Human Resources Department as the accountable unit, ensuring the fulfillment of Ethical Operations Management Best Practice Principles based on each unit’s work duties and scope, and the accountable unit will report to the Board of Directors on a regular basis on the implementation status. Implementation status of the Company’s 2024 Ethical Corporate Management has been reported to the Board on March 12, 2025.	
(III) Does the company stipulate a policy to prevent conflicts of interest and provide	V		(III) The Company has established Ethical Operations Management Best Practice Principles to prevent conflicts of interest and provide a proper channel for communication. The Company	

Assessment items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	no	Description	
<p>a proper channel for communication, and practically implement the policy?</p> <p>(IV) Does the company establish an effective accounting system and internal control system for practical implementation of ethical corporate management, and is the system regularly audited by the internal auditing unit, and does the unit propose relevant audit plans based on the assessment results of the risk of misconduct for auditing the implementation status of the prevention plan for misconduct, or entrusted to an accountant for auditing?</p> <p>(V) Does the Company regularly conduct internal and external education and training for ethical management?</p>	V		<p>conducts its business activities in a fair and transparent way based on the principles of ethical operations management. In addition, the company has already formulated the whistleblowing system procedures to report on illegal (including corruption) and unethical behaviors.</p> <p>(IV) The Company's accounting system and internal control system are formulated based on related laws and regulations. The internal audit unit prepares the draft work report and audit report based on the audit results, submit them to the Board of Directors, and hold regular and random audits with the CPA.</p> <p>(V) The Ethical Corporate Management Best Practice Principles and Ant-Corruption Regulations have been announced on the Company's website and communicated with employees at monthly management meetings. In 2024, it was promoted through the corporate website and on various occasions to instill in employees a work philosophy and attitude centered on integrity, fairness, transparency, and self-discipline. In addition, the Company trained 398 employees in 2024.</p>	
<p>III. Operational status of the whistleblowing system of the Company</p> <p>(I) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel and assign appropriate and dedicated personnel to deal with the respondent?</p>	V		<p>(I) For whistleblowing/complaints matters of any possible violations of laws and regulations or the code of conduct, the Company may report to the Company's audit office. The Company establishes standard operating procedures for investigating the complaints received and protects the informant's identity by establishing confidentiality mechanisms.</p>	No significant differences

Assessment items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	no	Description	
(II) Does the company stipulate the standard operating procedures, the follow-up measures should be taken after the investigation and relevant confidentiality mechanism for the reported matters?	V		(II) The Company formulates complaint procedures, set-up responsible units to handle the cases and set-up the handling procedures, abides by privacy data laws and strictly prohibits retaliation conducted against the informant. The Company's "Ethical Operations Management Best Practice Principles" has stipulated standard operating procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner.	
(III) Does the company take preventive measures to protect the whistleblower from improper treatment due to the report?	V		(III) The Company's "Ethical Operations Management Best Practice Principles" has stipulated items in the investigation of the complaints received, protection of informant's identity and details of reported misconduct, proper measures to shield a complainant from retaliation for filing complaints.	
IV. Reinforcement of information disclosure (I) Does the company reveal the content of Ethical Corporate Management Best Practice Principles and the implementation results on its website and on the website of the Market Observation Post System?	V		The Company has disclosed its ethical operations management information on its website which has a designated page for corporate governance in addition to disclosing in its annual report.	No significant differences
V. If the Company has stipulated its Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the difference between its operations and the stipulated principles: The Company's "Ethical Corporate Management Best Practice Principles" had been approved by the Board of Directors on August 6, 2015. There are no differences between actual operations and the Principles. (I) Regular advocacy on ethical operations management concept and advocated to all of the employees on a regular basis during educational trainings: Ethical Operations Management Best Practice Principles have been announced on the Company's website, and are promoted to the employees during monthly management meetings. (II) Ethical conduct is listed as one of the terms and conditions in contracts with counterparties. (III) An internal independent grievance reporting mailbox and dedicated line has been established and announced on the Company's website and on the internal website: No whistleblowing cases on ethics have been received in 2024.				
VI. Other important information that helps to understand the implementation status of the company's ethics management (such as situation of the company conducting review and revision of its Ethical Corporate Management Best Practice Principles): In order to fulfill corporate governance, the responsible unit for ethical management has been established. Revisions to partial articles of the "Ethical Corporation Management Best Practice Principles" have been approved by the Board of Directors on November 4,				

Assessment items	Operational status		Description	Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	no		
2020.				

(X) The Company formulates governance principles and related regulations

The Company's website has a dedicated page to corporate governance for investors to search and download related corporate governance regulations, please refer to the Company's website. <https://www.tmcnet.com.tw/tw/Investors/Announcements>

Regarding the corporate governance-related situation of the Company, please refer to this annual report for the section on "The governance status of the Company, and the differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons."

(XI) Policies and Procedures for Preventing Insider Trading and Procedures for Handling Material Inside Information

To establish a sound material inside information handling and disclosure mechanism, for avoiding improper divulgence of information and to ensure consistency and accuracy of information announced by the Company to outside, and to strengthen the prevention of insider trading, the regulation is specially formulated and hereby provided to all directors, managers and company employees to abide by and for timely education and advocacy purpose. Refer to the Company's website for related information. <https://www.tmcnet.com.tw/tw/Investors/Announcements>



- (XII) Implementation status of internal control system
1. Statement on Internal Control:  
The 2024 Statement of Internal Control System was approved by the Board of Directors on March 12, 2025, and reported to the competent authority. Please refer to the MOPS for details: <https://mops.twse.com.tw/mops/#!/web/t06sg20>
  2. Where a CPA has to be hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(XIII) Material resolutions of a shareholders meeting or a Board of Directors meeting during 2024 and during the current fiscal year up to the date of publication of the annual report

1. Material resolutions of a shareholders meeting  
Key resolutions from the 2024 annual general meeting and their implementation:
  - (1) Ratification of 2023 business report and financial statements.  
Implementation outcome: Resolution approved. Ratification of 2023 Business Report and Financial Statements, of which the consolidated revenue for the whole year is NT\$7,199,935 thousand, net profit after tax is approximately NT\$366,126 thousand, basic earnings per share is NT\$1.65.
  - (2) Ratification of 2023 earnings distribution proposal  
Implementation outcome: Resolution approved. The resolution approved the distribution of NT\$1.5 per share. The Chairperson approved on August 7, 2024 to set September 8, 2024 as the book closure date, and the cash dividends were paid on September 27, 2024.
  - (3) Approved the proposal of partial amendments to the Company's "Articles of Incorporation".  
Implementation outcome: Resolution approved. The registration was approved by authority with approval document number Zhu-Guan-Ji-Guan-Zhu-Shang-Zi No. 1130019483 issued on June 13, 2024.
  - (4) Approved the private placement of securities.  
Implementation outcome: Resolution approved.

2. Important resolutions of the board of directors

Key resolutions by the Company's Board of Directors are as follows:

Date	Term	Key resolutions
2024/03/06	5th meeting of the 13th term	(1) Approved the 2023 employee compensation and director compensation distribution plan. (2) Approved the 2023 business report and financial report plan. (3) Approved the 2023 profit distribution plan. (4) Approved the plan to not proceed with the private placement of common stock approved by the 2023 shareholders' meeting. (5) Approved the private placement of securities. (6) Approved the internal control system effectiveness assessment statement of the company in 2023. (7) Approved the plan to hold the 2023 shareholders' meeting. (8) Approved the equipment procurement plan. (9) Approved the plan to participate in the private placement of common stock of TrueLight Corporation (10) Approved the endorsement and guarantee plan for the subsidiary company, MTC. (11) Approved to appoint the company's accounting, finance, and corporate governance directors and adjust the company's manager compensation. (12) Approved the plan to appoint directors and managers of subsidiaries and adjust the manager compensation of subsidiaries. (13) Approved the appointment and remuneration of the certified public accountant.

		(14) Approved the proposal for the Company to establish and expand its credit facilities with banks.
2024/05/07	6th meeting of the 13th term	(1) Approved the change of the Company's Chief Accountant. (2) Approved the appointment of directors of TrueLight Corporation and the lifting of the non-compete restrictions on the Company's managers. (3) Approved the first quarter financial report for fiscal year 2014. (4) Approved the proposal for the Company to establish and expand its credit facilities with banks..
2024/05/27	7th meeting of the 13th term	(1) Approval of the Company's Proposed Repurchase of the Second Guaranteed Ordinary Corporate Bonds of 2022 (2) Approval of the Company's Proposed Issuance of Guaranteed Ordinary Corporate Bonds
2024/08/07	8th meeting of the 13th term	(1) Approved the 2024Q3 financial report. (2) Approved the equipment procurement plan. (3) Approved the employee compensation and director compensation distribution plan for managers in 2023. (4) Approved the appointment of directors and managers of subsidiaries. (5) Approved the acquisition of private placement unsecured ordinary corporate bonds of Xsense Technologies Co., Ltd. (6) Approved the loan of funds from the Company to subsidiaries. (7) Approved the confirmation that there was no disguised financing of accounts receivable of the Company and its subsidiaries that exceeded the normal credit period for a certain period. (8) Approved the proposal for the Company to establish and expand its credit facilities with banks..
2024/11/06	9th meeting of the 13th term	(1) Approved the personnel appointment proposal. (2) Approved the 2024Q3 financial report proposal. (3) Approved the operating plan and budget proposal for 2025. (4) Approved the equipment procurement proposal. (5) Approved the proposal to set the base date for the third domestic unsecured convertible corporate bond conversion into common stock capital increase proposal. (6) Approved the proposal to set the perpetual information management operating procedures and the 2014 audit plan proposal. (7) Approved the proposal for the Company to establish and expand its credit facilities with banks..
2024/12/26	10th meeting of the 13th term	(1) Approved the Company's proposed participation in Innova Vision INC cash capital increase. (2) Approved the subsidiary's operational discussion proposal. (3) Approved the proposal for the Company to establish and expand its credit facilities with banks.
2025/03/12	11th meeting of the 13th term	(1) Approved the 2024 Business Report and Financial Statements. (2) Approved the 2024 loss make-up proposal. (3) Approved the amendment to provisions of the "Articles of Incorporation". (4) Approved the Company's plan to establish an employee stock ownership trust plan. (5) Approved the Company's plan to issue new restricted employee shares. (6) Approved the private placement of securities. (7) Approved the Company's 2024 Internal Control System Validity Evaluation and Declaration of Internal Control System. (8) Approved the proposal to lift the non-compete restrictions on directors. (9) Approved to convene the Company's 2025 regular shareholders' meeting. (10) Approved the endorsements/guarantees for subsidiary Miracle Technology CO., LTD. (11) Approved personnel change of the subsidiary. (12) Approved the subsidiary's business operation. (13) Approved the appointment and remuneration of CPAs. (14) Approved the proposal for the Company to establish and expand its credit facilities with banks.

- (XIV) During 2024 or during the current fiscal year up to the date of publication of the annual report, there were no instances where any director or independent director has expressed a dissenting opinion with respect to a key resolution passed by the Board, whether recorded or submitted in writing.

#### IV. Information on professional fees of accountants

(I) Audit fee of independent auditors

Name of Accounting Firm	Accountant		Date of the audit
PricewaterhouseCoopers Taiwan	Ya-Hui Cheng	Chien-Yu Liu	113.01.01~113.12.31

Unit: NT\$ Thousand

Name of Accounting Firm	Accountant	Audit Period	Professional audit fee	Non-professional audit fee	Total	Remarks
PricewaterhouseCoopers Taiwan	Ya-Hui Cheng Chien-Yu Liu	113/01/01- 113/12/31	10,620	1,835	12,455	Note

Note: The above mentioned accounting fees are the professional audit fee and non-audit fee that is paid to the Company's Certified Public Accountant (CPA) and the affiliated company of the CPA's accounting firm.

- (1) The Company: The professional audit fees amounted to NT\$7,000 thousand, and non-professional audit fees totaled NT\$1,650 thousand (ESG consultation and assurance, CB to issuance of new shares and others).
- (2) Subsidiaries: The professional audit fees amounted to NT\$3,620 thousand, and non-professional audit fees totaled NT\$185 thousand (follow-on offering for capital increase, amendments to the Articles of Incorporation, changes of directors/supervisors, among other things).

(II) If the accounting firm is changed and the professional audit fee paid in the year of change is lower than in the previous year prior to the change, the amount and reason for the professional audit fee before and after the change: Not applicable.

(III) If the professional audit fee has decreased by more than 10% compared with the previous year, the decreased amount, proportion and reason for the reduction of professional audit fee: None.

#### V. Information on change of accountants: None.

#### VI. Information on the Chairperson, general manager, manager in charge of financial or accounting affairs of the Company who has worked in the accounting firm or an affiliated company of the certified accountant for the past one year: None.

#### VII. Status of any equity transferred and changes in pledge of stock rights in recent years and until the publication date of the annual report by directors, independent directors, managers and shareholders with over 10% shares

(I) Changes in shareholding: Please refer to the MOPS:  
[https://mopsov.twse.com.tw/mops/web/query6\\_1](https://mopsov.twse.com.tw/mops/web/query6_1)

(II) Information on share transfer: None.

(III) Equity pledge information: No equity pledge with a related party.

### VIII. Top ten shareholders by shareholding proportion and information of relationships among them

Unit: shares; %

Name	Shares owned by the person		The total number of shares held by spouse and underage children in the name of others		Shareholding		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree		Note
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
Youe Chung Capital Corporation	35,331,440	13.78%	-	-	-	-	-	-	-
Representative: Eve Yang	1,953,000	0.76%							
Chao-Yi Wu	10,458,000	4.08%	668,000	0.26%	-	-	Hui-Chen Lai Wu	Within the second degree	-
Taiwan Mask Corporation	7,462,000	2.91%	-	-	-	-	-	-	-
Hui-Chen Lai Wu	5,076,523	1.98%	-	-	-	-	Chao-Yi Wu	Within the second degree	-
Lidon Chen	3,750,000	1.46%	-	-	-	-	-	-	-
Ontario Capital Co., Ltd.	3,344,000	1.30%	-	-	-	-	Chao-Yi Wu / Hui-Chen Lai Wu	Director	-
Ming-Chih Chou	2,889,000	1.13%	-	-	-	-	-	-	-
HannsTouch Holdings Company	2,377,000	0.93%	-	-	-	-	-	-	-
Custody of a series of funds under Avant Star Fund Management Company by the Business Department of Standard Chartered International Commercial Bank	2,181,000	0.85%	-	-	-	-	-	-	-
Custody of the Vanguard Emerging Markets Stock Index Fund segregated account, managed by Vanguard Group, by the Business Department of Standard Chartered International Commercial Bank	2,094,272	0.82%	-	-	-	-	-	-	-

**IX. The number of shares held in the same reinvested business by the Company, its directors, managers, and the entities directly or indirectly controlled by the Company, along with the consolidated calculation of the comprehensive shareholding ratio**

February 28, 2025  
Unit: shares; %

Investee	Invested by the Company		Investments by directors, supervisors, managers and businesses in direct or indirect control		Total Ownership	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
SunnyLake Park International Holdings, Inc.	3,120,000	100%	-	-	3,120,000	100%
Youe Chung Capital Corporation	534,877,568	100%	-	-	534,877,568	100%
Miracle Technology Co., Ltd.	22,955,033	100%	-	-	22,955,033	100%
Weida Hi-Tech Company (Note)	12,176,880	28.20%	-	-	12,176,880	28.20%
Advagene Biopharma Co., Ltd.	12,046,652	20.29%	433,223	0.73%	12,479,875	21.02%
Aptos Technology Inc.	-	-	28,481,161	47.19%	28,481,161	47.19%
Xsense Technology	-	-	12,189,191	53.00%	12,189,191	53.00%
Innova Vision	23,416,722	66.71%	47,185	0.13%	23,463,907	66.84%
DIGITAL-CAN TECH. CO., LTD.	-	-	7,281,250	57.39%	7,281,250	57.39%
Pilot Battery Co., Ltd.	3,600,000	20.00%	7,000,000	38.89%	10,600,000	58.89%
Moment Semiconductor, Inc.	-	-	4,359,000	52.84%	4,359,000	52.84%
One Test System	940,000	100%	-	-	940,000	100%
TrueLight Corporation (Note)	1,350,000	12.11%	-	-	1,350,000	12.11%
BKS Tec Corp. (Note)	-	-	6,000,000	38.91%	6,000,000	38.91%

Note: Investment by the company by using the equity method.

## Three. Financing Activities

### I. Capital and shares

#### (I) Source of capital

Unit: Shares: NTD

Year / Month	Issue Price	Authorized Share Capital		Paid-in Capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital Increase by Assets Other than Cash	Others
77/10	\$10.00	35,000,000	\$350,000,000	8,750,000	\$87,500,000	Please refer to attached Note (1)		
79/06	\$10.00	35,000,000	\$350,000,000	35,000,000	\$350,000,000	Please refer to attached Note (2)		
80/05	\$10.00	50,000,000	\$500,000,000	40,250,000	\$402,500,000	Please refer to attached Note (3)		
81/07	\$10.00	50,000,000	\$500,000,000	44,275,000	\$442,750,000	Please refer to attached Note (4)		
84/06	\$10.00	70,000,000	\$700,000,000	55,883,750	\$558,837,500	Please refer to attached Note (5)		
85/04	\$10.00	70,000,000	\$700,000,000	64,427,500	\$644,275,000	Please refer to attached Note (6)		
85/06	\$10.00	100,000,000	\$1,000,000,000	88,077,125	\$880,771,250	Please refer to attached Note (7)		
86/04	\$10.00	100,000,000	\$1,000,000,000	100,000,000	\$1,000,000,000	Please refer to attached Note (8)		
86/06	\$10.00	250,000,000	\$2,500,000,000	146,700,000	\$1,467,000,000	Please refer to attached Note (9)		
87/07	\$10.00	270,000,000	\$2,700,000,000	237,420,000	\$2,374,200,000	Please refer to attached Note (10)		
88/08	\$10.00	389,000,000	\$3,891,000,000	267,287,969	\$2,672,879,690	Please refer to attached Note (11)		
88/10	\$10.00	389,000,000	\$3,891,000,000	267,290,313	\$2,672,903,130	Please refer to attached Note (12)		
89/08	\$10.00	389,000,000	\$3,891,000,000	294,037,400	\$2,940,374,000	Please refer to attached Note (13)		
89/12	\$10.00	389,000,000	\$3,891,000,000	331,189,900	\$3,311,899,000	Please refer to attached Note (14)		
90/07	\$10.00	450,000,000	\$4,500,000,000	374,784,587	\$3,747,845,870	Please refer to attached Note (15)		
91/08	\$10.00	500,000,000	\$5,000,000,000	424,917,953	\$4,249,179,530	Please refer to attached Note (16)		
92/06	\$10.00	500,000,000	\$5,000,000,000	398,093,953	\$3,980,939,530	Please refer to attached Note (17)		
92/09	\$10.00	500,000,000	\$5,000,000,000	399,593,953	\$3,995,939,530	Please refer to attached Note (18)		
92/11	\$10.00	500,000,000	\$5,000,000,000	398,181,953	\$3,981,819,530	Please refer to attached Note (19)		
93/06	\$10.00	500,000,000	\$5,000,000,000	379,443,953	\$3,794,439,530	Please refer to attached Note (20)		
93/08	\$10.00	500,000,000	\$5,000,000,000	369,443,953	\$3,694,439,530	Please refer to attached Note (21)		
93/10	\$10.00	500,000,000	\$5,000,000,000	370,943,953	\$3,709,439,530	Please refer to attached Note (22)		

93/12	\$10.00	500,000,000	\$5,000,000,000	361,963,953	\$3,619,639,530	Please refer to attached Note (23)		
94/09	\$10.00	500,000,000	\$5,000,000,000	359,498,953	\$3,594,989,530	Please refer to attached Note (24)		
95/02	\$10.00	500,000,000	\$5,000,000,000	353,902,953	\$3,539,029,530	Please refer to attached Note (25)		
97/05	\$10.00	500,000,000	\$5,000,000,000	351,072,953	\$3,510,729,530	Please refer to attached Note (26)		
97/10	\$10.00	500,000,000	\$5,000,000,000	345,072,953	\$3,450,729,530	Please refer to attached Note (27)		
98/01	\$10.00	500,000,000	\$5,000,000,000	335,072,953	\$3,350,729,530	Please refer to attached Note (28)		
98/11	\$10.00	500,000,000	\$5,000,000,000	338,908,953	\$3,389,089,530	Please refer to attached Note (29)		
99/09	\$10.00	500,000,000	\$5,000,000,000	288,072,611	\$2,880,726,110	Please refer to attached Note (30)		
100/09	\$10.00	500,000,000	\$5,000,000,000	282,072,611	\$2,820,726,110	Please refer to attached Note (31)		
100/11	\$10.00	500,000,000	\$5,000,000,000	277,871,611	\$2,778,716,110	Please refer to attached Note (32)		
100/12	\$10.00	500,000,000	\$5,000,000,000	271,871,611	\$2,718,716,110	Please refer to attached Note (33)		
101/08	\$10.00	500,000,000	\$5,000,000,000	270,090,611	\$2,700,906,110	Please refer to attached Note (34)		
101/11	\$10.00	500,000,000	\$5,000,000,000	262,713,611	\$2,627,136,110	Please refer to attached Note (35)		
104/10	\$10.00	500,000,000	\$5,000,000,000	252,713,611	\$2,527,136,110	Please refer to attached Note (36)		
111/03	\$10.00	500,000,000	\$5,000,000,000	255,673,535	\$2,556,735,350	Please refer to attached Note (37)		
112/03	\$10.00	500,000,000	\$5,000,000,000	256,446,475	\$2,564,464,750	Please refer to attached Note (38)		
113/12	\$10.00	500,000,000	\$5,000,000,000	256,456,183	\$2,564,561,830	Please refer to attached Note (39)		

Notes:

01. On October 21, 1988, capital at time of establishment was NT\$87,500,000.
02. On March 16, 1990, the Company was approved for Initial Public Offering (IPO) and cash capital increase of NT\$262,500,000 by the Securities and Futures Commission, Ministry of Finance (1990), Approval Document Number: Tai-Tsai-Zheng (I) No. 000474.
03. On May 14, 1991, the Company was approved for re-capitalization of earnings at NT\$52,500,000 by the Securities and Futures Commission, Ministry of Finance (1991), Approval Document Number: Tai-Tsai-Zheng (I) No. 000999.
04. On July 20, 1992, the Company was approved for re-capitalization of earnings at NT\$40,250,000 by the Securities and Futures Commission, Ministry of Finance (1992), Approval Document Number: Tai-Cai-Zheng (I) No. 001738.
05. On June 30, 1995, the Company was approved for re-capitalization of earnings at NT\$116,087,500 by the Securities and Futures Commission, Ministry of Finance (1995), Approval Document Number: Tai-Cai-Zheng (I) No. 378708.
06. On January 5, 1996, the Company was approved for re-capitalization of earnings at NT\$85,437,500 by the Securities and Futures Commission, Ministry of Finance (1996), Approval Document Number: Tai-Cai-Zheng (I) No. 64745.
07. On June 10, 1996, the Company was approved for re-capitalization of earnings at NT\$236,496,250 by the Securities and Futures Commission, Ministry of Finance (1996), Approval Document Number: Tai-Cai-Zheng (I) No. 368278.
08. On December 21, 1996, the Company was approved for re-capitalization of earnings at NT\$119,228,750 by the Securities and Futures Commission, Ministry of Finance (1996), Approval Document Number: Tai-Cai-Zheng (I) No. 71905.
09. On June 5, 1997, the Company was approved for re-capitalization of earnings at NT\$367,000,000 and re-capitalization of additional paid-in capital at NT\$100,000,000 by the Securities and Futures Commission, Ministry of Finance (1997), Approval Document Number: Tai-Cai-Zheng (I) No. 451508.
10. On July 8, 1998, the Company was approved for re-capitalization of earnings at NT\$628,470,000 and re-capitalization of additional paid-in capital at NT\$278,730,000 by the Securities and Futures Commission, Ministry of Finance (1998), Approval Document Number: Tai-Cai-Zheng (I) No. 57619.
11. On May 20, 1999, the Company was approved for re-capitalization of earnings at NT\$292,665,680 and corporate bonds for capital at NT\$6,014,010 by the Securities and Futures Commission, Ministry of Finance (1999), Approval Document Number: Tai-Cai-Zheng (I) No. 47567.
12. October 1999, Corporate bonds for capital at NT\$23,440.
13. On June 29, 2000, the Company was approved for recapitalization of additional paid-in capital at NT\$267,290,310 and corporate bonds for

- capital at NT\$180,560 by the Securities and Futures Commission, Ministry of Finance (2000), Approval Document Number: Tai-Cai-Zheng (I) No. 56329.
14. On November 9, 2000, the Company was approved for capital increase by means of merger or acquisition of stock, at NT\$371,525,000 by the Securities and Futures Commission, Ministry of Finance (2000), Approval Document Number: Tai-Cai-Zheng (I) No. 90247.
  15. On May 22, 2001, the Company was approved for re-capitalization of earnings at NT\$435,946,870 by the Securities and Futures Commission, Ministry of Finance (2001), Approval Document Number: Tai-Cai-Zheng (I) No. 131546.
  16. On June 18, 2002, the Company was approved for capital increase by means of merger or acquisition of stock, at NT\$501,333,660 by the Securities and Futures Commission, Ministry of Finance (91), Approval Document Number: Tai-Cai-Zheng (I) No. 0910132958.
  17. December 19, 2002, The Company was approved for buyback of the Company's shares to reduce capital at NT\$268,240,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance (91), Approval Document Number: Tai-Cai-Zheng (San) No. 0910167268, February 26, 2003, Approval Document Number: Tai-Cai-Zheng (San) No. 0920106285 and June 12, 2003, Approval Document Number: Tai-Cai-Zheng (San) No. 0920126614.
  18. July 17, 2003, The Company was approved for re-capitalization of earnings at NT\$15,000,000 by the Securities and Futures Commission, Ministry of Finance (92), Approval Document Number: Tai-Cai-Zheng (Yi) No. 0920131289.
  19. December 6, 2000, The Company was approved for buyback of the Company's shares for transfer to employees which are not yet transferred for more than 3 years as capital reduction at NT\$14,120,000 by the Securities and Futures Commission, Ministry of Finance (89), Approval Document Number: Tai-Cai-Zheng (San) No. 98643.
  20. On June 3, 2004, the Company was approved for buyback of the Company's shares to reduce capital at NT\$187,380,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance (2004), Approval Document Number: Tai-Cai-Zheng (III) No. 0930124885.
  21. On July 7, 2004, the Company was approved for buyback of the Company's shares to reduce capital at NT\$100,000,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0930130255.
  22. On July 27, 2004, the Company was approved for re-capitalization of earnings at NT\$15,000,000 by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-Yi-Zi No. 0930133470.
  23. On September 1, 2004, the Company was approved for buyback of the Company's shares to reduce capital at NT\$89,800,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0930139490.
  24. On June 14, 2005, the Company was approved for buyback of the Company's shares to reduce capital at NT\$24,650,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0940124037.
  25. On December 28, 2005, the Company was approved for buyback of the Company's shares to reduce capital at NT\$55,960,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0940159771.
  26. On April 9, 2008, the Company was approved for buyback of the Company's shares to reduce capital at NT\$28,300,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0970015115.
  27. On September 18, 2008, the Company was approved for buyback of the Company's shares to reduce capital at NT\$60,000,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0970026404.
  28. On December 16, 2008, the Company was approved for buyback of the Company's shares to reduce capital at NT\$100,000,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0970035293.
  29. Employee warrants at capital increase of NT\$38,360,000.
  30. On July 29, 2010, the Company was approved capital reduction at NT\$508,363,420 by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 0990035554.
  31. On September 22, 2011, the Company was approved for buyback of the Company's shares to reduce capital at NT\$60,000,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 1000046532.
  32. On November 22, 2011, the Company was approved for buyback of the Company's shares to reduce capital at NT\$42,010,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 1000057786.
  33. On December 26, 2011, the Company was approved for buyback of the Company's shares to reduce capital at NT\$60,000,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 1000063425.
  34. On August 14, 2012, the Company was approved for buyback of the Company's shares to reduce capital at NT\$41,820,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 1010035989.
  35. On November 2, 2012, the Company was approved for buyback of the Company's shares to reduce capital at NT\$31,950,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-San-Zi No. 1010049862.
  36. October 26, 2015, The Company was approved for buyback of the Company's shares to reduce capital at NT\$100,000,000 for maintaining the Company's shareholders' equity by the Securities and Futures Commission, Ministry of Finance, Approval Document Number: Jin-Guan-Zheng-Jiao-Zi No. 1040043244.
  37. On March 1, 2022, approved by the Hsinchu Science Park Administration, Ministry of Science and Technology, by letter Zhu-Zhang-Zi No. 1110006222 for the conversion of the Company's corporate bonds with issuance of new shares for additional capital of NT\$29,599,240.
  38. On March 22, 2023, approved by the Hsinchu Science Park Administration, Ministry of Science and Technology, by letter Zhu-Zhang-Zi No. 1120008738 for the conversion of the Company's corporate bonds with issuance of new shares for additional capital of NT\$7,729,400.
  39. On December 3, 2024, approved by the Hsinchu Science Park Administration, Ministry of Science and Technology, by letter Zhu-Zhang-Zi No. 1130038270 for the conversion of the Company's corporate bonds with issuance of new shares for additional capital of NT\$97,280.



## (II) Type of Shares

March 30, 2025

Unit: Shares

Types of shares	Authorized Share Capital			Note
	Issued shares	Un-issued shares	Total	
Common Stock	256,456,183	243,543,817	500,000,000	Shares of listed company

Note: The aforementioned shares outstanding includes buying back treasury stock of 7,462,000 shares not yet transferred.

(III) Information on shelf registration: None.

## (IV) List of main shareholders

March 30, 2025

Name of Main Shareholders	Shares	No. of shares held (shares)	Ownership (%)
Youe Chung Capital Corporation		35,331,440	13.78%
Chao-Yi Wu		10,458,000	4.08%
Taiwan Mask Corporation		7,462,000	2.91%
Hui-Chen Lai Wu		5,076,523	1.98%
Lidon Chen		3,750,000	1.46%
Ontario Capital Co., Ltd.		3,344,000	1.30%
Ming-Chih Chou		2,889,000	1.13%
HannsTouch Holdings Company		2,377,000	0.93%
Custody of a series of funds under Avant Star Fund Management Company by the Business Department of Standard Chartered International Commercial Bank		2,181,000	0.85%
Custody of the Vanguard Emerging Markets Stock Index Fund segregated account, managed by Vanguard Group, by the Business Department of Standard Chartered International Commercial Bank		2,094,272	0.82%

## (V) Company's dividends policy and the implementation status

### 1. Dividends Policy

The Company adopts the policy for remaining dividends in response to the overall environment and industrial growth characteristics, and to the company's long term financial plan, steady operations development. Yearly capital requirement is measured based on the Company's future capital budget plan, capital required for retained earnings financing comes first, then the remaining earnings can be allocated based on the dividend method.

Steps for distribution as below:

- (1) Decide on the best capital budget.
- (2) Decide on the financing required for one of the capital budget items.
- (3) Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
- (4) After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.

### 2. Status of dividend allocation approved by the board resolution

The Company's Board of Directors resolved and approved the appropriation of the 2024 deficit and decided not to distribute dividends for 2024 at its meeting on March 12, 2025.

3. Explanation on dividends policy expected to have major changes: None.

(VI) The impact of bonus shares proposed by the shareholders' meeting on the Company's operating performance and earnings per share

Not applicable, none is proposed this time.

(VII) Employee, director remuneration

1. The Company Charter's employees, directors' remuneration amount or scope:

The Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against cumulative losses, if any. Employee remuneration, as mentioned above, can be paid in cash or in shares. Qualified employees of subsidiaries are also included in the payment.

Current year profit situation as mentioned in the first paragraph refers to the profit which is the current year's pre-tax profit before distribution of employee remuneration and directors remuneration.

The distribution of employee and director remuneration shall be executed after the resolution approval at the Board meeting with more than two-thirds of directors attending and of more than half of the attending directors agreed and passed the resolution, and reported to the shareholders meeting.

2. The basis for estimating the amount of employee and director compensation, for calculating the number of shares 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:

The estimation of employee and director compensation is based on the Company Charter as a basis. If there are any differences between the actual distributed amount and the estimated figure, the differences will be listed as income (loss) in the following fiscal year.

3. Earnings of 2023 for distribution of employees' and directors' remuneration:

Unit: NTD

	Distribution plan proposed to Board of Directors	Actual distribution	Difference
I. Distribution			
Compensation for Directors and Supervisors	12,000,000	12,000,000	None
Employee Compensation in Cash	80,000,000	80,000,000	None
Employee Compensation in Stocks	-	-	None
II. Related information for earnings per share			
Original earnings per share	1.50	1.50	None
Calculated earnings per share	1.50	1.50	None
Note: There are no differences between actual distribution and recognized employee and director remuneration.			

4. Earnings of 2024 for distribution of employees' and directors' remuneration approved by the Board of Directors: No employee or director compensation was distributed for the year 2024.

(VIII) Stock buybacks of the Company: None.

## II. Handling situation of corporate bonds:

### (I) Handling situation of corporate bonds

Unit: NTD

Type of Corporate Bond	The 3rd domestic unsecured convertible bonds
Issuing (Processing) Date	110/08/03
Denomination	NT\$100,000
Listing	Taipei Exchange
Issue Price	Issued at 115.23% of par value
Total Amount	NT\$2,304,532,020
Coupon rate	The coupon rate is 0% per annum
Term	5-year maturity date: 2026/08/03
Guarantor	None
Trustee	Trust Department of Mega International Commercial Bank
Underwriter	KGI Securities Co., Ltd.
Legal Counsel	Attorney Ya-Wen Chiu of HANDSOME ATTORNEYS-AT-LAW
Attesting CPA	Not applicable
Redemption Method	Convert to common shares of the Company pursuant to Article 10 of the Issue and Conversion Measures or exercise the right of sale in accordance with Article 19 of the Measures or redeem early in accordance with Article 18 of the Measures or the Company shall repay in cash the face value of the convertible bonds at maturity, unless the bonds are repurchased and retired by the Company from the securities dealer's office.
Outstanding Principal	NT\$1,641,400,000 (as of February 28, 2025)
Redemption or Early Repayment Terms	The Issue and Conversion Measures
Restrictive clauses	The Issue and Conversion Measures
Credit Rating Agency, Date of Rating, Corporate Bond Credit Rating	None
Other Rights	The amount of converted common stock (exchange or warrants), global depository receipts or other securities as of February 28, 2025
	Issuance and conversion (exchange or subscription) method
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity	Already converted 3,742,572 common shares NT\$37,425,720
	See the issue and conversion measures for the Company's 3rd domestic unsecured convertible bonds
	Based on the current outstanding balance and conversion price, it is estimated that 20,415,422 common shares, representing approximately 7.96% of the total issued shares, may be converted.
Custodian	None

Unit: NTD

Type of Corporate Bond	2022 first series domestic secured convertible corporate bonds		2022 second series domestic secured convertible corporate bonds
	Bond A	Bond B	Bond A
Issuing (Processing) Date	111/09/28	111/09/28	111/12/27
Total Amount	NT\$300 million	NT\$200 million	NT\$200 million
Denomination	NT\$1,000,000		
Listing	Taipei Exchange		
Issue Price	Issued at face value		
Annual interest rate (fixed)	1.80%	1.80%	2.20%
Term	5 Years		5 Years
Guarantor	Mega International Commercial Bank	First Commercial Bank of Taiwan	Shanghai Commercial and Savings Bank
Trustee	Bank SinoPac		
Underwriter	Mega Securities Co., Ltd.		
Legal Counsel	None		
Attesting CPA	None		
Redemption Method	A single repayment of principal at maturity		
Outstanding Principal	NT\$300 million	NT\$200 million	NT\$200 million
Redemption or Early Repayment Terms	None		
Restrictive clauses	None		
Credit Rating Agency, Date of Rating, Corporate Bond Credit Rating	Rating date: October 26, 2021 Taiwan Ratings: twAAA	Rating date: October 12, 2021 Taiwan Ratings: twAA+	Rating date: January 17, 2022 Taiwan Credit Rating: twAA
Other Rights	The amount of converted common stock (exchange or warrants), global depository receipts or other securities as of February 28, 2025	None	
	Measures for Issuance and Conversion (Exchange or Subscription)	None	
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity	None		
Custodian	None		

Unit: NTD

Type of Corporate Bond	2023 first series domestic secured convertible corporate bonds	2023 second series domestic secured convertible corporate bonds
Issuing (Processing) Date	112/08/28	112/12/12
Total Amount	NT\$300 million	NT\$500 million
Denomination	NT\$1,000,000	
Listing	Taipei Exchange	
Issue Price	Issued at face value	
Annual interest rate (fixed)	1.62%	1.80%
Term	5 Years	5 Years
Guarantor	Taiwan Cooperative Bank	HUA NAN COMMERCIAL BANK, LTD
Trustee	Bank SinoPac	
Underwriter	Taiwan Cooperative Securities Co., Ltd.	Hua Nan Securities Co., Ltd.
Legal Counsel	None	
Attesting CPA	None	
Redemption Method	A single repayment of principal at maturity	
Outstanding Principal	NT\$300 million	NT\$500 million
Redemption or Early Repayment Terms	None	
Restrictive clauses	None	
Credit Rating Agency, Date of Rating, Corporate Bond Credit Rating	Rating date: February 17, 2023 Taiwan Credit Rating: twA-A	Rating date: July 14, 2023 Taiwan Credit Rating: twAA+
Other Rights	The amount of converted common stock (exchange or warrants), global depository receipts or other securities as of February 28, 2025	None
	Measures for Issuance and Conversion (Exchange or Subscription)	None
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity	None	
Custodian	None	

Unit: NTD

Type of Corporate Bond	2024 first series domestic secured convertible corporate bonds	
Issuing (Processing) Date	113/08/01	
Total Amount	NT\$500 million	
Denomination	NT\$1,000,000	
Listing	Taipei Exchange	
Issue Price	Issued at face value	
Trustee	Taishin International Bank	
Underwriter	Hua Nan Securities Co., Ltd.	
Legal Counsel	None	
Attesting CPA	None	
Redemption Method	A single repayment of principal at maturity	
Outstanding Principal	NT\$500 million	
Redemption or Early Repayment Terms	None	
Restrictive clauses	None	
Credit Rating Agency, Date of Rating, Corporate Bond Credit Rating	Rating date: March 5, 2024 Taiwan Credit Rating: twAA-	
Other Rights	The amount of converted common stock (exchange or warrants), global depository receipts or other securities as of February 28, 2025	None
	Measures for Issuance and Conversion (Exchange or Subscription)	None
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity		None
Custodian		None

(II) Information on convertible bonds

Type of Corporate Bond		The 3rd domestic unsecured convertible bonds	
Year		2024	The current year up to February 28
Market price of convertible bonds	Highest	106.6	98.7
	Lowest	95.6	97.15
	Average	101.08	98.12
Conversion price		NT\$80.4 (Note 1)	
Issuance (transaction) date and conversion price at issuance		Date: August 3, 2021 Conversion price: \$88.8	
Method of fulfilling the conversion obligation		Issuance of new shares	

Note 1: The conversion price was adjusted from NT\$82.4 to NT\$80.4 effective September 8, 2024.

**III. Preferred shares: None of such situations.**

**IV. Overseas depositary receipts: None of such situations.**

**V. Employee stock warrants and employee new restricted shares: None of such situations.**

**VI. Merger or acquisition, issue of new shares in connection with the acquisition of shares of another company: None of such situations.**

**VII. Financing plans and implementation**

1. The Company's first secured corporate bond issuance in 2024 raised a total of NT\$500 million. The issuance was approved under Letter No. 11300070082 dated July 29, 2024. As for the implementation of the capital utilization plan, please refer to MOPS: [https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

# Four. Overview of Operations

## I. Business activities

### (I) Scope of business

#### 1. Main businesses operated and business proportions

- (1) Research and development, production, manufacturing and sales of photomask.
- (2) Providing technical assistance, specification consulting, photomask testing and certification, maintenance and repair services related to the aforesaid products.

The Company’s main business is the production of photomasks for foundry processes, of which semiconductors account for more than 90% of the total number of customers, while others are photomasks for liquid crystal displays (LCD/LED) and wafer-level chip packaging (Bumping).

#### 2. Current commodities and services of the company

With the continuous evolution of IC fabs and production equipment in the semiconductor market, the Company's available photomask products are listed below.

Customer industry type	Customer’s machine model	Photomask specification
IC	Stepper, Scanner	projection5X/4X/2.5X/2X Reticle(5”&6”)
LCD	Nikon	masks up to 7”
LED	ASML	(5”~7”)
Bumping	Aligner	Large area mask(8”~24”)

#### 3. Plans for new products and services development

In response to the diversification of product application specifications driven by semiconductor advancements, we will continue to develop a wider variety of high-level photomasks required for ArF light source phase shift masks (PSM), and provide high-end optical proximity correction (OPC) services. This will help align with customer needs and further collaborate on the development of photomasks required for next-generation processes.

### (II) Overview of the industry

#### 1. Industry status and development

Photomasks play a key role in the midstream of the semiconductor industry chain, accounting for 13% of semiconductor manufacturing materials. Their product specifications are mainly developed in accordance with the IC technology blueprint. Due to the integrated circuit industry and increasingly



sophisticated precision requirements, the most advanced light shielding technology has entered the R&D and production of 2 nanometers or less. The Company has invested in new equipment and developed related processes. Currently, the Company's technology has obtained certification from customers for the 65/55/40 nanometer processes and has entered mass production.

In the LCD market, photomasks can be applied to the manufacturing of small and medium-sized panels with higher resolution, stitching several photomasks to meet the panel manufacturing process requirements. In addition, advancements in advanced packaging technologies such as Bumping and RDL processes, are now carried out directly on wafers. These processes require the use of photomasks, including 9-inch masks for 8-inch wafers and 14-inch masks for 12-inch wafers, to support related services.

As wafer process technologies continue to advance, leading global IDM and foundry companies have established their own in-house photomask divisions. Optical Proximity Correction (OPC) masks and Phase Shift Masks (PSM) are now widely used in both 8-inch and 12-inch wafer fabs. In-house photomask divisions account for approximately 63% of the global photomask market, while professional photomask manufacturers make up the remaining 37%. For example, in 2023, the global annual market value of photomasks reached approximately USD 5.44 billion, and this figure is expected to continue growing in response to new product demands.

## 2. Future industry development trend

However, as the process technology continues to evolve, the density of memory continues to increase and the capacity of the required equipment continues to rise, many memory manufacturers are converting their old equipment to foundry production equipment. The investment and technical barriers for photomask manufacturing are high. As some production capacities shift toward wafer foundry operations, there is a need for professional photomask manufacturers to provide photomask production services. Demand for photomasks in mature application markets continues to grow. Moreover, as world-class IDM and Foundry companies focus on investing in and producing high-level photomasks, they are also increasingly outsourcing the production of photomasks for mature products. Therefore, the industry's development and market outlook are promising for the Company.

In addition, with the gradually growing demand in automotive, mobile phone, industrial, communication, and energy applications, as well as the rising demand of artificial intelligence (AI), high-performance computing (HPC) and the rapid development of emerging technologies such as new material process R&D, the semiconductor market and its technological

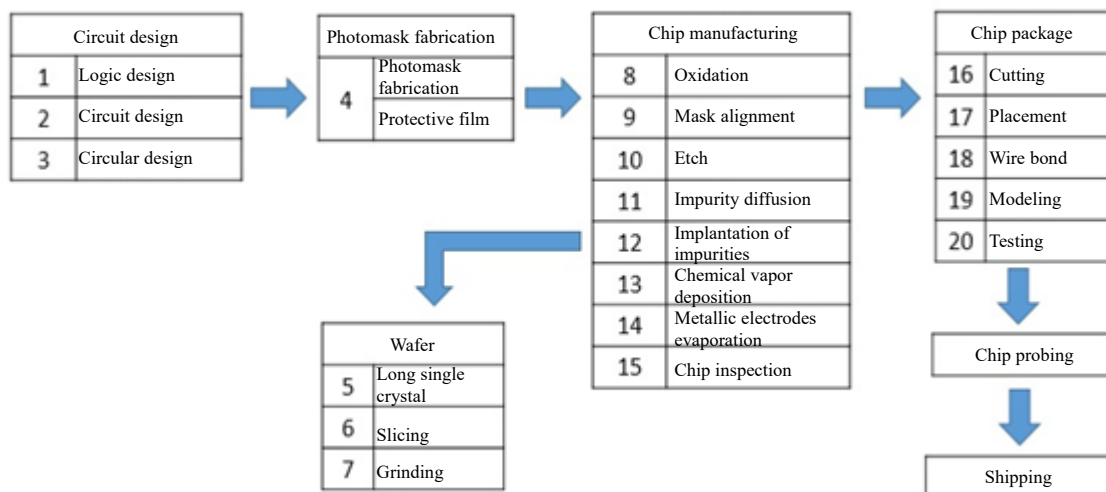
development will continue to grow. Other high-growth markets, including applications such as self-driving vehicles, driver assistance systems, artificial intelligence, machine learning, and image recognition, are also showing strong demand for advanced processors. With the active promotion of third-generation semiconductor materials, applications are increasing day by day, and the demand for photomasks continues to rise. As the technology for handheld communication products, AI and IOT applications improves, it is becoming increasingly difficult to complete system integration chips through a single wafer fabrication process. Relying on packaging technology to integrate integrated circuits from different processes has become a key enabling technology. These new demands have also boosted the use of photomasks, which is a direction the Company is actively pursuing.

3. Overall economy, industry development trends and product competitiveness

The impact of the US-China trade war in the past few years has changed the face of the world economy, especially the US ban on China's semiconductor-related supply chain, which has deeply affected the development of the electronics industry on both sides of the Taiwan Strait. In the short term, China is actively seeking to establish its own technology and investing heavily in semiconductor-related industries, but technology development cannot be achieved overnight, and relying on Taiwan's assistance and supply is becoming increasingly important. In the past few years, IC design companies have been springing up like mushrooms after rain in China, and 12-inch fabs have continued to expand. These represent new markets that we can explore.

TMC was founded in 1988 and has 36 years of experience in manufacturing services and has accumulated more than 400 customers. It has certain advantages in production capacity, manufacturing quality and production cost of mature photomask. As the photomask market continues to develop, competing companies are entering the photomask manufacturing service market through investments or mergers and acquisitions. In the future, only by continuously improving operational performance and expanding 12-inch photomask manufacturing service capacity can we stand firm in the photomask manufacturing service field and gradually increase our market share.

4. Relationships of upstream, midstream and downstream of the industry



### (III) Overview of technologies, research and development

In recent years and until the annual report publication date, invested research and development expenditure and successful development of technology or products.

Year	Research and development expenditure	Successful development of technology
2024	NT\$389,236 thousand	Developed 28/40/55/65 nm photomask mass production technology.

### (IV) Long- and short-term business development plans

1. Short-term plan: increase 55/65nm market share; expand the share of mature photomask manufacturing.
2. Intermediate-term plan: Introduced mass production of 28/40 nm photomasks.
3. Intermediate to long-term plan: Continue to invest in advance photomask development, and research and develop new fabrication processes and expand new customer sources.

## II. Status of the market and production/sales:

### (I) Market analysis

#### 1. Sales region of major products

The semiconductor industry in Taiwan is in a leading position globally. Its foundry market share accounts for more than half of the global market, IC design industry ranks second globally. TMC possesses geographical advantages, placing much effort in managing the domestic market. Thus, domestic sales accounted for more than half of the total sales in recent years. In the past three years, we have been working hard to develop markets in China, Korea, and Southeast Asia, and have achieved good results. Asia market still stands for a larger proportion than other international markets. Since photomask customers demand for high quality photomask, rapid shipments, convenient communications, Europe and USA

regions with greater time zone differences seem to present inconveniences for sales expansion into these regions, also long distance means a longer shipping time. Both years were dominated by domestic and Asian markets.

Unit: NT\$ Thousand; %

Region \ Year		2023		2024	
		Amount	%	Amount	%
Domestic	Domestic	2,839,639	39.44	2,737,426	36.2
Overseas	Asia	4,267,501	59.27	4,674,529	61.82
	Others	92,795	1.29	149,794	1.98
Net sales		7,199,935	100	7,561,749	100

## 2. Expansion of high-end products

Continuously affected by the shrinking global end demand, the external environmental factors have yet to be eliminated. Aside from the surging demand for artificial intelligence (AI) and high-performance computing (HPC), the overall buying momentum in the consumer market is poor, and the purchasing power is weak. From end users and system manufacturers to players in the semiconductor chip production and sales supply chain, inventory levels remain high. The pressure of inventory reduction has extended into 2024, affecting overall demand for semiconductor products.

The table clearly shows TMC's move towards the high-end market. Taking the sales revenue of  $\leq 0.13\mu\text{m}$  as an example, comparing NT\$1.137 billion in 2023 with NT\$1.360 billion in 2024, there is a significant growth of nearly 20%.

Unit: NT\$ Thousand

2023 By technology	Sales income	YoY	2024 By technology	Sales income	YoY
$\leq 0.13$	1,137,241	29%	$\leq 0.13$	1,360,727	20%

## 2. Future supply, demand and growth of the market

The semiconductor industry is at a critical juncture, continuously expanding capacity investments and advancing both leading-edge and mainstream technologies to meet the evolving demands of the global market. Generative AI and high-performance computing are driving progress in advanced logic and memory technologies, while mainstream process nodes continue to support key applications such as automotive, IoT, and power electronics. Wafer foundry process technologies and capacity continue to grow robustly, positioning foundries as leaders in the semiconductor industry. It is projected that over a dozen new fabs will begin construction in 2025, with most expected to begin operations and mass production by 2026 or 2027. TMC has sufficient capacity in this area.

Thanks to the dedicated efforts of all team members in recent years, the Company has earned strong recognition from customers for both delivery lead times and quality, giving it a significant advantage in meeting market demand.

However, as we all know, the advancement of semiconductor wafer fabrication process will not stop, if we only stick to our original technology and production, our business will gradually shrink and we will lose our competitiveness. Therefore, starting from 2019, the Company continuously invested in high-end production equipment and developed new technologies, allowing the business to extend from the previously focused 6-inch and 8-inch markets into the 12-inch market. The Company is steadily and pragmatically advancing into new technology fields.

Looking into the future, the Company leverages over 30 years of experience in photomask technology and strong customer relationships. As mentioned previously, in addition to the Company's expertise in the production of specialized and large-size photomasks, we are also focused on expanding into the 12-inch wafer application market as a key competitive advantage. With a steady and pragmatic business strategy, we continue to expand our operations and achieve outstanding results.

4. Competitive niche

- (1) We have mature process capabilities and advanced development technologies, including 0.11 micron (and above), 90/65/55/40 nm, that have been developed for mass production, to provide satisfactory delivery services to our customers.
- (2) We possess advanced process capabilities and production capacity for 28nm and below, and maintain close partnerships with key customers by aligning with their technological developments.
- (3) Through collaboration with our group subsidiary, Miracle Technology, we offer an integrated service that combines wafer foundry and photomask manufacturing, helping customers enhance their product competitiveness with faster time-to-market.

5. Factors favorable and unfavorable to the development, and countermeasures

(1) Favorable factors

- A. The global foundry capacity continues to expand with the construction of new fabs and capacity expansion, which will further drive the demand for new product photomasks.
- B. We have a comprehensive development roadmap for advanced photomask technologies. In addition to the current offerings for 65/55/40nm nodes, we will also complete product platform services

for processes at 28nm and below by 2025.

C. The production has reached an economic scale with high yield rates, giving it a competitive advantage over other photomask manufacturers.

(2) Unfavorable factors

A. Affected by geopolitical factors, there are changes in the division of profession in the global semiconductor supply chain outsourcing model.

B. The lack of overseas deployment and production services may easily be affected by the domestic labor supply.

C. Mainland China's photomask manufacturers are continuously increasing their production capacity and adopting a low-price strategy to enter the market.

D. High-end process certification and mass production must be in line with customer schedule, with control being limited.

(3) Company countermeasures

A. The hardware and software upgrades of the photomask manufacturing system accelerate the processing of products designed by customers and simultaneously optimize the production process of photomask to achieve short delivery times.

B. By implementing smart manufacturing, we aim to improve work efficiency, reduce waste, lower costs, and consequently decrease the need for manpower.

C. We continue to expand overseas business including the Europe, US, and Japan regions, and implement customer relationship management to enhance revenue and profitability.

D. By understanding customer needs and securing the first-mover advantage in photomasks required for developing product application platforms, we aim to strengthen our cooperative relationships with customers.

(II) Key uses and production process of main products

Photomask is an irreplaceable mold in the integrated circuit manufacturing process. Photomask material itself is a very flat glass, it could be quartz glass, soda lime glass or borosilicate glass, coated with an ultrathin layer of chromium. The manufacturing process of photomask involves the following: use the computer to accurately store the circuit patterns required in integrated circuit in a hard drive, followed by using the pattern generator to expose the circuit pattern onto the glass panel which is coated with photosensitive material, passing through development and chemical etching processes to fixate the

circuit pattern on the glass panel, then it is ready to pass on to chip manufacturing plant that fabricates wafers for usage.

(III) Supply status of main raw materials

1. The blank photomasks used by the Company are all sourced from major manufacturers in Japan and South Korea. Photomask protection films and mask boxes are partially supplied by domestic vendors, with the remaining demand fulfilled through imports from Japan, the United States, and South Korea. As for chemicals, in addition to procurement from major suppliers in Japan, the U.S., and Germany, some are now also supplied domestically.
2. Raw materials can be supplied domestically.
3. The Company's main equipment is sourced from the U.S., Japan, and Germany. While key components for critical machinery are supplied by the original equipment manufacturers, some machine parts are now provided by domestic suppliers.

(IV) List of major suppliers and customers in the two most recent fiscal years

1. Major Suppliers in the two most recent fiscal years

Unit: NT\$ Thousand

Items	2023				2024			
	Name	Amount	Ratio of the net purchase of the year (%)	Relationship with the issuer	Name	Amount	Ratio of the net purchase of the year (%)	Relationship with the issuer
1	KEY FOUNDRY Co., Ltd.	792,378	26	None	SK KF	1,224,344	38	None
2	Others	2,199,639	74	None	Others	1,971,678	62	None
	Net Purchase	2,992,017	100			3,196,022	100	

Note: Reasons for changes in proportion of goods imported: Due to the differences in sales proportion of the products, resulting in differences in the imported materials and suppliers.

2. Major customers in the two most recent fiscal years

Unit: NT\$ Thousand

Items	2023				2024			
	Name	Amount	Ratio of the net sales of the year (%)	Relationship with the issuer	Name	Amount	Ratio of the net sales of the year (%)	Relationship with the issuer
1	A	845,000	12	None	A	888,632	12	None
2	Others	6,354,935	88		Others	6,673,117	88	
	Net Sales	7,199,935	100			7,561,749	100	

Note: The Company's clientele is more divided. There was only one customer with net sales for over 10% the last two year.

### III. Employee information

Year		2023	2024	The current year up to February 28, 2025
Number of Employees	Technical personnel (Engineering)	387	325	315
	Management and sales personnel	374	371	365
	Operation personnel	585	545	528
	Total	1,346	1,241	1,208
Average Age		40.84	41.78	42.15
Average Service Tenure		3.92	4.71	4.83
Distribution of Educational Background	Doctoral degree	1.34	1.37	1.33
	Master's degree	16.42	16.84	16.56
	University (College)	56.24	56.25	56.70
	Senior High School	21.69	21.11	20.94
	Below Senior High School	4.31	4.43	4.47

### IV. Expenditures on environmental protection

- (I) No loss incurred due to pollution as of 2024 and up to the date of publication of the annual report  
 (II) Future countermeasures and possible expenditures

● Countermeasures

The Company's products go through the processes of exposure, development, chemical etching, stripping, followed by rinsing them in strong acid for cleaning before packaging them. These processes use chemicals for treatment and the Company wants to avoid pollution from occurring, thus, set up a neutralizing treatment tank for treating wastewater containing acids and alkalis from these processes. Wastewater is treated and released controlled within the standards as regulated by laws and regulations on national level and of the science park management bureau. In the area of preventing pollution and environmental protection measures, the Company has comprehensive wastewater and air pollutant emissions treatment equipment. Specifically, for preventing possible long-term damage effects from the wastewater pond polluting underground water sources, the wastewater pond was designed "overhead", managing personnel can check for leakages anytime. This is the most advanced wastewater treatment equipment globally. Air emissions go through the active carbon adsorption tower and washing column processes before being released. After the wastewater goes through this first stage treatment to meet the standard of the Hsinchu Science Park Bureau for sewer connection, it will be released to the wastewater treatment center of the Science Park for second time treatment.

The Company has placed environmental protection as first priority since establishment, thus, up till now, there have been no occurrences of environmental pollution.

The Company's products do not have direct or indirect relations with laws and regulations relating to overseas sales to Europe or the EU's Restriction of Hazardous Substances (RoHS) Directive.

● Expenditure for environmental protection

- 2024 environmental protection-related expenditures were NT\$12,336 thousand, related routine maintenance, cleaning and transportation, treatment, testing and permit application fees were NT\$6,971 thousand. NT\$7,254 thousand was spent on maintenance and renovation of treatment facilities, of which about NT\$5,545 thousand was for wastewater area refurbishment; renewal of scrubber control system for air pollution prevention equipment and scrubber circulating water system to improve removal rate cost about NT\$2,300 thousand; the wastewater treatment system was updated to improve the treatment efficiency of wastewater discharge, and automatic control functions were added for control of abnormal water quality backflow for compliance with environmental protection regulations. The waste acid recovery



project of the production line of the Company has been officially operational, which has greatly reduced pollution discharge and wastewater dosing, and an average of 32 tons of sulfuric acid per month can be recovered.

2. 2024, a total of 5 power conservation projects were implemented, saving 1,822,606 KWh/year of electricity and reducing carbon emissions by 902 metric tons of CO<sub>2</sub>e/year. Examples are as follows:
- (1) Plant 1 - MAU02 replacement of old equipment saved 98,780.417KW/h and NT\$405 thousand in power cost.
  - (2) Chilled water booster pump load adjustment: The original configuration, where the chiller in Plant 2 supplied chilled water to Plant 1, was modified so that a single unit now serves both Plant 1 and Plant 2. Saved 30,636.667KW/h and NT\$126 thousand between January and July in 2024.
  - (3) Plant 1 - installation of variable frequency conversion for air-conditioning boxes - total power saving between January and December 2024 was 441,405.26KW/h, which was equivalent to a total of NT\$1,810 thousand.
  - (4) Motor replacement and the addition of frequency converters resulted in a total saving of 34,066.643 KW/h, saving NT\$140,000.
  - (5) Replacement of 20W LED tubes resulted in a total saving of 22,576.113 KW/h, saving NT\$93 thousand.
  - (6) The replacement of 34 FFUs in the cleanroom in Plant 3 resulted in a total saving of 10,424.4 KW, approximately NT\$43 thousand.
  - (7) After the integration and shutdown of the chilled water pump for the Plant 3 PCW-5 system, total savings amounted to 113,880 KW, approximately NT\$467 thousand.

3. Future plans

An environmental protection budget of NT\$15,000 thousand was allocated to implement a condensate water recovery project, which directs recovered condensate back to the ultrapure water system in FAB3. The project is expected to recover approximately 3 metric tons of water per month. For newly installed wet-process equipment, the Company has set phased water-saving targets of 10 tons/day in the short term, 20 tons/day in the mid-term, and 30 tons/day in the long term. A pure water recovery system was also established for the box washer, achieving a 100% recovery rate by redirecting the reclaimed water to the RO2 system storage tank. Additionally, during equipment standby, the discharged DI water remains clean and is therefore redirected for reuse in the ultrapure water system. This initiative is estimated to recover 65 metric tons of water per month.

The Company will continue to adhere to the philosophy of social responsibility and sustainability. In response to the increase in production capacity, environmental protection related expenditures, such as routine maintenance, cleaning and transportation, treatment and testing and general maintenance of treatment facilities, will also increase. It is hoped that the promotion of energy conservation and carbon reduction projects will mitigate the environmental impact caused by operations, further creating economic and social values.

## V. Labor relations information

- (I) Employee benefit plans, continuing education, training, retirement systems and the status of their implementation, as well as the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Status of the Company's employee benefit measures, continuing education and trainings [Salary and motivation system]
  - Salary and multiple rewards system (Dragon Boat Festival, Mid-Autumn Festival and year-end bonus), additional performance bonus and allocation of earnings, production bonus, station allowance
  - Flexible salary adjustment for individuals
  - Employee bonus, employee stock option

[Life care and protection]

- Enjoy complete group insurance (free life insurance/accident insurance/hospitalization medical treatment/accident medical treatment/occupational hazard)
- Cash gifts and subsidies for child birth, weddings, death in the family
- Birthdays/occasions gift vouchers
- Free annual employee health check-ups
- Appointed store
- Welfare committee to regularly organize travels and various sporting events and domestic and overseas travel subsidies
- Employee health care, regular visits by doctors and nurses providing on-site care, professional consultation sessions and suggestions for employees
- Christmas party

[Convenient facilities]

- Provides complete indoor employee parking spaces
- Free gym with dedicated fitness trainer
- Indoor badminton court, tennis court, table tennis and so on leisure facilities
- Established lactation room, complete facility for use by female employees
- Established employee canteen provides free meals, coffee, tea beverages, and 180-inch large screen viewing
- Provides accommodation for job candidates from other cities

[Trainings]

- Provides new employee educational trainings
- Conducts work trainings based on the employee's work requirements
- Provides external trainings to employees for self-learning and growth

2. Retirement scheme

The Company has established a retirement plan with defined payment for formal employees based on the Labor Standards Act, making monthly payments to the retirement fund account with Bank of Taiwan. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with domestic citizenship. Under the New Plan, the Company contributes no less than 6% of each employee's monthly salary to their individual pension account at the Bureau of Labor Insurance, in accordance with the "Labor Pension Act". Upon retirement or termination of employment, employees may choose to receive the accumulated balance and earnings either as monthly payments or in a lump sum.

- (II) Any loss sustained by the company as a result of labor disputes and the estimate of losses incurred to date or likely to be incurred in the future in the most recent fiscal year and up to the date of the publication of the annual report: None.

## VI. Cybersecurity management

### (I) Cybersecurity risk management framework

1. The “Information Management Department” is the Company’s dedicated unit for information security, responsible for the governance, planning, supervision and execution. Its goal is to build comprehensive information security defense capabilities and foster good information security awareness among employees.
2. Holds an information security management review meeting every year in August (for information security management system, information security policy)
3. The head of the information unit reports on the implementation status of the information security management system in the Company’s monthly meetings.

### (II) Cybersecurity policy and specific management program

1. The Company’s information security management policy, “Provide a reliable information security operating environment and maintain the legal use of information systems and data to ensure the continuous and normal operation of company services and achieve the Company’s information security management goals”.
2. In order to effectively implement the information security management system, our specific practices are as follows:
  - A. Establish procedures for information processing system management to protect computer and internet security, implementing information security management through strengthening the concept, preventive measures, conduct records, active precaution, regular audits and so on procedures.
  - B. Formulate information security events notification management procedures assigning related personnel with necessary responsibility to facilitate rapid handling of information security incidents.
  - C. Establish information security facilities and systems change management notification mechanisms to prevent leaks in system security.
  - D. Handle prudently and protect personal data in accordance with the provisions as stipulated in “Computer-Processed Personal Data Protection Law.”
  - E. Establish backup facility, rigorous backup necessary data for 321 principle, software and backup procedures, to prepare for disaster or malfunction in storage media, enabling rapid recovery back to normal operation. However, it is not possible to guarantee a complete avoidance of illegal intrusion by third parties who use internet virus attack, serious internet attacks may result in system problems interrupting the company’s operations or prying of confidential information. These attacks may result in compensations to customers of the losses incurred from delays or interruptions from the company, or the need to bear expenses for rebuilding system security protection.
  - F. Improve employees' information security awareness and regularly conduct social engineering drills and information security education and training sessions.
  - G. Develop risk assessment operations and take appropriate corrective and preventive measures for high-risk services to educe the probability or impact of risks.
  - H. Hold management review meetings every year to review the operation of the information security management system and the related improvements, maintenance and operation of documents at all levels.

- I. Establish access control and management procedures, and standardize access control requirements for company systems, networks, and data, including configuration and management of employee accounts, passwords, and access authority to prevent information security incidents of unauthorized access to information assets.
  - J. Formulate remote work methods, and standardize the requirements of a remote work environment, connection and computer, so that employees can comply with the authorization and requirements of the Company's information security management system in the remote work scenario.
  - K. Establish physical security control measures to regulate the Company's access requirements, including regulations on the devices carried by personnel and regulations on visitor access, to avoid information security incidents due to the leakage of internal sensitive information.
  - L. The Company has introduced EDR to establish an early warning mechanism against targeted APT attacks. In the event of a cybersecurity incident, EDR utilizes artificial intelligence, machine learning, and advanced algorithms to analyze the context of the incident, reconstruct the infection chain, and assist security personnel in quickly identifying the root cause.
3. We have joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) in 2022 to process cybersecurity information.

(III) Resources committed to cybersecurity management.

1. Number of information security personnel (14 representatives from each department and 20 from the Information Management Department): 34 people
2. Security management review meeting every year → Held in August
3. Information security monthly meeting

(IV) Adopt the information security management system standards and obtain third-party verification.

The Company obtained ISO/IEC 27001:2013 certification for its Information Security Management System in October 2020. The annual audit and certification assessment for ISO 27001 was successfully completed in October 2024, and the results have been published by the Company.

(V) Information security risk occurrences

The Company has not discovered any information security risk occurrences in 2024.

## VII. Important contracts

The Company has not entered into any material contracts, except for general commercial transactions. In addition, the Company also disclosed “material contingent liabilities and unrecognized contractual commitments” in the latest annual (2024) CPA-audited and attested consolidated financial statements. (Page76)

## Five. Review and Analysis of Financial Position and Financial Performance and Risks

### I. Financial position

(I) Changes to liabilities and stockholders' equity in the two most recent years

Unit: NT\$ Thousand

Items \ Year	2023	2024	Difference	
			Amount	%
Current assets	5,910,895	7,311,214	1,400,319	23.69
Fixed assets	9,492,391	10,382,141	889,750	9.37
Other assets	5,617,682	3,121,790	(2,495,892)	(44.43)
Total assets	21,202,968	20,815,145	(205,823)	(0.98)
Current liabilities	8,623,904	9,452,248	828,344	9.61
Non-current liabilities	7,287,160	7,290,989	3,829	0.05
Total Liabilities	15,911,064	16,743,237	832,173	5.23
Capital	2,564,465	2,564,562	97	0.00
Capital surplus	1,439,959	1,532,041	92,082	6.39
Retained earnings	2,291,561	1,445,786	(845,775)	(36.91)
Other equity interests	1,641	20,148	18,507	1,127.79
Treasury stock	(1,174,484)	(1,167,369)	7,115	(0.61)
Non-controlling Interests	(13,238)	(323,260)	(310,022)	2,341.91
Total Equity	5,109,904	4,071,908	(1,037,996)	(20.31)

(II) Analysis of changes in proportion

1. Current assets increased by 23.69%, while other assets decreased by 44.43%, primarily due to the reclassification of financial assets measured at fair value through profit or loss from non-current to current.
2. Retained earnings decreased by 36.91%, which was mainly due to the loss in the current period.
3. Other equities increased by 1,127.79%, which was due to the increase in the exchange difference arising on translation of foreign operations.
4. Non-controlling interests decreased by 2,341.91% mainly due to the increase in loss of a subsidiary in the current period.

## II. Financial performance

### (I) Financial performance comparison analysis table

Unit: NT\$ Thousand

Items	Year			Amount	Change in
		2023	2024	increase (decrease)	proportion (%)
Operating income		7,199,935	7,561,749	361,814	5.03
Operating costs		5,363,566	6,140,062	776,496	14.48
Gross profit		1,836,369	1,421,687	(414,682)	(22.58)
Operating Expenses		1,087,738	1,200,293	112,555	10.35
Operating profit (loss)		748,631	221,394	(527,237)	(70.43)
Non-operating income and expenses		(302,831)	(887,443)	(584,612)	(193.05)
Net income (loss) of this period from continuing operations		164,284	(786,011)	(950,295)	(578.45)
Other comprehensive income (loss) for the year: Net income (loss)		(10,012)	18,744	28,756	287.22
Total comprehensive income for the year		154,272	(767,267)	(921,539)	(597.35)

### (II) Analysis of changes in proportion

1. Operating gross profit decreased by 22.58%, and operating net profit decreased by 70.43%, due to the increase in depreciation and maintenance expenses from the additional investment in production equipment.
2. Non-operating income and expenses decreased by 70.43%, mainly due to the decrease in valuation of financial assets.
3. The net profit of continuing operations for the current period decreased by 578.45%, and the total comprehensive income of the current period decreased by 597.35%, mainly due to the decrease in the profit of the main business and the financial asset valuation loss.
4. Other comprehensive income for the current period increased by 287.22%, mainly due to the increase in exchange differences from the financial statements of foreign operating organizations for the current period.

### (III) Expected sales volume and its basis, potential effects to future company finance and operations and contingency plan

In response to future trends of IC manufacturing technology advancements, current matured technology facilities owned by the Company are not sufficient to meet the demands of IC design companies. Thus, there are plans to purchase photomask equipment with high-level technology to satisfy customer demands for high-level manufacturing, and to elevate the Company's overall competitiveness. The sales volume of high-end photomasks is projected to increase in the fiscal year 2025. The Company is actively reducing cost and various expenses, continues to research and develop and upgrade its technology to improve operations and increase profits.

### III. Cash flow

#### (I) Analysis of the changes in the cash flow in the past two years

Items	Year	2023	2024	Ratio increase (decrease)
	Cash flow ratio		9.47	20.14
Cash flow adequacy ratio		11.85	18.78	6.93pps
Cash flow reinvestment ratio		2.34	10.2	7.86pps

#### (II) Explanation of changes in the ratio

Cash flow ratio, cash flow adequacy ratio, and cash flow reinvestment ratio: Mainly due to an increase in net cash inflows from operating activities in the current period compared with the previous period.

#### (III) Improvement plan for liquidity shortfall

The Company does not observe signs of insufficient liquidity, thus, not applicable.

#### (IV) Cash flow analysis for the coming year

Unit: NT\$ Thousand

Opening Balance (1)	Estimated cash flow from operating activities (2)	Estimated cash flow from investment and financing activities (3)	Estimated cash balance (shortfall) amount (1)+(2)+(3)	Remedy for insufficient cash	
				investment plan	Financing plan
1,430,542	2,062,009	(1,883,999)	1,608,552	-	-

1. Operating activities: Mainly estimated cash generated from sales and added depreciation with no cash flow.
2. Investment activities: It is expected that there will be purchases of machinery and equipment, therefore, investment activities will have situations of net cash used.

### IV. Effects of major capital expenditures on finance and operation in the most recent fiscal year

#### (I) Usage situations of major capital expenditures and funds transactions

Unit: NT\$ Thousand

Project item	Actual or planned source of capital	Actual usage of funds	
		2023	2024
1. Buildings and structures	Operating profit, issuance of convertible corporate bonds and medium and long-term borrowings.	3,179,581	2,005,238
2. Exposure equipment			
3. Test system			
4. Measurement equipment			
5. Process equipment			
6. Repair system			
7. Environmental equipment			

(II) Expected possible benefits generated

1. Estimated to increase production and sales volume, value and gross profit

Unit: Pieces; NT\$Thousand

Year	Items	Unit	Production volume	Sales volume	Sales value	Gross profit
2024	Photomask	Pieces	12,500	12,500	1,460,000	730,000
2026	Photomask	Pieces	13,500	13,500	1,630,000	820,000

2. Description of other benefits

Capital expenditure is mainly to increase high-end mask production equipment to meet customer needs, and to update plant equipment to meet ESG energy-saving and sustainable needs. It is expected to increase the Company's production value and gross profit and meet the goal of sustainable development of public welfare.

**V. The Company's reinvestment policy for the most recent fiscal year, the main reasons for the generated profits/losses, the plan for improving re-investment profitability and investment plans for the coming year**

1. The Company's re-investments are strategic investments.
2. In 2024, the consolidated financial statements recognized an investment loss of NT\$53,984 thousand under the equity method. Reasons for the loss and improvement plan are as shown below:

Investee	Profit (loss) of the investee for the current period	Investment profit (loss) recognized for the current period	Reasons	Improvement plan
Advagene Biopharma Co., Ltd.	(69,715)	(20,321)	The biotechnology industry has a unique environment, with substantial investment in new drug development. The company incurred losses due to the lack of significant returns.	In addition to continuing to invest in R&D, we have also established long-term and close cooperation with outsourced biotechnology manufacturers (CMC) to meet the development trend of biotechnology specialization.
Weida Hi-Tech Co., Ltd.	(1,130)	(319)	High inventory levels among upstream and downstream semiconductor suppliers, coupled with stagnant supply and demand resulted in losses for the company.	Enhance products to expand their application scope and supply-demand flexibility and optimize the product portfolio to increase brand customer loyalty.
TrueLight Corporation	(239,250)	(21,542)	Impacted by the weak demand in the optical communication market and intense price competition from manufacturers of China, the Company actively	To enhance competitiveness, the Company plans to improve capacity utilization, upgrade technologies, and diversify its market



			reduced inventories of legacy products while investing in the development of new products, resulting in an operating loss.	presence, while reallocating capacity to other product lines such as data centers and automotive applications to explore new growth opportunities.
BKS Tec Corp.	(41,233)	(11,802)	Due to the lack of cost advantage compared to Chinese manufacturing, it is difficult to attract customer orders. Although revenue has grown, the Company has yet to reach the breakeven point and continues to incur losses.	Production costs are being reduced through the implementation of automated assembly lines. Localized production of optical fiber products enables the Company to avoid the impact of U.S.-China trade tensions and continue expanding revenue in the U.S. and European markets.

3. Investment plan for the coming year: There are currently no investment plans for 2025.

## VI. Analysis and assessment of risks

- (I) Impact of interest rate, exchange rate fluctuation and inflation on the Company's profit and loss and the future responsive measures for the most recent fiscal year and until annual report publication date.

Items	Impact to the Company's profit and loss	Future countermeasures
Changes in interest rate	Interest rate increases or decreases by 0.25%/Net income after tax increases or decreases 2024 NT\$21,030 thousand.	The interest rate risk of Taiwan Mask mainly comes from financial liabilities, and most of the long-term financial liabilities are with fixed interest rates. To reduce risks, the Company will make good use of various financial instruments and lock in favorable fixed interest rates depending on market conditions, to reduce the risks of interest rate fluctuations.
Exchange rate fluctuation	Exchange rate fluctuation 1%/Increase in gains (losses) 2024 NT\$8,003 thousand.	Adopt natural hedging measures as the countermeasure.
Inflation	No impacts.	Inflation situations in the most recent fiscal year have limited impacts to the Company's gains or losses, continue to take note of changes in domestic and overseas economies.

- (II) In the two most recent fiscal years and until the publication date of the annual report, the policy, main reason for profit or loss, and future countermeasures of high-risk investments, high-leverage investments, loans to other parties, endorsements/guarantees, and derivatives transactions.

- In the most recent fiscal year and until the publication date of the annual report, high-risk investments, high-leverage investments and derivatives transactions: None.
- Loans to Others

Unit: NT\$ Thousand

Company that lent funds	Borrowing party	Type	113/12/31	114/02/28
Taiwan Mask Corporation	Aptos Technology INC.	Working Capital Turnover	80,000	80,000
	Innova Vision INC.	Working Capital Turnover	50,000	50,000
	Youe Chung Capital Corporation	Working Capital Turnover	300,000	300,000
Youe Chung Capital Corporation	Aptos Technology INC.	Working Capital Turnover	340,000	340,000
	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Working Capital Turnover	310,000	310,000
	Innova Vision INC.	Working Capital Turnover	180,000	90,000
Miracle Technology CO., LTD.	Aptos Technology INC.	Working Capital Turnover	170,000	170,000
Pilot Battery Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Working Capital Turnover	40,000	40,000
Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	Working Capital Turnover	44,780	40,608

### 3. Endorsement and guarantee

Unit: NT\$ Thousand

Endorser/guarantor	Party being endorsed/guaranteed	113/12/31	114/02/28
Taiwan Mask Corporation	Miracle Technology CO., LTD.	0	0
Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	228,378	230,112
Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	150,000	146,000
Miracle Technology CO., LTD.	Aptos Technology INC.	20,000	20,000

#### (III) Research and development programs in the future and the expenditures expected

To elevate competitiveness and to satisfy demands from customers and markets, it is expected to continue to invest in human resources and expenditures to research and develop high level photomask products, advanced manufacturing processes and so on technology development in the future, to maintain leading position in technology and product yield rate. In 2025, the expected research and development expenses will be approximately NT\$270 million.

#### (IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and countermeasures

The Company abides by national policies and laws, related units monitor closely to any changes in major policies and laws and cooperate to adjust the company's internal system and operations activities to ensure smooth operations of the company.

#### (V) Effect on the Company's financial operations of developments in science and technology (including information security risks) as well as industrial change, and measures to be taken in response.

Semiconductor technology is constantly developing towards the precision manufacturing process. This will increase demands for high level photomasks relatively. The Company continues to expand its production capacity, purchasing high level manufacturing machinery. Currently, the company is in a sound financial position, which is sufficient to respond to the company's future technology development demand. Impacts on the company's finances and business from technology changes and industry changes are limited.

In response to the frequent occurrence of various cyber attacks, the company has taken proactive measures to strengthen its information security. In addition to gradually introducing a variety of information security defense equipment and mechanisms, we have formulated and regularly reviewed information security policies, including information security incident reporting and response mechanisms, and regularly disseminated these policies to employees, promoting information business efficiency and quality, and promoting preventive and corrective measures to control and reduce related cyber risks.

#### (VI) Effect on the Company's crisis management from changes in the Company's corporate image and measures to be taken in response: None.

#### (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

#### (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

#### (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. In response to frequent changes to market demands, supply aspects need to have flexibility. Various major materials required by the Company's operations are steadily supplied by multiple suppliers. There have been plans each year in assessing new suppliers. The company plans to collaborate actively with suppliers for the supply of raw materials and equipment required by operations in the coming one year.
2. Major sales customers of the Company are well-known companies, proportion of revenues from customers are diverted across major industries, there are no risks of concentration of sales.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

The Company's major shareholders are fairly supportive of the company's operations and management levels and submit timely reports to the Board of Directors and on shareholding situations of the top 10% major shareholders in accordance with the Securities and Exchange Act. There have been no situations of transfer of major quantities of shares or changed hands in the most recent fiscal year and up to the annual report publication date, thus, it has no effects on the Company.

(XI) Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) Litigation or non-litigation matters, list major litigations, non-litigation or administrative litigation matters where a court's decision has been made or action is still pending of the company and company directors, supervisors, president, the de facto responsible persons, shareholders with over 10% shareholding, where the results may have a significant impact on shareholders' rights and interests or prices of securities, shall disclose facts of disputes, price or claim value, litigation start date, major parties of the litigation and handling situation up to publication date of the annual report: None.

(XIII) Other important risks, and countermeasures being or to be taken: None.

## **VII. Other important matters: None.**

## Six. Special Items to be Included

### I. Consolidated Financial Statements Declaration

Taiwan Mask Corporation

Consolidated Financial Statements Declaration

The companies that are required to be included in the affiliated companies consolidated financial statements as of and for the year ended on December 31, 2024, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements of the parent company and subsidiaries prepared in conformity with the International Accounting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the affiliated companies consolidated financial statements is included in the consolidated financial statements of the aforesaid parent company and subsidiaries. Consequently, a separate set of consolidated financial statements for the affiliated companies is not prepared.

Very truly yours

Company Name: Taiwan Mask Corporation



Person in Charge: Sean Chen



March 12, 2025

## **II. Information about affiliated companies**

(I) Please refer to the MOPS for the three disclosure statements of affiliates

[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(II) Consolidated Financial Statements of Affiliates

The Company includes in its consolidated financial statements of affiliated enterprises the same entities that are required to be included in the consolidated financial statements of the parent and subsidiaries, in accordance with IFRS 10 “Consolidated Financial Statements”. Furthermore, all relevant information required for disclosure in the affiliated enterprises consolidated financial statements is already disclosed in the parent and subsidiaries consolidated financial statements. Therefore, the Company only issues a declaration on the cover page of the consolidated financial statements of the parent and subsidiaries and does not separately prepare consolidated financial statements or a separate declaration for affiliated enterprises.

(III) Relationship report: Not applicable.

(IV) Information on the controlling and controlled entities presumably sharing the same shareholders:  
None.

**III. Status of private placement of securities during the most recent fiscal year and up to the date of publication of the annual report: None.**

**IV. Other supplementary information: None.**

**V. Situations listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, have occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed: None.**

Taiwan Mask Corporation



Chairperson: Sean Chen

