Stock Code: 4540

TBI Motion Technology Co., Ltd.

2025 Annual Report

Website for checking this Annual Report:
https://mops.twse.com.tw
The Company’s website:
https://www.tbimotion.com.tw
Publication date: June 5, 2026

I. Name, Title, Contact Number and Email of the Company's Spokesperson and Deputy Spokesperson

Spokesperson: Chiang, Wen-Lung
Title: Assistant Vice-President of the Operations Management Center
Tel: (02)2689-2689
E-mail: tbimotion_IR@tbimotion.com.tw
Deputy Spokesperson: Shen, Hsin-Kai
Title: Manager of the Finance Department
Tel: (02)2689-2689
Email: vincentshen@tbimotion.com.tw

II. Address and Phone Number of Head Office and Plant

Head Office: No.123, Sanduo Rd., Shulin Dist., New Taipei City
Tel: (02)2689-2689
Shulin Plant: No.123, Sanduo Rd., Shulin Dist., New Taipei City
Tel: (02)2689-2689

III. Name, Address, Website, and Phone Number of the Stock Transfer Agency

Name: Stock Affairs Agency, First Securities Inc.
Website: http://www.firstsec.com.tw
Address: 6F., No. 27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City
Tel: (02)5581-9939

IV. Contact Information of Financial Statement Auditors in the Most Recent Year

Attesting CPA: CPA Chih, Ping-Chun, CPA Hsu, Ming-Chuan
Accounting Firm: PwC Taiwan
Address: 27F, No. 333, Sec. 1, Keelung Rd. Taipei City
Tel: (02)2729-6666
Website: http://www.pwc.tw

V. Exchanges Where the Company's Securities are Traded Offshore and the Method by Which to Access Information on Said Offshore Securities: Not applicable.

VI. Company Website: http://www.tbimotion.com.tw

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Chapter I. Letter to Shareholders

Dear Shareholders,

With a strong focus on the manufacturing of transmission components such as ball screws and linear guides, the Company celebrates its 40th anniversary this year. The Company has consistently invested in research and development and technological innovation. Guided by its management team, it has strengthened its core expertise in precision rolled ball screws while fostering a spirit of innovation to develop a complete and diverse product line. The Company's offerings extend beyond precision ball screws and linear guides to include roller screws, ball splines, linear transmission platforms, rotary ball screw splines, and other transmission components. Through comprehensive solution offerings, it continues to enhance market competitiveness and brand strength.

I. 2025 Business Report

The Company's net operating revenue for 2025 was NT$2,559,330 thousand, up 11.55% from NT$2,294,281 thousand in 2024. Net loss after tax for 2025 totaled NT$74,067 thousand, translating to a loss per share of NT$0.66. The 2025 business condition is as follows:

(I) Implementation result of the business plan

Unit: NT$ thousand; earnings per share: NT$

Year / Item	2025	2024	Variation	
			Amount	Percentage %
Net operating revenues	2,559,330	2,294,281	265,049	11.55
Operating costs	2,312,902	2,419,392	(106,490)	(4.40)
Operating gross profit (loss)	246,428	(125,111)	371,539	(296.97)
Operating expenses	546,571	511,603	34,968	6.83
Operating income (loss)	(300,143)	(636,714)	336,571	(52.86)
Net non-operating income (expenditures)	337,043	72,882	264,161	362.45
Net profit (loss) before tax	36,900	(563,832)	600,732	(106.54)
Income tax benefit (expense)	(110,967)	77,180	(188,147)	(243.78)
Net profit (loss) after tax	(74,067)	(486,652)	412,585	(84.78)
Earnings (deficits) per share after tax	(0.66)	(4.97)	4.31	(86.72)

Note: As the Company did not publish financial forecasts for 2025, there is no disclosure regarding budget achievement.

(II) Financial balance and profitability analysis

<table>
<tr><th colspan="3">Item \ Year</th><th>2025</th><th>2024</th></tr>
<tr><td rowspan="2">Financial structure</td><td colspan="2">Debt to assets ratio (%)</td><td>54.11%</td><td>53.83%</td></tr>
<tr><td colspan="2">Ratio of long-term funds to fixed assets (%)</td><td>221.69%</td><td>210.15%</td></tr>
<tr><td rowspan="6">Profitability</td><td colspan="2">Return on assets (%)</td><td>(0.36%)</td><td>(5.80%)</td></tr>
<tr><td colspan="2">Rate of return on shareholders' equity (%)</td><td>(2.20%)</td><td>(14.88%)</td></tr>
<tr><td rowspan="2">Ratio in paid-in capital (%)</td><td>Operating loss</td><td>(26.06%)</td><td>(58.34%)</td></tr>
<tr><td>Profit (loss) before tax</td><td>3.20%</td><td>(51.66%)</td></tr>
<tr><td colspan="2">Net profit margin (%)</td><td>(2.89%)</td><td>(21.21%)</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td><td>(0.66)</td><td>(4.97)</td></tr>
</table>

(III) Research and development status

As the global demand for environmental protection and energy saving increases and the technology advances, the application of high-speed energy-saving and eco-friendly linear transmission components is gradually expanding. The corresponding technology requirements have also exceeded the traditional production technology. On the technology level, the Company is the top company in Taiwan in terms of rolled screws, and the technologies for ground screws and linear guides are also among the top companies. The R&D staff has rich practical experience with solid fundamental knowledge and high stability without technology gap. Therefore, in addition to enhancing our own technologies and innovation, we endeavor to research and develop new products and technologies and apply for patents in many countries for our developed technologies and products. In response to the ever-changing environment, we will continue to invest in new product development and process improvement in the future.

II. Summary of 2026 business plan

In 2026, global manufacturing is expected to maintain a gradual recovery, although geopolitical uncertainties and regional trade realignment will continue to influence supply chain dynamics. In China, overcapacity and intensified price competition continue to create industry pressure, challenging the pricing and margins of transmission components. To address these conditions, the Company will maintain its established customer base in China while enhancing product portfolio optimization and cost efficiency, increasing the share of high value-added products to reduce exposure to price competition. It will also strengthen localized production and technical service capabilities to improve delivery responsiveness and customer engagement. Additionally, the Company will expand into Europe, the Americas, Japan, and ASEAN markets, focusing on automation equipment, semiconductor-related applications, and smart manufacturing, to diversify regional exposure and enhance revenue quality and profitability.

III. Development strategies for the future

The Company will center its strategy on technological upgrading and product differentiation, further deepening process capabilities in precision ball screws and linear guides, while accelerating the development of roller screws and high-end linear modules to strengthen its integrated solution capabilities. By diversifying manufacturing bases and adopting flexible supply chain management, the Company will enhance its ability to respond to tariff fluctuations and regional policy changes. At the organizational level, it will continue advancing lean management and digital transformation to improve efficiency and inventory turnover. With sustained investment in R&D innovation and quality stability, the Company aims to establish technological barriers that differentiate it from competitors and reinforce long-term competitiveness and operational resilience.

IV. Effect of external competition, the legal environment and the overall business environment

The external environment continues to face significant uncertainty, including evolving U.S.–China trade policies, changes in global tariff and rules-of-origin regulations, and increasingly strict requirements on carbon emissions and sustainability disclosures, all of which impact operating costs and market positioning. The China market continues to face overcapacity and intense price competition, resulting in persistent margin pressure, while global capital spending is gradually recovering but investment decisions remain conservative. The Company will further enhance cost control and risk management systems, carefully assess regional investment effectiveness, and focus on developing niche and high-value-added products to increase technological content and product differentiation, thereby reducing exposure to price competition and regulatory changes and ensuring stable operations and long-term shareholder value.

Chairman:	President:	Accounting Supervisor:
Lee, Ching-Kun	Lee, Ching-Sheng	Shen, Hsin-Kai

Chapter II. Corporate Governance Report

I. Information on directors, president, vice- presidents, assistant vice presidents and the executives of all the divisions

(I) Director information

1. Board member profile

May 1, 2026

Position	Nationality or place of registration	Name	Gender / Age	Date of election (inauguration)	Term	Date of initial election	Shareholding at the time of appointment		Current shareholding		Current spouse and minor children's shareholdings		Shareholdings by nominee arrangement		Major experience (education)	Concurrent position held in the Company or other companies	Other executives or directors who are spouses or within the second degrees of kinship		
							Shares	Shareholdings ratio	Shares	Shareholdings ratio	Shares	Shareholdings ratio	Shares	Shareholdings ratio			Position	Name	Relationship
Chairman	R.O.C.	Te Yi Investment Co., Ltd.	-	2025.06.26	3 years	2010.09.08	5,735,000	5.11%	5,735,000	4.98%	–	–	–	–	–	–	–	–	–
Representative	R.O.C.	Lee, Ching-Kun	Male 75 years old	2025.06.26	-	2010.09.08	128,687	0.11%	128,687	0.11%	–	–	–	–	Ji-Sui Junior High School	Chairman, TBI Motion Technology Co., Ltd. Chairman, Comtop Technology Co., Ltd. Supervisor, Fu Shan International Investment Co., Ltd.	Director	Lee, Ching-Sheng	Sibling
Director	R.O.C.	Lee, Ching-Sheng	Male 67 years old	2025.06.26	3 years	2025.06.26	2,603,456	2.32%	2,603,456	2.26%	1,474,478	1.28%	–	–	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology M.S., Graduate Institute of Mechanical Engineering, Lunghwa University of Science and Technology	President, TBI Motion Technology Co., Ltd. Chairman, Smartech & Green Co., Ltd.	Chairman Director	Lee, Ching-Kun Lee, Szu-Ying	Sibling Father and daughter
Director	R.O.C.	Smartech & Green Co., Ltd.	-	2025.06.26	3 years	2022.06.27	1,092,107	0.97%	1,092,107	0.95%	–	–	–	–	–	–	–	–	–
Director Representative	R.O.C.	Lee, Szu-Ying	Female 35 years old	2025.06.26	-	2025.06.26 (Note)	999,910	0.89%	1,000,000	0.87%	–	–	–	–	Master of Supply Chain & Logistics Management, University of Strathclyde Waseda University, Japan Master of Business Administration (MBA), Graduate School of Business and Finance	Special Assistant, TBI Motion Technology Co., Ltd. Chief Executive Officer, TBI Motion Intelligence Co., Ltd. Chief Executive Officer, TBI Motion (Suzhou) Co., Ltd. Chief Executive Officer, TBI Motion Technology (Jiangsu) Co., Ltd. CEO, TBI Motion Technology (USA) LLC.	Director	Lee, Ching-Sheng	Father and daughter
Director	R.O.C.	Yeh, Chun-Yen	Male 60 years old	2025.06.26	3 years	2022.06.27	–	–	–	–	–	–	–	–	Master of Finance, Management School, National Taiwan University CPA, Internal Auditor, Financial Management Consultant License for SMEs, Patent Agent Independent Director, British Cayman Thai Ho Group Inc.	Chief Finance Officer, Annji Pharmaceutical Co., Ltd. Independent Director, British Cayman Thai Ho Group Inc.	–	–	–
Independent Director	R.O.C.	Liu, I-Lin	Male 55 years old	2025.06.26	3 years	2019.06.27	–	–	–	–	–	–	–	–	PhD, Department of Industrial Engineering and Management, National Taipei University of Technology Assistant Vice President of Business, Orix Taiwan Corporation Sales Manager, HP Financial Services (Singapore) Pte. Ltd. Taiwan Branch	Assistant Professor, Department of Information Management, Shih Hsin University	–	–	–
Independent Director	R.O.C.	Fang, Chung-Li	Male 68 years old	2025.06.26	3 years	2022.06.27	–	–	–	–	–	–	–	–	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology	Chairman, AIM Public Relations Consulting Co., Ltd. Supervisor, Hezong Science and Technology Co., Ltd.	–	–	–
Independent Director	R.O.C.	Chou, Cheng-I	Male 50 years old	2025.06.26	3 years	2022.06.27	–	–	–	–	–	–	–	–	M.S., Department of Industrial Engineering and Management, National Taipei University of Technology B.A., Department of Electronic Engineering, National Taipei University of Technology TIPS self-evaluation personnel Chairman, 5th of the EMBA Association of Department of Industrial Engineering and Management, National Taipei University of Technology Executive Supervisor, 7th EMBA Alumni Association, College of Management, National Taipei University of Science and Technology	President, Chen Shiang Intellectual Property Inc. Chief Executive Officer, Chen Shiang Intellectual Property Inc.	–	–	–

Note: Mr. Ching-Sheng Lee, originally appointed as the Company's representative director by Smartech & Green Co., Ltd., was replaced by Ms. Szu-Ying Lee on June 26, 2025.

2. For directors acting as the representatives of corporate shareholders, the major shareholders of such corporate shareholders:

(1) Major shareholders of corporate shareholders

May 1, 2026

Name of corporate shareholder	Major shareholders of corporate shareholders
Te Yi Investment Co., Ltd.	Lee Cheng, Yueh-E (25%), Lee, Ching-Kun (25%), Lee, Fu-Yu (25%), Lee, Ching-Yi (25%)
Smartech & Green Co., Ltd.	Ding Jie Investment Co., Ltd. (100%)

(2) Major shareholders of the major shareholders of the corporate shareholder who are corporate entities

May 1, 2026

Name of corporate entity	Major shareholders of the corporate entity
Ding Jie Investment Co., Ltd.	Lee, Ching-Sheng (31.441%), Wang, Fu-Mei (31.441%), Lee, Szu-Ying (16.775%), Lee, Chuanyu (16.777%), Lee, Fang-Ling (3.566%)

3. Professional qualifications of directors and independence status of independent directors

Qualification / Name	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman: Te Yi Investment Co., Ltd. (Representative: Lee, Ching-Kun)	● For the professional qualifications and experience of the directors, please refer to the "Board member profile" in this annual report. ● None of the directors is subject to any of the circumstances defined in the paragraphs of Article 30 of the Company Act.	Not applicable	–
Director: Lee, Ching-Sheng			–
Director: Smartech & Green Co., Ltd. (Representative: Lee, Szu-Ying)			–
Director: Yeh, Chun-Yen			–
Independent Director: Liu, I-Lin		1. All independent directors comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) prescribed by the Financial Supervisory Commission (FSC). 2. For information regarding ordinary shares of the Company held by independent directors themselves (or through nominees), their spouses, and minor children, please refer to the "Board Member Profiles" section of this annual report. 3. In the past two years, all independent directors have received no fees for providing audit or professional services, including business, legal, financial, or accounting services, to the Company or its affiliates.	–
Independent Director: Fang, Chung-Li			–
Independent Director: Chou, Cheng-I			–

Note 1: 1. Having been convicted of a crime under the Organized Crime Prevention Act and has not yet started serving the sentence, has not completed the sentence, or five years have not elapsed since the completion of the sentence, the expiration of the probation period, or the granting of a pardon.
2. Having been sentenced to imprisonment for one year or more for fraud, breach of trust, or misappropriation, and has not yet started serving the sentence, has not completed the sentence, or two years have not elapsed since the completion of the sentence, the expiration of the probation period, or the granting of a pardon.
3. Having been convicted of a crime under the Anti-Corruption Act, and has not yet started serving the sentence, has not completed the sentence, or two years have not elapsed since the completion of the sentence, the expiration of the probation period, or the granting of a pardon.
4. Adjudicated bankrupt or subject to court-ordered liquidation proceedings, and has not yet been discharged.
5. Having been blacklisted by a clearinghouse for the use of negotiable instruments, and the blacklisting period has not yet expired.
6. Being a person with no legal capacity or with limited legal capacity.
7. Subject to an order of assistance which has not yet been revoked.

Note 2: 1. Not a government agency, a juristic person, or a representative thereof as stipulated in Article 27 of the Company Act.
2. Number of other Taiwanese public companies in which the individual is concurrently serving as an independent director: Less than three.
3. No one was subject to any of the following matters in the two years prior to election and during office:

(1) An employee of the Company or any of its affiliates.
(2) A director or supervisor of the Company or any of its affiliates.
(3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company, or ranking among the top 10 natural-person shareholders in holdings.
(4) A spouse, or relative within the second degree of kinship or lineal relative within the third degree of kinship, of an executive officer falling under Point (1) above or of any of the persons in point (2) or (3). above.
(5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, ranks as one of the top five in shareholdings, or has appointed a representative to serve as a director of the Company according to Article 27 of the Company Act.
(6) A director, supervisor or employee of a corporation which is controlled by the same person who has over 50% of voting right shares or board of director seats of the Company.
(7) A director, supervisor or employee of a corporate or institution which has the same or their spouse is: chairman, president or equivalent positions of the Company.
(8) A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company.
(9) A professional individual who, or an owner, partner, director, supervisor or manager of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation of more than NT$500,000 or a spouse thereof.

4. Diversity and independence of Board of Directors

(1) Diversity of Board of Directors:

A. Director nomination and election system and procedures

The Company elects directors (including independent directors) in accordance with its “Regulations Governing the Election of Directors” and adopts the candidate nomination system according to Article 192-1 of the Company Act. The Company announces the nomination process for director (including independent director) candidates prior to the share transfer suspension date of the shareholders’ meeting, including the nomination period and number of seats available. The nomination period shall be at least 10 days. After the Board of Directors reviews and confirms that director (including independent director) candidates meet the required qualifications, the candidate list is submitted to the shareholders’ meeting for election.

B. Composition of Board of Directors and Diversity Policy

Based on Company has specified in the "Corporate Governance Best Practice Principles" and the "Regulations Governing the Election of Directors" that diversity should be considered in the composition of the Board of Directors. The Company has also formulated a Board diversity policy with respect to the Company's business characteristics, and future development needs, covering gender, age, educational background, and professional experience, etc.

C. Board responsibilities and governance performance

The Company’s Board of Directors is composed of members with diverse core competencies, enabling effective execution of their responsibilities, including establishing a robust governance system, supervising and guiding management, strengthening corporate administration, and overseeing the Company’s overall economic, social, and environmental performance to maximize stakeholder value.

The 6th Board of Directors consists of seven members, including three independent directors and one female director. The directors' expertise covers operation and management, leadership decisions, industry knowledge, financial accounting, and law. All directors possess the necessary qualifications and professional capabilities, demonstrating the implementation of the Board diversity policy.

In addition, at least one of the Board members has met the main professional requirements in terms of business management, leadership decision-making, and financial accounting, which is on par with the Company's promotion of the diversity policy direction and management objectives. Under the leadership of the chairman, the Board continues to strengthen its governance functions, improve the supervisory mechanism, and elevate the overall management effectiveness, in order to implement the core spirit of corporate governance.

With respect to gender diversity, the current Board of Directors includes one director of a different gender, representing 14% of the total board seats, which has not yet achieved the target of having directors of either gender account for at least one-third of the board seats. This is primarily because the current sixth-term Board was elected by shareholders at the shareholders' meeting, with priority given to candidates' professional expertise, industry experience, and the Company's corporate governance needs.

In future board elections or when appointing additional directors, the Company will continue to incorporate gender equality and diversity as important considerations in the nomination process. The Company will actively seek qualified candidates of different genders with expertise in business management, finance and accounting, law, or industry-related fields to serve as director candidates, thereby gradually increasing the proportion of directors of different genders and moving toward the goal of having directors of either gender account for at least one-third of the board seats.

Management Objectives	Status
Board members possess diverse professional backgrounds and industry experience	Achieved
Directors of either gender account for at least one-third of the board seats	Not Achieved

D. Board Composition and Tenure

Among the members of the Board, two directors (29%) also hold employee status, while three are independent directors, representing 43% of the seats.

All three independent directors have a tenure of less than three years. The age distribution of the Board is as follows: one director aged 30–39, two directors aged 50–59, three directors aged 60–69, and one director aged 70–79.

Diversity core items and director names	Operation and management	Leadership decision	Industry knowledge	Financial accounting	Law
Te Yi Investment Co., Ltd. Representative: Lee, Ching-Kun	V	V	V		
Lee, Ching-Sheng	V	V	V		
Smartech & Green Co., Ltd. Representative: Lee, Szu-Ying	V	V	V		
Yeh, Chun-Yen	V	V	V	V	
Liu, I-Lin	V	V	V	V	
Fang, Chung-Li	V	V	V		V
Chou, Cheng-I	V	V	V		V

(2) Independence of Board of Directors

A. Structure of the Board of Directors:

The Company has established a rigorous director selection system, ensuring that all election procedures are public and fair. These procedures comply with the "Articles of Incorporation," the "Regulations Governing the Election of Directors," the "Corporate Governance Best Practice Principles," the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act." The current Board consists of three independent directors (42.86%) and four non-independent directors (57.14%). Among them, two directors hold employee status (28.57%), which does not exceed one-third of the total board seats. Furthermore, three directors share a spousal or second-degree kinship relationship (42.86%), which does not exceed half of the board seats, in full compliance with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

B. Independence of Board of Directors:

The Board of Directors shall direct the Company’s strategy, supervise the management team, be responsible to the Company and shareholders, and make arrangements for the various operations and arrangements of the Company’s governance system to ensure that it exercises its authorities in accordance with laws and regulations, the Company’s Articles of Incorporation or the resolutions of the shareholders’ meeting. The Board of Directors emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their duties and powers independently. The three independent director seats comply with applicable laws and regulations and, together with the Audit Committee, assess the management of existing and potential risks. They supervise the effective implementation of internal controls, the appointment and removal of external auditors, auditor independence, and the fair preparation of financial statements. In addition, under the Company's "Regulations Governing the Election of Directors," directors and independent directors are elected through a candidate nomination system to promote shareholder participation. Shareholders holding a specified number of shares may submit candidate nominations. The review of candidate qualifications and confirmation of compliance with Article 30 of the Company Act are conducted and publicly disclosed in accordance with law, ensuring shareholder rights are protected, preventing concentration or misuse of nomination rights, and maintaining board independence.

The Company has established a Board Performance Evaluation System, conducting internal board self-assessments and individual director evaluations annually. The board-level evaluation encompasses five key dimensions: (1) Participation in the operation of the Company; (2) Improvement of the quality of the Board's decision-making; (3) Composition and structure of the Board; (4) Election and continuing education of directors; and (5) Internal control. The individual director self-assessment includes six key dimensions: (1) Alignment with the Company's goals and missions; (2) Awareness of the duties of a director; (3) Participation in company operations; (4) Management of internal relationships and communication; (5) Professionalism and continuing education of directors; and (6) Internal control. The results of the above self-evaluation are submitted to the Board of Directors and disclosed in the Company's annual report as well as on its official website. Furthermore, to provide investors with comprehensive information on Board operations, the Company discloses relevant details in its annual report, official website, and the Market Observation Post System (MOPS), including: (1) Directors' attendance at Board meetings, (2) Board proposals and resolutions, (3) Directors' continuing education records, and (4) Changes in directors' shareholdings (including shareholding ratios, share transfers, and pledge arrangements, etc.). Please refer to the MOPS for further information.

(II) Information on president, vice presidents, assistant vice presidents and the executives of all the departments and branches

May 1, 2026

Position	Nationality	Name	Gender	Date of appointment (Note 1)	Shareholding		Spouse & minor children shareholding		Shareholdings by nominee arrangement		Major experience (education)	Concurrent position held in other companies	Managers who are spouses or within the second degrees of kinship			Note
					Shares	Shareholdings ratio	Shares	Shareholdings ratio	Shares	Shareholdings ratio			Position	Name	Relationship	
President	R.O.C.	Lee, Ching-Sheng	Male	2010.07.09	2,603,456	2.26%	1,474,478	1.28%	–	–	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology M.S., Graduate Institute of Mechanical Engineering, Lunghwa University of Science and Technology	Chairman, Smartech & Green Co., Ltd.	–	–	–	
Vice President	R.O.C.	Lai, Wen-Hsin	Male	2025.03.11	–	–	–	–	–	–	Master of Mechanical Engineering, National Chung Cheng University Master of Industrial Engineering and Management, National Taipei University of Technology Assistant Vice-President, President Office, HONG ZU MOULD ENTERPRISE CO., LTD.	None	–	–	–	
Assistant Vice-President of Operations Management Center	R.O.C.	Chiang, Wen-Lung	Male	2023.05.11	–	–	–	–	–	–	Master of Accounting, Chung Yuan Christian University CFO, Head of Accounting, Spokesperson, Head of Corporate Governance, Head of Business Planning Office, TZE SHIN INTERNATIONAL CO., LTD.	None	–	–	–	
Assistant Vice President of Marketing Management Center	R.O.C.	Liu, Su-Miao (Note 3)	Female	2021.09.06	–	–	–	–	–	–	Department of International Trade, Chihlee University of Technology Head of Administration Division, Everlight Electronics Co., Ltd.	None	–	–	–	
Assistant Vice President of Supply Chain Management Center	R.O.C.	Hsu, Hsuan-Yu	Female	2024.11.11	3,000	0.00%	3,000	0.00%	–	–	Department of Mechanical Engineering, Lunghwa University of Science and Technology Team Leader, Production Management Team, Comtop Technology Co., Ltd.	None	–	–	–	
Manager of Production Management Center	R.O.C.	Li, Fu-Yu	Male	2025.03.11	–	–	–	–	–	–	Master of Organizational Behavior, New York University Manager of Manufacturing Engineering Department, TBI Motion Technology Co., Ltd.	Supervisor, Comtop Technology Co., Ltd. Chairman, Fu Shan International Investment Co., Ltd.	–	–	–	
Manager of Production Management Center	R.O.C.	Lu, Ho-Hung	Male	2026.03.09	–	–	–	–	–	–	Master of Industrial Engineering, Chung Yuan Christian University Senior Specialist, Cooler Master	None	–	–	–	
Manager of Audit Office	R.O.C.	He, Chin-Liang	Male	2025.01.14	–	–	–	–	–	–	Master in Technology Application Management, Department of Industrial Education, College of Technology and Engineering, National Taiwan Normal University Assistant Manager, Audit Office, Foxconn Technology Co Ltd.	None	–	–	–	
Manager of Occupational Safety Office	R.O.C.	Chen, Yeh-Sheng	Male	2010.07.09	5,000	0.00%	–	–	–	–	Department of Food and Dining Management, Delin University of Technology Manager, Production Department, Comtop Technology Co., Ltd.	None	–	–	–	
Manager of Legal and Intellectual Property Office	R.O.C.	Wu, Yueh-Hsien	Male	2018.09.03	–	–	–	–	–	–	M.S., Intellectual Property Law, Department of Law, Shih Hsin University Chief of Science and Technology, Yulon Management Enterprise Co., Ltd.	None	–	–	–	
Manager of Finance Department	R.O.C.	Shen, Hsin-Kai	Male	2023.11.08	–	–	–	–	–	–	Department of Accounting, Shih Chien University Senior Manager, Audit Office of SPE Technology Co., Ltd.	None	–	–	–	

Position	Nationality	Name	Gender	Date of appointment (Note 1)	Shareholding		Spouse & minor children shareholding		Shareholdings by nominee arrangement		Major experience (education)	Concurrent position held in other companies	Managers who are spouses or within the second degrees of kinship			Note
					Shares	Shareholdings ratio	Shares	Shareholdings ratio	Shares	Shareholdings ratio			Position	Name	Relationship	
Manager of Management Department	R.O.C.	Hsu, Chien-Shun	Male	2015.08.17	–	–	–	–	–	–	Department of Information Management, JinWen University of Science and Technology Section Head, Department of Management, Sanwa Engineering Corp.	None	–	–	–	
Manager of Human Resources Department	R.O.C.	Hung, Hsuan-Pei (Note 4)	Female	2024.09.25	–	–	–	–	–	–	M.B.A., Tamkang University. COO, FRAVO Co., Ltd.	None	–	–	–	
Manager of Information Technology Department	R.O.C.	Yeh, Pin (Note 5)	Male	2025.04.14	–	–	–	–	–	–	Graduate Institute of Business Administration, National Chiao Tung University Senior Engineer, Avalue Technology Incorporation	None	–	–	–	
Manager of Information Technology Department	R.O.C.	Wang, Yu-Chen	Female	2025.07.21	–	–	–	–	–	–	Executive Master of Business Administration, National University of Kaohsiung Manager, TES Touch Embedded Solutions Inc., Taiwan Branch (Samoa) Senior Project Manager Engineer, Wonderland Nurserygoods Co., Ltd.	None	–	–	–	
Manager of Business Support Department	R.O.C.	Tseng, Yi-Ling (Note 6)	Female	2022.04.25	–	–	–	–	–	–	Department of Business Administration, Ming Chuan University Manager, Everlight Electronics Co., Ltd.	None	–	–	–	
Manager of Production Management Department	R.O.C.	Kao, Chih-Hsin	Male	2026.04.01	–	–	–	–	–	–	Ph.D. in Business Administration, National Central University Manager, Advanced Technology R&D Center, Symtek Automation Asia Co., Ltd.	None	–	–	–	
Manager of Storage and Transportation Department	R.O.C.	Hsu, Hung-Kuan	Male	2023.08.14	–	–	–	–	–	–	Master's in Cross-Strait Business Management, MBA Program, National Central University Manager, Radiant Opto-Electronics (Suzhou) Co., Ltd.	None	–	–	–	
Manager of Engineering Department	R.O.C.	Hsu, Fang-Jui	Male	2014.07.01	62,000	0.05%	–	–	–	–	Department of Mechanical Engineering, Hungkuo Delin University of Technology Factory Chief, Hwa Mean Industrial Co., Ltd.	None	–	–	–	
Manager of R&D Department	R.O.C.	Sun, Chung Yuan	Male	2024.04.01	2,000	0.00%	–	–	–	–	M.S., Mechanical Engineering, Lunghwa University of Science and Technology Engineer, Allied Sundar Corporation	None	–	–	–	

Note 1: The date of the current term.
Note 2: The Company's chairman and the president, or person of an GHG post (the highest level officer) of a company are the same person, spouses, or relatives of first degree of kinship: None.
Note 3: Resigned on August 28, 2025.
Note 4: Resigned on March 31, 2026.
Note 5: Resigned on July 11, 2025.
Note 6: Resigned on March 6, 2026.

II. Remuneration paid during the most recent fiscal year to directors, supervisors, presidents and vice- presidents

(I) Remuneration to directors (including independent directors)

Unit: NT$ thousand

Position	Name	Directors' remuneration								Sum of A, B, C and D as a percentage of net income (loss)				Remuneration received as employee								Sum of A, B, C, D, E, F and G as a percentage of net income (loss)				Remuneration from parent company or business investments other than subsidiaries
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Fees for services rendered (D)						Salaries, bonuses, special allowances etc. (E)		Severance pay and pension (F)		Remuneration to employees (G)								
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company		Companies included in the financial statements		
																		Profit sharing in cash	Profit sharing in shares	Profit sharing in cash	Profit sharing in shares					
Chairman	Te Yi Investment Co., Ltd. Representative: Lee, Ching-Kun	3,269	3,269	–	–	–	–	620	620	3,889	(5.25%)	3,889	(5.25%)	–	–	–	–	–	–	–	–	3,889	(5.25%)	3,889	(5.25%)	None
Director (Note 1)	Lee, Ching-Sheng	–	–	–	–	–	–	50	50	50	(0.07%)	50	(0.07%)	5,050	5,050	108	108	–	–	–	–	5,208	(7.03%)	5,208	(7.03%)	None
Director (Note 2)	Te Chang Investment Co., Ltd. Representative: Lee, Fu-Lin	–	–	–	–	–	–	15	15	15	(0.02%)	15	(0.02%)	–	–	–	–	–	–	–	–	15	(0.02%)	15	(0.02%)	None
Director (Note 1)	Smartech & Green Co., Ltd. Representative: Lee, Szu-Ying	–	–	–	–	–	–	25	25	25	(0.03%)	25	(0.03%)	914	2,554	32	35	–	–	–	–	971	(1.31%)	2,614	(3.53%)	None
Director	Yeh, Chun-Yen	–	–	–	–	–	–	35	35	35	(0.05%)	35	(0.05%)	–	–	–	–	–	–	–	–	35	(0.05%)	35	(0.05%)	None
Independent Director	Liu, I-Lin	600	600	–	–	–	–	100	100	700	(0.95%)	700	(0.95%)	–	–	–	–	–	–	–	–	700	(0.95%)	700	(0.95%)	None
Independent Director	Fang, Chung-Li	600	600	–	–	–	–	100	100	700	(0.95%)	700	(0.95%)	–	–	–	–	–	–	–	–	700	(0.95%)	700	(0.95%)	None
Independent Director	Chou, Cheng-I	600	600	–	–	–	–	100	100	700	(0.95%)	700	(0.95%)	–	–	–	–	–	–	–	–	700	(0.95%)	700	(0.95%)	None

1. Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:
   The remuneration to the independent directors of the Company is paid with fixed amount of money every month, regardless of the profit or loss of the Company. The Remuneration Committee may determine or adjust the remuneration based on the level of each independent director's participation and contribution to the Company's operations, and may also make recommendations to the Board of Directors for reference in decision-making.
2. In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies in the financial statements/investment businesses): None.

Note 1: As of June 26, 2025, Ms. Szu-Ying Lee as the representative director of Smartech & Green Co., Ltd., while Mr. Ching-Sheng Lee was elected as a director in his individual capacity.

Note 2: Te Chang Investment Co., Ltd., and its representative as a director, was discharged after the shareholders' meeting on June 26, 2025.

(II) Remuneration to supervisors: Not applicable.

(III) Remuneration to presidents and vice presidents

Unit: NT$ thousand

Position	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee remuneration (D)				Sum of A, B, C and D as a percentage of net income (loss) (%)				Remuneration from parent company or business investments other than subsidiaries
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company		Companies included in the financial statements		
								Cash amount	Shares amount	Cash amount	Shares amount					
President	Lee, Ching-Sheng	3,444	3,444	108	108	1,606	1,606	0	0	0	0	5,158	(6.96%)	5,158	(6.96%)	None
Vice President	Lai, Wen-Hsin	2,321	2,321	97	97	631	631	0	0	0	0	3,049	(4.12%)	3,049	(4.12%)	None

Remuneration range table

Range of remuneration paid to President	Name of the President and Vice President	
	The Company	Companies included in the financial statements
Less than NT$2,000,000	None	None
NT$2,000,000 (inclusive) - NT$5,000,000 (exclusive)	Lai, Wen-Hsin	Lai, Wen-Hsin
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	Lee, Ching-Sheng	Lee, Ching-Sheng
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	None	None
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	None	None
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	None	None
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	None	None
NT$100,000,000 and above	None	None
Total	2 persons	2 persons

(IV) Remuneration for the top five highest paid executives

Unit: NT$ thousand

Position	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee remuneration (D)				Sum of A, B, C and D as a percentage of net income (loss) (%)				Remuneration from parent company or business investments other than subsidiaries
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company		Companies included in the financial statements		
								Cash amount	Shares amount	Cash amount	Shares amount					
President	Lee, Ching-Sheng	3,444	3,444	108	108	1,606	1,606	0	0	0	0	5,158	(6.96%)	5,158	(6.96%)	None
Vice President	Lai, Wen-Hsin	2,321	2,321	97	97	631	631	0	0	0	0	3,049	(4.12%)	3,049	(4.12%)	None

Position	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee remuneration (D)				Sum of A, B, C and D as a percentage of net income (loss) (%)				Remuneration from parent company or business investments other than subsidiaries
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company		Companies included in the financial statements		
								Cash amount	Shares amount	Cash amount	Shares amount					
Assistant Vice-President of Operations Management Center	Chiang, Wen-Lung	1,994	1,994	90	90	530	530	0	0	0	0	2,614	(3.53%)	2,614	(3.53%)	None
Assistant Vice President of Supply Chain Management Center	Hsu, Hsuan-Yu	1,557	1,557	80	80	477	477	0	0	0	0	2,114	(2.85%)	2,114	(2.85%)	None
Engineering Department	Hsu, Fang-Jui	1,574	1,574	87	87	453	453	0	0	0	0	2,114	(2.85%)	2,114	(2.85%)	None

(V) Names of managers who receive employee remuneration and distribution: Not applicable as the Company suffered a net loss before tax in 2025, no employee remuneration was appropriated.

(VI) Separately compare and describe total e.g. to remuneration, as a (loss) percentage of parent company only financial reports or individual financial reports for the net income stated in the parent company only financial statements or individual financial reports, as paid by the Company and by each other companies included in the consolidated financial statements during the most recent two fiscal years to directors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Remuneration paid to directors, president, and vice presidents as a percentage of net income (loss) by the Company and companies included in the consolidated financial statements for the most recent two fiscal years

Remuneration paid to directors, president, and vice presidents as a (loss) percentage of net income	2025		2024	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Sum of directors' remuneration as a percentage of net income (loss)	(8.25%)	(8.25%)	(1.09%)	(1.09%)
Remuneration paid to president, and vice presidents as a percentage of net income (loss)	(11.08%)	(11.08%)	(1.35%)	(1.35%)

2. Remuneration policies, standards and packages, the procedure for determining remuneration and its linkage to operating performance and future risk exposure:

(1) Remuneration policies, standards and packages, the procedure for determining remuneration:

A. Director

The remuneration to directors includes the director's salary and business execution and earnings distribution. The remuneration of earnings distribution shall be conducted in accordance with the Article 18 of the Company's Articles of Incorporation. If the Company makes a profit in a year, the Board of Directors shall resolve to allocate less than 5% of the profit for the remuneration of the directors. The appropriation of directors' remuneration shall be reported to the shareholders' meeting.

The Company's overall Board of Directors, functional committees, and individual directors' performance are evaluated once a year in accordance with the "Self-Evaluation of the Board of Directors or Evaluation of Peers". The evaluation items include the director's participation in the Company's operations, improvement of the quality of the Board's decision making, Board composition and structure, selection and continuing education of directors, internal control, the Company's goals and missions, the awareness of the director's responsibilities, internal relationship management and communication, etc. The evaluation results and the Company's contributions are used to give reasonable remuneration.

B. Managerial Officer

The remuneration policy of managers is the same as that of regular employees. Remuneration includes salaries, bonuses and employee remuneration. They are determined based on the individual’s position, responsibilities, performance, and contribution to the Company while taking into account peer standards. The evaluation indicators include but are not limited to revenue growth ratio, internal management quality, implementation of corporate philosophy, talent cultivation, group strategy implementation and technological innovation; the distribution standards of employee remuneration are in accordance with the Company's Articles of Incorporation, which shall be reported to the Board of Directors and approved by the Shareholders' Meeting. The distribution of employee remuneration is based on the Articles of Incorporation, submitted to the Board of Directors for resolution, and reported to the shareholders' meeting.

C. The remuneration policies and systems of the Company's directors and managers are reviewed by the Remuneration Committee in accordance with the Remuneration Committee Charter.

(2) Linkage to business performance and future risks:

A. The Company's remuneration policy is based on the overall operating performance, and the relevant payment standards are approved based on the performance of each unit and the degree of substantive contribution. We aim to effectively reflect the results of the management of the Board of Directors and the management team. In addition, to ensure the market competitiveness of the management's remuneration, the Company regularly references the peer's remuneration level as the basis for adjusting and optimizing the remuneration system, in order to strengthen the retention and incentive mechanism for outstanding management talent.

B. The Company integrates the performance objectives and risk control mechanism of managers to ensure the proper management and prevention of potential risks within the scope of responsibilities, further strengthening the overall operational stability. The results of performance evaluation are linked to the human resources policy and the remuneration system, to achieve a performance-oriented management mechanism. Before making major decisions, management must review existing and potential risks to ensure the quality of decision making and to link the outcome of decisions to the Company's profitability and performance. By doing this, we realize the highest correlation between returns and risk control.

C. In terms of the continuous optimization of the remuneration system, the Company will dynamically review the changes in the external business environment and internal performance, and adjust the remuneration strategy in a timely manner to maintain the forward-looking and appropriate remuneration policy. In addition, the Company will take disciplinary measures against directors or employees for unlawful conduct that causes losses to the Company. In doing so, we strengthen the corporate governance mechanism, and protect the rights and interests of shareholders.

III. Status of corporate governance

(I) Board of Directors operation

The Board of Directors held 8 meetings (A) in the most recent year (2025). The attendance of directors is as follows:

Position	Name	In-person attendance (B)	Attendance by proxy	In-person attendance rate (%) (B÷A)	Note
Chairman	Te Yi Investment Co., Ltd. Representative: Lee, Ching-Kun	8	—	100%	
Director	Lee, Ching-Sheng	8	—	100%	Required attendance: Three meetings as a corporate director representative and five meetings as an individual director.
Director	Te Chang Investment Co., Ltd. Representative: Lee, Fu-Lin	3	—	100%	He was discharged after the shareholders' meeting on June 26, 2025, and was required to attend three times.
Director	Smartech & Green Co., Ltd. Representative: Lee, Szu-Ying	4	1	80%	He was discharged after the shareholders' meeting on June 26, 2025, and was required to attend five times.
Director	Yeh, Chun-Yen	7	1	88%	
Independent Director	Liu, I-Lin	8	—	100%	
Independent Director	Fang, Chung-Li	8	—	100%	
Independent Director	Chou, Cheng-I	8	—	100%	

Other mandatory disclosures:

I. For Board of Directors' meetings that meet any of the following descriptions, it is necessary to state the date, session, the motion discussed, independent directors' opinions and how the Company has responded to such opinions:

1. Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has

established the Audit Committee, and the matters listed in Article 14-5 of the Securities and Exchange Act apply.

2. In addition to aforementioned matters, other matters objected to by independent directors or subject to qualified opinion and recorded or declared in writing: The Company's independent directors did not reject or have any qualified opinions against any proposals in board meetings in 2025.

II. For recusals of directors due to conflicts of interests, the name of directors, content of proposals, reasons for recusal, and participation and voting status shall be described: There were no proposals this year at the Board meeting that directors had to recuse themselves from.

III. TWSE/TPEx listed companies shall disclose the evaluation frequency, period, scope, method, and content of the self-evaluation (or peer-evaluation) of the Board of Directors:

Evaluation frequency	Each year, an internal Board of Directors and functional committee performance evaluation is conducted; each year, every three years, an external evaluation of the Board of Directors is conducted.
Evaluation period	2025/01/01 - 2025/12/31
Evaluation scope	An internal performance evaluation includes the performance evaluation of the Board of Directors, individual directors, and functional committees.
Evaluation method	A performance evaluation is conducted via internal self-evaluation of the Board of Directors, self-evaluation of board directors, peer evaluation, appointing external professional organizations, experts, or via other appropriate methods. The evaluation method for 2025 adopted an internal evaluation approach, which was implemented by the Business Management Center through internal questionnaires. The evaluation covered four aspects, including board operations, directors' participation, the operation of the Audit Committee, and the operation of the Remuneration Committee, and consisted of evaluations of board operations by directors, self-evaluations by directors regarding their own participation, evaluations of committee operations by Audit Committee members, and evaluations of committee operations by Remuneration Committee members.

Evaluation content	(I) The items of the Board performance evaluation include the following five aspects. 1. Participation in the operation of the company. 2. Improvement of the quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of the directors. 5. Internal control. (II) The items of the board members' (self-evaluation or peer evaluation) performance evaluation include the following six major aspects. 1. Alignment of the goals and missions of the company. 2. Awareness of the duties of a director. 3. Participation in the operation of the company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control. (III) The items of the performance evaluation of the Audit Committee include the following five major aspects. 1. Participation in the operation of the company. 2. Awareness of the duties of the functional committee. 3. Improvement of the quality of the decision making of the functional committee. 4. Composition of the functional committee and election of its members. 5. Internal control. (IV) The items of the performance evaluation of the Remuneration Committee include the following five major aspects. 1. Participation in the operation of the company. 2. Awareness of the duties of the functional committee. 3. Improvement of the quality of the decision making of the functional committee. 4. Composition of the functional committee and election of its members.

The Company has adopted the "Board of Directors' Self-Evaluation or Peer Evaluation" framework to reinforce corporate governance and improve the performance of the Board and its functional committees, with evaluations conducted annually before the end of the first quarter. The results of the 2025 evaluation were reported to the Board of Directors on March 9, 2026. The overall evaluation results were favorable, with self-assessment scores of 4.94 for the Board of Directors, 5.00 for individual directors, 5.00 for the Audit Committee, and 5.00 for the Remuneration Committee (with a full score of 5.00), demonstrating compliance with relevant corporate governance regulations and operational requirements. The evaluation results have been appropriately retained and will be used as a reference for future directors' remuneration and election.

IV. Targets for strengthening of the functions of the board during the current and the most recent fiscal years and evaluation of their implementation:

1. The Company's Board of Directors has resolved to establish the "Rules and Procedures of Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies". The Board of Directors has operated pursuant to the "Rules of Procedures of Board of Directors Meetings", and the Company holds regular meetings of the Board of Directors, and the meetings are recorded and the minutes taken down in detail.
2. The Company establishes the Remuneration Committee and Audit Committee to strengthen the operation of the Board of Directors. Independent directors all possess expertise and independency to protect shareholders' rights and interests and promote the value of the Company to achieve sustainable operating objectives.
3. The Company regularly arranges professional training courses for directors to ensure that directors maintain their core values, professional advantages and abilities.
4. Continue to enhance information transparency: the Company assigns dedicated personnel to be responsible for the information disclosure and company website message updates.

(II) Audit Committee implementation:

The Audit Committee of the Company is composed of all independent directors. It has established a good corporate governance system, sound audit supervision function and strengthened management function; the Audit Committee aims to assist the Board of Directors to perform its supervisory duties and its duties are as follows:

1. Establishes or amen the internal control system in accordance with the Securities and Exchange Act.
2. Evaluate the effectiveness of the internal control system.
3. Establish or amend the procedures for major financial business activities, including the acquisition or disposal of assets, derivative transactions, loaning of funds to others, endorsements and guarantees for others, in accordance with the Securities and Exchange Act.
4. Matters involving the interests of directors.
5. Major asset or derivative transactions.
6. Major loans, endorsements, or guarantees.
7. Offering, issuance or private placement of securities with equity characteristics.
8. Appointment, dismissal or remuneration of CPAs.
9. Appointment and dismissal of finance, accounting, or internal audit officers.
10. Review of the annual financial statements.
11. Any other materiality defined by the Company or by the competent authority.

Audit Committee held seven meetings (A) in the most recent fiscal year (2025). The operation of the Audit Committee is as follows:

Position	Name	Attendance in person (B) (Note)	Attendance by proxy	In-person attendance rate (%) (B÷A)	Note
Independent Director	Liu, I-Lin	7	—	100%	
Independent Director	Fang, Chung-Li	7	—	100%	
Independent Director	Chou, Cheng-I	7	—	100%	

Other mandatory disclosures:

I. If there is anything as below, the Company should state the date and session of the Board meeting, content of proposals, resolutions of the audit committee meetings and the Company's response and handling of the independent director's opinions: The Audit Committee approved all significant proposals for the year 2025. There were no resolutions approved by two-thirds or more of all directors without the approval of the Audit Committee, as shown in the table below.

(I) Matters specified in the Article 14-5 of the Securities and Exchange Act:

Date of board meeting	Session	Content of proposal	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2025/01/14	1st meeting in 2025	1. Motion for the subsidiary, TBI Motion (Jiangsu) Co., Ltd.. to acquire the right to use the land.	Resolved for adoption	None
		2. Motion for the Company's new chief auditor.	Resolved for adoption	None
2025/03/11	2nd meeting in 2025	1. Motion for the Company's 2024 "Review on the Effectiveness of the Internal Control System" and "Internal Control Statement".	Resolved for adoption	None
		2. Motion for the Company's 2024 Business Report and Financial Statements.	Resolved for adoption	None
		3. Motion for the Company 2024 loss make-up.	Resolved for adoption	None
		4. Motion for changing the CPAs.	Resolved for adoption	None
		5. Motion for the appointment of the attesting CPAs for 2025 financial and tax statements and the appointment fees.	Resolved for adoption	None
		6. Capital increase by new share issuance for corporate bonds.	Resolved for adoption	None
		7. Receivables exceeding the normal credit terms are not classified as fund lending transactions.	Resolved for adoption	None
		8. Motion for the amendment to some provisions of the Company's "Articles of Incorporation".	Resolved for adoption	None
		9. Motion for the amendment to some provisions of the Company's "Procedures for Prevention of Insider Trading".	Resolved for adoption	None
2025/05/07	3rd meeting in 2025	1. Motion for the Company's 2025 Q1 financial statements.	Resolved for adoption	None
		2. Capital increase by new share issuance for corporate bonds.	Resolved for adoption	None
		3. Receivables exceeding the normal credit terms are not classified as fund lending transactions.	Resolved for adoption	None
		4. Amendment to the Company's "Table of Delegation of Authorities".	Resolved for adoption	None

	2025/07/14	4th meeting in 2025	1. Motion for the election of the Convener and Chairperson of the 4th Audit Committee.	Resolved for adoption	None
			2. Motion for the acquisition of assets by the Company.	Resolved for adoption	None
			3. Motion for the Group's asset transactions.	Resolved for adoption	None
			4. Motion for the lending of funds to a subsidiary by the Company.	Resolved for adoption	None
	2025/08/12	5th meeting in 2025	1. Motion for the Company's 2025 Q2 financial statements.	Resolved for adoption	None
			2. Receivables exceeding the normal credit terms are not classified as fund lending transactions.	Resolved for adoption	None
			3. Capital increase by new share issuance for corporate bonds.	Resolved for adoption	None
			4. Motion for the amendments to the Regulations Governing the Issuance and Conversion of Corporate Bonds.	Resolved for adoption	None
	2025/11/07	6th meeting in 2025	1. Proposal for the 2026 internal audit plan.	Resolved for adoption	None
			2. Motion for the Company's 2025 Q3 financial statements.	Resolved for adoption	None
			3. Receivables exceeding the normal credit terms are not classified as fund lending transactions.	Resolved for adoption	None
			4. Capital increase by new share issuance for corporate bonds.	Resolved for adoption	None
			5. Motion for the establishment of the "Internal Control Measures" for the subsidiary, TBI Motion (Jiangsu) Co., Ltd.	Resolved for adoption	None
			6. Motion for the amendments to the Company's "Payroll Cycle."	Resolved for adoption	None
			7. Motion for formulating the Company’s “Risk Management Policy and Procedure”.	Resolved for adoption	None
			8. Motion for withdrawing the amendments to the Regulations Governing the Issuance and Conversion of Corporate Bonds.	Resolved for adoption	None
			9. Motion for the acquisition of assets by the subsidiary.	Resolved for adoption	None
	2025/12/15	7th meeting in 2025	1. Motion for the acquisition of assets by the Company.	Resolved for adoption	None
			2. Motion for the Group's asset transactions.	Resolved for adoption	None

(II) Beside the aforementioned matters, resolutions that were not approved by the Audit Committee but was approved by two thirds or more of all directors: None.

II. For recusals of independent directors due to conflicts of interests, the name of directors, content of proposals, reasons for recusal, and participation and voting status shall be described: There were no proposals this year at the Board meeting that directors had to recuse themselves from.

III. Communications between Independent Directors and the internal audit executives and CPAs:

(I) Communications between Independent Directors and Internal Audit Executives

1. The Internal Audit Office conducts monthly audits of internal control cycles and management procedures and prepares audit reports. After review and approval by the Chairman, such reports are submitted to each Audit Committee member for review before the end of the following month. If any Audit Committee member has questions or recommendations after reviewing the reports, such matters are communicated to the internal audit executive via telephone or e-mail for further clarification or follow-up actions.

2. Internal audit executives attend each Audit Committee meeting (at least once per quarter) to report on audit operations and communicate with the Independent Directors face-to-face.
3. If internal auditors identify any material violation or potential circumstance that may cause significant damage to the Company, they shall immediately prepare a report and notify all Audit Committee members promptly.
4. The Independent Directors maintained effective and smooth communication with the internal audit executives during the year.

(II) Communications between Independent Directors and CPAs

1. The Company's attesting CPAs report to the Audit Committee semi-annually regarding the audit or review results of the financial statements, as well as other communication matters required under applicable laws and regulations. During the meetings, the Independent Directors may raise comments or questions for discussion, and the CPAs provide additional explanations as necessary.
2. In the event of any special or material circumstance, the CPAs shall promptly report to the Audit Committee members. There were no such special circumstances during the year.
3. When significant matters are discussed at Board meetings, the CPAs may also be invited to attend and provide professional opinions, thereby enhancing interaction and communication between the CPAs and the Directors/Independent Directors.

(III) Summary of Communications between Independent Directors, Internal Audit Executives, and CPAs

Summary of Communications between Independent Directors, Internal Audit Executive, and CPAs in 2025				
Date	**Attendees**	**Summary of Communications with Internal Audit Executive**	**Summary of Communications with CPA**	**Communication Results**
2025/03/12 Audit Committee	Independent Director Liu, I-Lin Independent Director Fang, Chung-Li Independent Director Chou, Cheng-I CPA Bing-Jun Zhi Internal Audit Executive He, Chin-Liang	1. Audit operations report 2. 2024 "Statement on Internal Control System"	Audit reports on the 2024 parent company only financial statements and consolidated financial statements.	1. Approved by all attending Audit Committee members after discussion. 2. Submitted to the Board of Directors after approval. 3. No objections were raised by the Independent Directors.

2025/05/07 Audit Committee	Independent Director Liu, I-Lin Independent Director Fang, Chung-Li Independent Director Chou, Cheng-I CPA Bing-Jun Zhi Internal Audit Executive He, Chin-Liang	1. Audit operations report	Review report on the Q1 2025 consolidated financial statements.	1. Approved by all attending Audit Committee members after discussion. 2. Submitted to the Board of Directors after approval. 3. No objections were raised by the Independent Directors.
2025/08/12 Audit Committee	Independent Director Liu, I-Lin Independent Director Fang, Chung-Li Independent Director Chou, Cheng-I CPA Bing-Jun Zhi Internal Audit Executive He, Chin-Liang	1. Audit operations report	Review report on the Q2 2025 consolidated financial statements.	1. Approved by all attending Audit Committee members after discussion. 2. Submitted to the Board of Directors after approval. 3. No objections were raised by the Independent Directors.
2025/11/07 Audit Committee	Independent Director Liu, I-Lin Independent Director Fang, Chung-Li Independent Director Chou, Cheng-I CPA Bing-Jun Zhi Internal Audit Executive He, Chin-Liang	1. Audit operations report 2. Proposed the 2026 Internal Audit Plan	Review report on the Q3 2025 consolidated financial statements.	1. Approved by all attending Audit Committee members after discussion. 2. Submitted to the Board of Directors after approval. 3. No objections were raised by the Independent Directors.

※Conclusion: The Company maintained effective and smooth communication channels among the Independent Directors, the internal audit executive, and the CPA throughout the year.

(III) Corporate Governance Implementation Status and Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
I. Does Company follow the Corporate Governance Best-Practice Principles for TWSE/TPEx- Listed Companies to establish and disclose its corporate governance practices?	✓		To establish a good corporate governance system and operate the Company soundly, we formulated a “Corporate Governance Best Practice Principles,” in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and relevant laws and regulations, which have been approved by the Board of Directors. The Company has implemented its relevant regulations based on the spirit of corporate governance and has uploaded it on the Company's website for shareholders' reference.	No significant deviations
II. Shareholding structure and shareholders’ rights				
(I) Does the Company have internal operating procedures for handling shareholders’ suggestions, concerns, disputes, and litigation matters, and have these procedures been implemented accordingly?	✓		(I) The Company convenes shareholders’ meetings by the Company Act and relevant laws and regulations and formulates sound “Rules and Procedures of Shareholders’ Meeting”. It appoints the Stock Affairs Agency of First Securities Inc. to deal with stock affairs and has the spokesperson system in place in which a spokesperson or an acting spokesperson is responsible for handling investors' suggestions or answering their questions. It also discloses contact information on the company website so that shareholders can voice out their opinions and have their opinions properly addressed.	No significant deviations
(II) Does the Company have a list of major shareholders and their beneficial owners?	✓		(II) The Company appoints a professional stock agent to declare changes in the shareholdings of	No significant deviations

Evaluation item	Implementation status: Yes	No	Summary description	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
			insiders (directors, managers and shareholders holding more than 10% of the total shares) monthly on the Market Observation Post System by law. It also keeps abreast of a list of major shareholders and ultimate controllers of them who actually control the Company through the register of shareholders provided by the stock affairs agency at the time of the Company's book closure date.	
(III) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(III) The Company has established the "Management Rules for Related Party Transactions" and the auditors would audit its implementation regularly. It has also established the "Rules for Supervision of Subsidiaries" to build a proper risk control mechanism and a firewall.	No significant deviations
(IV) Does the Company have internal regulations that prohibit insiders from trading marketable securities using information that is not publicly available in the market?	✓		(IV) The Company has established the "Rules Governing the Handling of Material Inside Information and Prevention of Insider Trading" for compliance. The Company provides, from time to time, guidance to its directors, managers, employees and other personnel who have known of material inside information of the Company due to their status, occupation, or relationship of control, on compliance with the law and on that they should use the care of good administrators, their loyalty, and honesty in performing their duties when participating in important decisions.	No significant deviations
III. Composition and responsibilities of the Board of Directors (I) Has the board of directors	✓		(I) Please refer to "Diversity and	No significant

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
established a diversity policy, set specific management goals, and implemented them accordingly ?			independence of Board of Directors" in the annual report.	deviations
(II) Other than the Remuneration Committee and Audit Committee which are required by law, does the Company set up other functional committees?	✓		(II) In addition to the Remuneration Committee and Audit Committee, the Company has established the Sustainable Development Committee, consisting of six members (three directors and three independent directors), and operating in accordance with applicable laws. In the future, the Company will establish other functional committees depending on its operating conditions and relevant laws.	No significant deviations
(III) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination?	✓		(III) Please refer to "Board of Directors Operation" in the annual report.	No significant deviations
(IV) Does the Company regularly evaluate its attesting CPA's independence?	✓		(IV) To implement corporate governance and evaluate the independence and competence of attesting CPAs, Finance Department regularly evaluates CPAs' independence and competence on an annual basis with reference to the Audit Quality Indicators (AQIs) and keeps written records. The Audit Committee and the Board of Directors of the Company reported on March 11,	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			2025, on the evaluation of the independence and competence of the CPAs. Please refer to [Explanation 1] for details of the independence evaluation items. The qualifications of the CPA Chih, Ping-Chun and Hsu, Ming-Chuan of PricewaterhouseCoopers Taiwan were evaluated to comply with the accountant practice. They had no direct or indirect financial interest in the Company or its directors. The quality and timeliness of their audit and tax services met the standard and they are substantially independent and competent to serve as the Company's attesting CPAs.	
IV. Whether or not the TWSE/TPEx-listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with information handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law, and preparation of minutes of Board of Directors' and Shareholders' meetings)?	✓		On May 11, 2023, the Company's Board of Directors appointed Assistant Vice-President Chiang, Wen-Lung of the Operations Management Center as the highest officer in charge of corporate governance affairs. The Company's Corporate Governance Officer has more than three years of experience as a financial officer of a public company and has completed professional training as required by laws and regulations. Please refer to [Note 2] for information on such training. The main responsibilities of the Company's corporate governance officer are as follows: 1. Handling of matters related to board meetings by law: To notify all directors of the meeting seven days before the meeting and to provide sufficient information for the directors to understand the content of the motion; If a motion at a meeting has an interest in the director himself/herself or the legal entity he/she represents, he/she will be reminded in advance to recuse himself/herself from the interest; Distribute the minutes of the	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			meeting to the directors after the meeting. 2. Handling of matters related to shareholders' meetings by law: To register the date of the shareholders' meeting every year by the statutory deadline, prepare and declare the notice of the meeting, the handbook, and the minutes of the meeting by the deadline; To register changes of the Company after amendments to the Articles of Incorporation or the re-election of directors and supervisors. 3. Assisting directors and supervisors with legal compliance: To arrange regular annual training courses for directors and provides them with the information that. they need to perform their duties from time to time so that they can keep abreast of the latest legal and regulatory developments related to the Company's operation; Invite the attesting CPAs to present at board meetings at least twice a year to communicate with the directors regarding the annual and semi-annual reports, and the impact of updates to International Financial Reporting Standards, securities laws and regulations and tax regulations. 4. Handling of investor relation affairs: To provide information about shareholders' meetings, material information announcements, financial statements, financial and business presentations, and invitations to participate in legal conferences.	
V. Has the Company established a communication channel with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.), set up a stakeholder	✓		The Company values the rights and opinions of stakeholders and interacts with them in various ways in daily life. We have a spokesperson and an acting spokesperson system and the spokesperson coordinates the external speech. However, for different parties	No significant deviations

Evaluation item	Implementation status: Yes	Implementation status: No	Implementation status: Summary description	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
section on the company website and responded properly to important CSR issues that stakeholders care about?			(including suppliers, investors and other stakeholders), we will reply and communicate with each of them depending on the situation by dedicated personnel to maintain a good relationship. We also have a stakeholder area on our website where we publish contact person, contact phone numbers, and emails and have dedicated personnel to respond to and properly address important CSR issues of concern to our stakeholders in order to respect and protect their rights and interests. The Company reports its stakeholder communication status to the Board of Directors at least once a year (reporting date: May 7, 2025).	
VI. Does the Company appoint a professional stock affairs agency to deal with matters related to shareholders' meetings?	✓		The Company appoints the Stock Affairs Agency of First Securities Inc. as its stock affairs agency to assist with various stock affairs.	No significant deviations
VII. Information disclosure (I) Does the Company establish a corporate website to disclose information regarding its financial business, and corporate governance status?	✓		(I) 1. Financial information disclosure: The Company has established a public website with an investor section, where financial information is updated regularly for investors' reference. Company website: http://www.tbimotion.com.tw 2. Business information disclosure: The Company's website contains product descriptions to provide information on the business of each product for public reference. 3. Corporate governance information disclosure: The Company has disclosed major internal policies on its website, such as Internal Audit Organization and Operation,	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			Ethical Corporate Management Best Practice Principles, Corporate Governance Best Practice Principles, Procedures for Making Endorsement/Guarantees, Procedures for the Acquisition or Disposal of Assets, and Procedures for Loaning of Funds to Others.	
(II) Does the Company use other information disclosure channels (e.g., maintaining an English website, designating staff to collect and disclose the Company's information, implementing the spokespersons system, webcasting investor conferences, etc.)?	✓		(II) 1. Designating personnel to collect and disclose the Company's information: The Company assigns dedicated personnel to collect and disclose information in order to grasp the external information of the Company and to disclose the latest and accurate information of the Company to the public through publishing Material Information from time to time. 2. Implementing spokespersons system: Assistant Vice-President Chiang, Wen-Lung of the Operations Management Center acted as the spokesperson. 3. Webcasting the Investor Conference on the Company's website: The files of the Company's Investor Conference are placed in the Investors section of the Company's website for easy reference.	No significant deviations
(III) Does the Company announce and file annual financial reports within two months of the end of a fiscal year and announce and declare the first,		✓	(III) Due to the incompatibility of some of the subsidiary's information systems with the parent company, the Company was unable to make an early announcement within the	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
second and third quarter financial reports and monthly operation status by the deadline?			deadline. Currently, the financial reports and monthly operations were announced and declared within the statutory deadlines.	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee caring, investor relations, supplier relations, rights of stakeholders, directors' and supervisor's training records, the implementation of risk management policies and risk measurement criteria, the implementation of customer policy, and purchasing of liability insurance for directors and supervisors)?	✓		(I) Employee rights and employee caring: The Company sets up the Employee Welfare Committee to coordinate the planning, safekeeping and use of the employee benefit and other related matters by laws and regulations. In addition to providing a safe working environment and basic welfare of labor insurance, health insurance and pension contributions, we also provide regular health checkups, group insurance and sound Employee Retirement Rules. We hold various employee training courses in the hope of establishing a mutual trust relationship with employees through a good educational training system. We also hold labor-management meetings regularly as the bridge of communication between employees and the Company. All policy awareness and employee counseling are conducted in a two-way communication style to protect employees' rights and interests and harmonious labor relations. (II) Investor relations: the Company convenes shareholders meeting annually by law to provide shareholders the opportunity to ask questions and make proposals; we also has a spokesperson system to deal with shareholders' recommendations and concerns; the Company's website has an investor section for investors to inquire about the Company's various information and to be invited to attend investor conferences by investment institutions from time to time to enhance the transparency of	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			information. The Company conducts information disclosure in accordance with the regulations of the competent authorities to provide investors with reference, with the long-term goal of improving operating performance and return on shareholders' equity. (III) Supplier relations: The Company establishes a complete supply chain in accordance with the internal control system "Purchasing and Payment Cycle" and its related management methods, by upholding the principle of honesty and trust and by comparing prices, quality, delivery schedule and payment terms. We value our suppliers' commitment to legal compliance, labor human rights, environmental protection and corporate social responsibility in order to create a better living environment and relationship with our suppliers. (IV) Stakeholders’ rights: the Company establishes a complete supply chain in accordance with the internal control system "Purchasing and Payment Cycle" and its related management methods, by upholding the principle of honesty and trust and by comparing prices, quality, delivery schedule and payment terms. The Company maintains smooth communication with our stakeholders, including banks and other creditors, employees, customers, suppliers and stakeholders of the Company. Stakeholders can communicate with the Company, make suggestions, or defend their legitimate rights and interests	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			through the Stakeholders Section of the Company's website. (V) Directors’ training records: From time to time, the Company provides directors (including independent directors) with information on the relevant laws and regulations and information on the professional development courses offered by the relevant authorities and has arranged for directors (including independent directors) to attend the training courses in accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx-Listed Companies." Directors’ training records are disclosed in the “Market Observation Post System.” Please also refer to [Explanation II]. (VI) The implementation of risk management policies and risk measurement criteria: The Company focuses on the principle of prudent management and concentrates on the operation of its business. All business strategies are formulated based on the premise that risks can be controlled and tolerated and are audited by internal audit units on a regular or irregular basis in order to reduce the risks that may be faced by operations. (VII) Implementation of customer policies: The Company adheres to the principle of customer first to design and produce high quality products and to meet customers' needs in terms of quality and quantity. We maintain a smooth customer contact channel, regularly review the maintenance of	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			customer relations and communicate fully with our customers to maintain a good long-term relationship. (VIII) Purchase of the director liability insurance: In accordance with the Company's Articles of Incorporation, the Board of Directors is authorized to insure all directors against liabilities for their legal liability when performing their duties during their term of office; the Company's Board of Directors approved the renewal of "Directors' Liability Insurance" on August 12, 2025. Insurance Company: Cathay Century Insurance Co., Ltd.; Insured amount: US$2 million; renewal period: until July 15, 2026, to reduce and diversify the loss caused by the directors' misconduct. (IX) Directors' attendance at board meetings: The Board of Directors' meetings are held regularly with directors' active participation and the Company has declared the attendance status of the directors online. (X) Intellectual property (IP) management plan and its implementation status: To strengthen competitiveness in the linear transmission industry, the Company is committed to protecting its innovative R&D results, reducing exposure to competitive constraints, and increasing flexibility in product marketing. It also implements strict production process controls to safeguard core trade secrets, thereby enhancing resilience to both internal and external risks and	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			creating opportunities for sustainable growth. The Company's Legal and Intellectual Property Office, in accordance with organizational responsibilities, develops an IP management plan aligned with business objectives and reports to the Board of Directors at least once a year. **IP management policy, goals, and systems** 1. IP management policy: The Company's IP policy is centered on three key pillars, to be implemented in phases across short-, medium-, and long-term horizons. (1) Minimize the Company's IP risks: As a fundamental principle, all departments, including R&D, manufacturing, and sales, must uphold strong IP risk awareness to avoid operational constraints arising from third-party IP rights. (2) Accumulate the Company's IP strength: The Company endeavors to build a cumulative base of R&D results and protect them through appropriate IP rights, thereby enhancing industry competitiveness. (3) Generate the Company's IP value: It also seeks to activate its IP portfolio to generate both tangible and intangible value. 2. IP management goals: The Company sets measurable and qualitative IP targets and	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			reviews their implementation annually to ensure alignment with its intellectual property management policy. (1) Patent goals: In the short term, it aims to "raise R&D personnel's awareness of mitigating product design infringement risks" by emphasizing competitor patent analysis and strengthening internal R&D capabilities, prioritizing patent protection for core products and progressively developing patent portfolio strategies. (2) Trademark goals: Another short-term goal is to "secure trademark protection in all product markets" to verify the source of goods and services and prevent brand infringement (3) Trade secret goals: The short-term objective is to conduct a "comprehensive inventory of trade secrets and implement classification-based access controls" to ensure appropriate confidentiality measures are applied. 3. IP management systems: The IP management framework is built upon three systems, policies, procedures, and training, to facilitate the effective acquisition, protection, maintenance, and utilization of intellectual property. (1) Policy systems:	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			IP policies and guidelines are periodically communicated to ensure employees understand and comply with the Company's IP objectives. (2) Regulation systems: The Company formulates IP management procedures, including responsibility allocation, operational workflows, and documentation, to support consistent execution of IP-related activities. (3) Training systems: Regular internal and external training programs are conducted to strengthen employees' IP awareness and legal knowledge. **Regular internal and external training programs are conducted to strengthen employees' IP awareness and legal knowledge** 1. The Company has established comprehensive IP management procedures to ensure standardized practices for the acquisition, protection, maintenance, and utilization of intellectual property. 2. The Company governs employee-related IP matters, such as patent ownership, confidentiality obligations, and non-compete clauses, through employment contracts, work rules, and internal policies, while external partners are bound by IP provisions in supplier, distributor, and commissioned design and development agreements.	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			3. The internal Legal and Intellectual Property Office conducts patent searches to determine application feasibility and assess infringement risks. 4. In collaboration with external patent and trademark firms, the Company's internal Legal and Intellectual Property Office handles IP application and maintenance, enhancing patent quality and expanding protection scope. 5. The Company utilizes external resources from industry, government, academia, and research sectors, engaging in exchanges, seminars, and training programs to enhance employees' IP awareness. 6. The Company plans to introduce the Taiwan Intellectual Property Management System (TIPS) to reinforce its IP systems and further enhance its IP management capabilities. **Implementation status (2025)** 1. The Company held a management review (kick-off) meeting on March 25 and announced its IP policy and 2025 objectives on April 1. 2. As of October 20, the R&D unit had submitted 10 patent research proposals. Following patent searches and evaluations by the Legal and Intellectual Property Office, most were assessed as low risk and eligible to proceed to the next phase. 3. By October 20, three patent proposals had been filed, including one government	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			project and one non-government project, both approved to move forward to patent application after evaluation. 4. By October 20, eight patent applications had been filed (six countries for government-funded projects and two countries for non-government projects). 5. Training programs included “Taiwan Patent Infringement Assessment and Risk Management” for R&D staff on May 16 and “TIPS Internal Audit Education and Training” for the TIPS working group members on June 24. 6. The internal audit process comprised a kick-off meeting (July 7), audit execution (July 15), closing meeting (July 24), implementation of corrective actions (starting July 25), follow-up and closure (August 15), and a management review meeting (August 20). 7. For government-funded R&D projects, the Company has signed expert consultancy or industry–academia collaboration agreements, all of which include confidentiality and IP ownership clauses to protect its interests. 8. Following review by the Institute for Information Industry on October 3, the Company successfully obtained TIPS (A-Level) 2016 re-certification, valid until December 31, 2027. 9. The IP Management Plan (2025 version) and implementation status were reported to the	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary description	
			Board of Directors on November 7, 2025.	
IX. The improvement status and unimproved items with prioritized reinforcement for the result of the Corporate Governance Evaluation announced by the Taiwan Stock Exchange: The Company was rated at the top 51% to 65% of all listed TWSE companies in the 2024 corporate governance appraisal, which was significantly better than the 81% to 100% bracket in the previous year. In 2025, the Company continued to improve its corporate governance practices, and its evaluation ranking further advanced to the top 36% to 50% bracket among listed TWSE companies. In the future, the Company will continue to strengthen its corporate governance mechanism in accordance with the evaluation guidelines, and focus on ESG-related issues to improve overall governance performance and sustainable development performance.				

[Explanation I] CPA independence evaluation

I. Review of the Independence Criteria		
Item	Evaluation content	Compliance with independence
01	Neither the CPAs nor their spouse nor minor children have any investment or financial interest sharing relationship with the Company.	Yes
02	Neither the CPAs nor their spouse nor minor children have any loaning of funds relationship with the Company, provided that when the principal is a financial institution and the transaction is normal.	Yes
03	The accounting firm did not issue an assurance report on the effectiveness of the operation on any financial systems which were designed or implemented assist by the firm before.	Yes
04	Neither the CPAs nor any member of the audit team is, nor has been a director nor supervisor of the Company, or employed by the Company in a position to exert significant influence over the audit engagement within the last two years.	Yes
05	The non-audit service which performed by the firm for the Company does not affect directly a material item of the audit engagement.	Yes
06	Neither the CPAs nor any member of the audit team have been promoting or brokering shares in the Company or other securities issued by the Company.	Yes
07	Besides legally permitted businesses, neither the CPAs nor any member of an audit team does not act as an advocate on behalf of the Company in litigation or disputes with third parties.	Yes
08	Neither the CPAs nor any member of the audit team is the spouse of a director, manager nor officer of the Company who has a significant influence on the audit engagement nor is related by	Yes

	lineal relatives by blood, lineal relatives by marriage or collateral relatives by blood within the second degree of kinship.	
09	There is not any former partner within one year of disassociating from the firm joining the Company as a director or manager or is in a key position to exert significant influence over the audit engagement.	Yes
10	Neither the CPAs nor any member of the audit team has accepted gifts nor preferential treatment from the Company, our directors, managers or major shareholders.	Yes
11	The CPAs are not currently employed on a recurring basis by the Company, receiving a fixed salary or serving as directors or supervisors.	Yes
12	TWSE/ TPEx-listed company: The CPAs are not providing the Company audit service for seven consecutive years. Non-listed company: The CPAs are not providing the Company audit service for ten consecutive years.	Yes
II. Independence review		
Item	Evaluation content	Compliance with independence
01	The CPAs have avoided handling audit business if they have direct or indirect interest in the engaged cases.	There is no such situation, so it is not applicable.
02	The CPAs maintain independence of mind and in appearance in the work of audit services including an audit or review of financial statements, or a special audit case and issuance of opinions.	Yes
03	The members of the audit team, the partners of the firm or shareholders of corporate accounting firms, accounting firms and any of the affiliates and network firms, are also independent of the Company.	Yes
04	The CPAs perform professional services with integrity and rigor.	Yes
05	The CPAs maintain an impartial and objective position when performing professional services and have avoided bias, conflict of interest or undue influence of others to override professional or business judgments.	Yes
06	The CPAs have never compromised the integrity and objectivity of their position due to lack or loss of independence.	Yes
III. Competence review		
Item	Evaluation content	Compliance with independence
01	The CPAs have no record of disciplinary action by the CPA Discipline Committee in the most recent two fiscal years. The accounting firm has no litigation cases in the most recent two years.	Yes
02	The accounting firm has sufficient size, resources, and regional coverage to provide corporate audit services.	Yes
03	The firm has a clear quality control process that covers aspects such as the level and key points of the audit process, the way audit issues and judgments are handled, independent quality control reviews and risk management.	Yes

04	The accounting firm has notified the Audit Committee of any significant issues and developments in risk management, corporate governance, financial accounting and related risk controls in a timely manner.	Yes

[Explanation II] Continuing education of the Company's directors, corporate governance officer, financial officer and audit officer

Position	Name	Training date	Name of course	Hours of training
Chairman	Te Yi Investment Co., Ltd. Representative: Lee, Ching-Kun	September 19, 2025	An Introduction to Virtual Currency Risk Management: A Strategic Guide for Directors and Supervisors	3
		October 31, 2025	Upholding Core Values: Essential IP and Trade Secret Risk Management for Directors	3
Director	Representative: Lee, Ching-Sheng	November 11, 2025	AI Application, Legal Issues and Auditing	3
		November 14, 2025	The Digital Finance Revolution: Principles of Stablecoins and Development Trends in Blockchain Virtual Assets	3
Director	Smartech & Green Co., Ltd. Representative: Lee, Szu-Ying	October 16, 2025	15th Taipei Corporate Governance Forum	6
		October 17, 2025	ESG 101: Understanding Taiwan’s Sustainability Transition Roadmap	3
		November 21, 2025	A Legal Perspective on Corporate Governance: Critical Operational Risks and Responsibilities for Directors and Supervisors	3
Director	Yeh, Chun-Yen	October 21, 2025	Crisis Management and Communication of the Enterprise	3
		October 28, 2025	Board and Corporate Governance Practice	3
Independent Director	Liu, I-Lin	July 9, 2025	2025 Cathay Sustainable Finance and Climate Change Summit	6
		July 21, 2025	Corporate Governance and Natural Carbon Sinks with Biodiversity: Unlocking New Opportunities for Business Transformation	2
Independent Director	Fang, Chung-Li	March 4, 2025	NVIDIA's $3 Trillion Miracle: A New Thinking on the Semiconductor Industry Revolution Powering Artificial Intelligence	3
		April 15, 2025	Analyzing Cases of Corporate Control Contests	3
Independent Director	Chou, Cheng-I	August 29, 2025	Series of Courses for Directors, Supervisors and Corporate Governance Executives - Sustainability Policy and Disclosure Responsibility	3

Position	Name	Training date	Name of course	Hours of training
		August 29, 2025	Series of Courses for Directors, Supervisors and Corporate Governance Executives - The Role of Directors and Supervisors in Supervising the Development and Execution of Effective Risk Management Systems	3
Corporate Governance Officer	Chiang, Wen-Lung	April 17, 2025	Towards Net Zero: Starting with Net-Zero Leadership; Global Plastic Reduction Trends: Industrial Transformation and Opportunities; The Era of Carbon Pricing: Development of Taiwan's Carbon Credit Trading Market; Pathways to Net Zero: Seizing New Business Opportunities for Industries	2
		June 10, 2025	CDP Taiwan Launch Event: Bolstering Climate Disclosure to Enhance Corporate Climate Resilience	3
		June 10, 2025	CDP Taiwan Briefing: Bolstering Climate Disclosure to Enhance Corporate Climate Resilience	3
		October 3, 2025	Insider Trading Prevention Promotion Conference in 2025	3
		October 31, 2025	2025 Insider Trading Compliance Seminar	3
Financial Officer	Shen, Hsin-Kai	November 13, 2025 November 14, 2025	Continuing education courses for issuers, securities firms and accounting executives of stock exchanges	12
Audit Officer	He, Chin-Liang	October 30, 2025	Auditing Ethics and Professional Dilemmas in the AI Era: Technological Risks, Moral Quandaries, and New Governance Challenges	6
		November 18, 2025	How to use big data to strengthen audit operations	6

(IV) Composition, responsibilities and operations of the Remuneration Committee:

1. Information on Remuneration Committee Members

<table>
<tr><th>Identity</th><th>Qualification
Name</th><th>Professional qualification and experience</th><th>Independence status</th><th>Number of public companies where he/she is concurrently serving as remuneration committee member</th></tr>
<tr><td>Chair and convener (Independent Director)</td><td>Liu, I-Lin</td><td rowspan="3">The Company’s Remuneration Committee consists of three independent directors. For the professional qualifications and experience of the members, please refer to the “Board member profile” in this annual report.</td><td rowspan="3">The Company's independence director who meets the criteria for independence as set forth in the of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note).</td><td>None</td></tr>
<tr><td>Member (Independent Director)</td><td>Fang, Chung-Li</td><td>None</td></tr>
<tr><td>Member (Independent Director)</td><td>Chou, Cheng-I</td><td>None</td></tr>
</table>

Note: None of the members were subject to any of the following matters in the two years prior to election and during office.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the Company or its affiliates (the same does not apply, however, in cases where the person is concurrently an independent director of the Company, its parent company, any subsidiary, or any subsidiary under the same parent, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company, or ranking among the top 10 natural-person shareholders in holdings.

(4) Not a spouse, or relative within the second degree of kinship or lineal relative within the third degree of kinship, of an executive officer falling under Point (1) above or of any of the persons in point (2) or (3). above.

(5) Not a director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranks among the five largest shareholders in terms of shares held, or that assigns representative as the Company’s director or supervisor pursuant to Article 27, Paragraph 1 or 2 of the Company Act (the same does not apply, however, in cases where the person is also an independent director of the Company, its parent company, any subsidiary or any subsidiary of the same parent company concurrently as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(6) Not a director, supervisor or employee of a corporation which is controlled by the same person who has over 50% of voting right shares or board of director seats of the Company

(the same does not apply, however, in cases where the person is an independent director of the company, its parent company, any subsidiary or any subsidiary of the same parent company, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(7) Not a director, supervisor or employee of a corporate or institution which has the same or their spouse is: chairman, president or equivalent positions of the Company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, any subsidiary or any subsidiary of the same parent company, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(8) Not a director, supervisor, manager or shareholder holding 5% or more of shares of a specified company or institution that has a financial or business relationship with the Company (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary or any subsidiary of the same parent company as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary and the specific company or institution holds more than 20% but within 50% of the Company’s shares).

(9) Not a professional individual who, or an owner, partner, director, supervisor or manager of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation within NT$500,000 or a spouse thereof. This same does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not having any of the circumstances in the paragraphs of Article 30 of the Company Act.

2. Responsibilities of the Remuneration Committee

The Committee's functions are to evaluate the remuneration policies and systems of the Company's directors and managers in a professional and objective manner, and to make recommendations to the Board of Directors for their reference in decision-making.

3. Operation of Remuneration Committee

(1) The Remuneration Committee consists of 3 members.

(2) The term of office of the current members: June 26, 2025, to June 25, 2028. There were three meetings of the Remuneration Committee (A) held in 2025. The qualifications and attendance of members are as follows:

Position	Name	In-person attendance (B)	Frequency of attendance by proxy	In-person attendance rate (%) (B/A)	Note
Convener	Liu, I-Lin	3	—	100%	—
Member	Fang, Chung-Li	3	—	100%	—
Member	Chou, Cheng-I	3	—	100%	—
Other mandatory disclosures: I. If any recommendation of the Remuneration Committee is not adopted or is amended by the Board of Directors, the Company shall state the date, session of the Board of Directors'					

meeting, the content of the proposal, the outcome of the Board of Directors' resolution and the Company's disposition of the Remuneration Committee's recommendation: None.

II. If there is any resolution of the Remuneration Committee meeting objected to or subject to qualified opinion by independent directors and recorded or declared in writing, the Company should state the date of the board meeting, session, content, all members' opinions and the Company's response and handling of the member's opinion: None.

(3) Date, session, motion discussed and the resolution results and the Company's handling of the opinions of the Remuneration Committee:

Date	Attending members	Content of proposal	Meeting resolution
January 14, 2025	Mr. Liu, I-Lin Mr. Fang, Chung-Li Mr. Chou, Cheng-I	Distribution of the Company's year-end bonus.	After the chair consulted all the members present, the proposal was passed unanimously.
July 14, 2025	Mr. Liu, I-Lin Mr. Fang, Chung-Li Mr. Chou, Cheng-I	1. Motion for the election of the Convener and Chairperson of the 5th Remuneration Committee. 2. Motion for the promotion of the Vice President	After the chair consulted all the members present, the proposal was passed unanimously.
December 15, 2025	Mr. Liu, I-Lin Mr. Fang, Chung-Li Mr. Chou, Cheng-I	Review of the remuneration to the Company's directors and managers.	After the chair consulted all the members present, the proposal was passed unanimously.

(V) Promotion of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and reasons thereof:

Promotion item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and reasons thereof
	Yes	No	Summary description	
I. Does the Company establish a governance structure and a dedicated (or concurrent) unit to promote sustainable development which is handled by an executive-level position authorized by the Board of Directors and is under the supervision of the Board?	✓		In response to the international sustainable development trends and to fulfill corporate social responsibility, the Company has established the Sustainable Development Committee on November 11, 2024 in accordance with its "Sustainable Development Best Practice Principles" of the Company. We have also established the "Sustainable Development Committee Charter" to set forth the duties and responsibilities to be performed. The committee is chaired by the Company’s Chairperson and consists of two directors and three independent directors. The Sustainable Development Committee is established under the Board of Directors, and at least one meeting is held every year to review the performance of the Company's sustainable development business. The implementation results are reported to the Board of Directors. To implement sustainable development, the "Sustainable Development Office" was established under the Sustainable Development Committee. This is coordinated by the head of the Operations Management Center, and the Human Resources Department was appointed as the Executive Secretary of the Sustainable Development Office to coordinate the formulation of the Company's sustainable development direction and goals. There are also six functional groups under the Sustainable Development Office to promote sustainable development in a comprehensive manner. The implementation results are regularly reported to the Sustainable Development Office every quarter. The Executive Secretary must report to the ESG Committee on a yearly basis on	No significant deviations

			the implementation of ESG, including the results of stakeholder engagement, the results of material topic identification, the Company's performance in social welfare, and the future strategies and directions for sustainable development.	
II. Does the Company, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy?	✓		The Company has established a "Sustainability Information Management Procedures" to specifically implement corporate governance, develop a sustainable environment, safeguard social welfare and strengthen relevant information disclosure to achieve the goal of sustainability. In order to strengthen the overall operational resilience and corporate sustainability, the Company has established a complete risk management system covering three major aspects: risk identification, analysis and response, and has also integrated with external professional opinions through cross-departmental communication to continuously improve the effectiveness of risk governance. In terms of risk identification, the Company conducts major issue analysis every year in accordance with the international reporting guidelines (such as GRI standards). Through research reports, industry literature and external and internal important stakeholders' communications, the Company is able to comprehensively review the correlation and impact of various issues, and determine their contents and priorities. This analysis covers operational risks, social issues, and corporate governance issues, and serves as the basis for establishing risk management strategies. The Company's current business locations in Taiwan are the core of its business. In the future, the Company will gradually include other domestic and foreign subsidiaries to expand the scope of its risk management. At the stage of risk analysis, the Risk Management Committee conducts in-depth analysis based on the identified risk items and their materiality principles, and takes into account the	No significant deviations

			suggestions of external professional institutions on the Company's operational status to ensure that various issues are consistent with the Company's actual operational needs. All functional units maintain continuous communication with stakeholders to conduct comprehensive management on environmental, social and corporate governance (ESG) aspects. The Company has assessed the potential risks and opportunities from the policy, market changes, production process and other aspects of the climate change issues, and followed the climate-related financial disclosure (TCFD) structure. The ESG Committee and the Risk Management Committee jointly perform the risk assessment and financial impact analysis, and then formulate specific response strategies and action plans. Currently, the overall implementation is good. In terms of risk response and operation, each business unit has formulated clear countermeasures and control mechanisms for various risks based on its functions and nature. These cover operational risks, credit and financial risks, climate change, industrial changes, human resources, intellectual property and information security, litigation, supply chain, compliance, and occupational safety and environmental protection. For high-risk issues, apart from reporting to the Sustainable Development Team on a regular basis, we also submit them to the Sustainable Development Committee for review and supervision, and strengthen the effectiveness of internal control. The Sustainable Development Committee reports to the Board of Directors at least once a year on the implementation of overall risk management, to ensure effective implementation of the management system, and support the Company's stable operations and long-term development.	
III. Environmental initiatives (I) Has the Company set an	✓		Our quality system for product development and supply has obtained the	No significant deviations

environmental management system designed to industry characteristics?			international ISO 9001 quality assurance certification and will continue to be implemented. We have also obtained ISO 14001 environmental management system certification and ISO45001 occupational safety and health management system certification and will review the effectiveness of their implementation from time to time. We uphold the spirit of continuous improvement to actively invest in energy and resource conservation, waste reduction and occupational safety and health management and review the effectiveness of their implementation from time to time to facilitate our management philosophy of sustainable development. Valid period of the latest certificates: ISO 9001 2024.4.16-2027.4.16 ISO 14001 2025.3.14-2028.3.14 ISO 45001 2026.1.16-2029.1.07	
(II) Is the Company committed to improving resource efficiency and the use of renewable materials with low environmental impact?	✓		The Company upholds the business philosophy of "environmental protection, harmonious co-existence" and fulfills its corporate social responsibility by devoting to environmental protection, resource conservation and green energy improvement. While pursuing corporate interest and shareholders' equity, we make every effort to protect the ecological environment, and actively seek to be in line with international environmental protection standards to improve corporate value and become a member of green energy contributions. In terms of specific measures, the Company actively promotes energy management and the use of renewable resources, and is committed to the recycling and reuse of renewable materials such as electricity, water resources, packaging materials and waste paper. To reduce waste, we not only strengthen the sorting of garbage and recycling of resources, but also promote paperless operations to reduce paper consumption and demonstrate our commitment to environmental sustainability. We actively implement green manufacturing in the manufacturing	No significant deviations

			process to reduce unnecessary waste and develop waste reduction and resource reuse technology. To achieve the benefits of a circular economy, the Company prioritizes the use of eco-friendly and renewable materials in product design to reduce the impact on the environment. To implement water resource management, the Company recycles and reuses the water resources required for the grinding and cutting process in the manufacturing process to effectively extend the water quality life span and achieve the goal of resource recycling and utilization. It is the Company's ongoing dedication to promoting technological innovation and green manufacturing, and creating value for a circular economy through raw material recycling and waste reduction measures, while continuing to improve the overall benefits of sustainable development.	
(III) Does the Company evaluate the potential risk and opportunities of climate change and also have measures for relevant climate change issues?	✓		Our company focuses on the impact of climate change caused by the greenhouse gas effect on the environment and operations and implements management programs to reduce the use of energy and resources such as water and electricity, reduce the consumption of raw materials and reduce waste to achieve the goal of energy saving and carbon reduction. We have also reduced the impact of our operations on climate change by educating and promoting the use of LED energy-saving light bulbs, adding sensor devices to control the activation of switches, keeping office air conditioners at a constant temperature, installing rainwater recycling systems, modifying water-saving equipment to save water and reducing the use of photocopying paper. We also continue to pursue the reduction of the impact of our products on the environment in the hope of contributing to the green economy and mitigating climate change.	No significant deviations
(IV) Does the Company calculate greenhouse gas emissions, water usage and	✓		The Company is committed to coexisting with the global environment and are continuously promoting energy	No significant deviations

the total weight of waste in the last two years and set up policies regarding reducing carbon, saving energy, water use reduction, and other waste management?			saving and greenhouse gas reduction measures, reviewing the energy consumption of our plants and erecting solar panels in line with the government's renewable energy policy to achieve the effects of increasing renewable energy and shading the environment. In 2025 and 2024, the Company’s GHG emissions were approximately 12,089.2648 metric tons of CO2e and 8,787.8500 metric tons of CO2e, respectively. Water consumption reached approximately 51.216 million liters and 44.735 million liters, while the total weight of waste amounted to approximately 767.452 metric tons and 756.312 metric tons for the corresponding periods.	
IV. Social initiatives (I) Does the Company comply with relevant laws and regulations and the International Bill of Human Rights and adopt relevant management policies and procedures?	✓		The Company acknowledges that respect for human rights and a dignified workplace are critical to its operations and supply chain relationships. To protect the fundamental human rights of employees and stakeholders, the Company supports and complies with internationally recognized standards, including the *Universal Declaration of Human Rights (UDHR)*, the *United Nations Global Compact (UNGC)*, and the *ILO Declaration on Fundamental Principles and Rights at Work*, as well as applicable laws and regulations in all locations where it operates. The Company respects all employees, including full-time staff, contract personnel, and interns. In accordance with these principles, the Company has established a human rights policy to uphold human rights protections. The policy applies to the Company and all of its domestic and overseas subsidiaries. The Company also encourages its suppliers and contractors to adhere to the following principles to safeguard human rights. Key focus areas based on the Company’s operations include: 1.Respecting human rights at the workplace Eliminating child labor and all forms of forced labor, with proper management of	No significant deviations

			employee working hours and attendance. Maintaining a zero-tolerance approach to harassment, bullying, and discrimination, whether explicit or implicit, to ensure a harmonious labor environment. 2.Promoting diversity, inclusion, and equal employment opportunities. Ensuring equality in recruitment, employment, and training processes by preventing discrimination based on non-job-related factors such as “race, class, language, political affiliation, gender, sexual orientation, age, marital status, disability, or prior union membership,” and fostering a diverse and inclusive workplace. 3.Provide a safe and healthy working environment The Company complies with occupational safety and health laws and has established a dedicated management framework. It conducts safety programs, training, and employee health checkups to improve workplace conditions, reduce occupational hazards, and protect employees’ physical and mental health, thereby enhancing work–life quality. 4.Fostering harmonious labor–management relations. The Company emphasizes the protection of labor rights by organizing regular labor–management meetings and providing channels for employee complaints and suggestions, ensuring effective communication and continuous improvement of employee welfare. 5.Ongoing review of human rights systems and practices. The Company reviews human rights trends on a regular basis and adjusts its policies and initiatives accordingly. 6.Complaint channels The Company has established grievance channels to allow employees to report concerns. Any human rights-related issues are promptly investigated, with appropriate corrective and remedial actions implemented. In 2025 (114th Fiscal Year), the Company conducted a human rights due diligence (HRDD) process targeting full-	

			time employees. A questionnaire-based survey was deployed to identify and assess potential human rights risk issues within the Company, aiming to understand employees' perceptions regarding the likelihood, scale, and scope of various human rights issues, thereby evaluating the severity of potential impacts. The human rights risk identification process is outlined below: Responsible units: The Chief Sustainability Officer (CSO) and the Sustainability Development Executive Office are jointly responsible for implementation. 1. Collection of Human Rights Issues: A total of 12 issues were identified and collected. 2. Assessment of Human Rights Issues: A total of 265 valid questionnaires were collected and analyzed. 3. Prioritization of Human Rights Issues: Human rights issues were ranked based on the scores obtained and categorized into high, medium, and low risk levels. 4. Management of Human Rights Issues: Human rights risk management plans and feasible remedial measures were established. For details regarding the scope of human rights due diligence, the mitigation or remedial measures implemented, and the human rights due diligence procedures established for suppliers along with their implementation status, please refer to the section "Other Material Information Helpful to Understanding the Implementation of Sustainable Development."	

(II)	Has the Company established appropriately managed employee welfare measures (including salary and compensation, leave and others) and linked operational performance or achievements with employee salary and compensation?	✓		The Company is committed to providing remuneration that is no less than the market price to recruit and retain talent. The remuneration is determined based on the employee's background, professional skills, job category and performance, while also taking into account the overall salary level of the industry. The fair salary system is established, and there is no difference on the basis of gender, race, religion, marital status and other factors. The remuneration is determined based on the overall operating conditions and the industry level, and a certain percentage of the annual operating performance is appropriated as remuneration to the employees, to share the results with the employees. The Remuneration Committee regularly reviews the reasonableness of the remuneration system every year. In addition to remuneration, we are also committed to providing employees with comprehensive and diversified welfare measures. We also provide subsidies for three major holidays, travel, funeral, and disasters, and benefits such as group meals, health checkups, and regular on-site health management, in order to become the best support for employees' daily life and work. Retirement Benefits Beyond the Labor Standards Act – Employee Stock Ownership Trust (ESOT) To strengthen employee welfare benefits and assist employees in long-term financial and retirement planning, the Company offers an Employee Stock Ownership Trust (ESOT) program to all employees. Employees may voluntarily contribute a portion of their monthly salary to the trust , and the Company will provide a 100% matching contribution. These funds are deposited into a dedicated trust account and managed by a trust institution for the centralized purchase of Company shares, thereby helping employees accumulate long-term assets. Through the ESOT program, the Company not only enhances employees' sense of identification and cohesion , but also	No significant deviations

			enables them to share in the Company's operating achievements as a vital component of long-term financial planning and retirement protection. Upon resignation, retirement, or termination of participation in the program, employees may choose to receive the allocated shares or receive cash proceeds after the shares are sold by the trustee bank. For other employee welfare measures, retirement systems, and their implementation status, please refer to the "Labor-Management Relations" section of this annual report. Operating Performance Reflected in Employee Compensation The Company regards talent as the core of sustainable development and is committed to establishing a fair and incentive-based compensation system. Except for employees on unpaid leave, all employees are included in a rigorous performance evaluation system. Through multidimensional evaluations—including initial, mid-year, year-end, and project-based assessments—the Company implements a performance-based reward mechanism. Participation in sustainability-related activities is also incorporated into performance indicators, with positive incentives and recognition provided accordingly. Regarding the earnings distribution mechanism, the Company's Articles of Incorporation expressly stipulate that no less than 1% of annual profits shall be allocated as employee compensation if the Company generates profits for the fiscal year. Upon resolution by the Board of Directors, such compensation may be distributed in the form of shares or cash , and the recipients may include eligible employees of controlled or subordinate companies. If the Company has accumulated losses, such losses shall first be offset before employee compensation is allocated. To fulfill corporate social responsibility and enhance care for grassroots personnel, no less than 5% of the total employee compensation amount shall be allocated to grassroots employees. "Grassroots employees" are defined as non-managerial employees whose salary is less than or equal to the average regular monthly	

			salary , with the applicable threshold being dynamically assessed with reference to the annual announcements issued by the central competent authority. In addition, to ensure compensation competitiveness, the Company conducts annual market salary surveys and formulates salary adjustment plans based on economic trends and individual performance evaluations. Through institutionalized briefing sessions, employees are able to fully understand career development opportunities and compensation policies, thereby achieving mutual prosperity between the Company and its talents.	
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		The Company has established, implemented, maintained and continued to improve its environmental safety and health management system in accordance with the requirements of ISO 14001, ISO 45001 and TOSHMS (CNS 45001), including the required processes and interactions. The Company was certified by SGS and obtained the ISO 45001 certificate. The Company has established an Occupational Safety and Health Committee to manage various safety and health related matters in the factory, reduce the probability of occupational hazards and create a friendly and safe workplace environment. The Committee has a total of 20 members, including 10 labor representatives, accounting for 1/2 of the total number of members and the meeting is convened once every quarter. The factory operating environment is measured every six months. The testing is entrusted to qualified institutions. If the operating environment testing data is abnormal, the Occupational Safety and Health Office will develop a hardware improvement plan or administrative management. Labor operating environment testing reports are archived and retained by the Occupational Safety and Health Office as a basis for subsequent special health examinations for workers and a reference for supervisors of each unit to assign workers to prevent occupational diseases.	No significant deviations

			Safety and health education and training are arranged for new recruits. Regular safety and health education and training courses are provided to employees. The contents include work safety regulations, work safety knowledge, hazard prevention, and first aid knowledge. Lectures on health promotion activities are also provided. For the workers of special operations such as construction machinery, aerial work vehicles, winches and other machinery, the special operation training shall be provided to them and they would have to obtain the qualification certificates before they are allowed for the operation of special equipment. Establish an emergency response organization to standardize the response procedures and plans for each crisis, and conduct drills for different crisis situations every year to improve employees' crisis management capabilities and emergency response awareness. Furthermore, a Line occupational safety information exchange area has been set up. The group includes supervisors of direct units or above, and supervisors of indirect units of section chief or above. The Occupational Safety Office will go directly to confirm and take immediate measures to reduce the risk of disaster expansion and damage. Health checkups are held on a yearly basis for 100% of employees. In addition to the general health checkup items, the company also adds abdominal ultrasonography and A1c, and offers special health checkups for employees engaged in noisy and dusty operations. Health care measures: a. Respiratory protection gear fit test - Employees wearing respiratory protection gear were assigned to conduct health education information and tightness testing. b. Occupational physician outpatient service - monthly employee care interviews. c. Protection and management of maternal health - health education	

			and consultation for employees who are pregnant or breastfeeding. d. Hearing Protection Program - Hearing exams and hearing protection seminars are held on a yearly basis. e. Management of work resumption by workers - The scope of work resumption covers musculoskeletal hazards and maternal protection. There were no major occupational accidents or fire incidents of the Company in 2025.	
(IV) Has the Company established effective career development training plans?	✓		The Company’s training plan is based on its vision, strategies, objectives, annual operating performance, etc. We provide diverse learning channels, encourage self-guided learning and take into account employees’ individual development to provide vocational training for each level. Training courses: 1. New employee orientation: focus on the Company’s history, corporate culture and management philosophy, vocational safety and health education, product introduction, etc. to facilitate a complete understanding of the Company for the new employees. 2. Core competency training: traits or competencies that every employee in the Company must possess, together with core values, to implement the corporate culture. 3. Professional competency training: different professional knowledge and skills are required depending on the function and organizational responsibilities of each department. 4. Management function training: according to the level of behavior required by different management levels and the required management functions, divide the training into the management capabilities of senior, middle, and junior executives. 5. Project-based training: specific training according to the Company's strategic development, senior management's instruction, project promotion characteristics and the	No significant deviations

			needs of project-related units. The Company has been improving the expertise and skills of our employees through professional training, either internally or externally. Through a functionally oriented learning and development system, all levels of the Company's workforce are provided with appropriate development and training. In 2025, the total training hours of all employees of the Company were 16,864, and the average training hours per employee were 15.775 hours.	
(V) Does the Company's product and service comply with related regulations and international standards for customers' health and safety, privacy, sales, labeling, and set policies to protect consumers or customers' rights and customer complain procedures?	✓		We are a manufacturer of mechanical components, not an end-consumer and our products are regulated internationally. Our company upholds the principles of professionalism, ethic, integrity and expects to provide products and services to the satisfaction of our customers. We have established relevant customer complaint procedures to properly determine the responsibility of customer complaints and resolve the problems. We also regularly refine measures to prevent problems from arising. For customer, marketing and labeling issues, we would sign NDA agreements with our customers to protect the rights of both parties.	No significant deviations
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right and their implementation status?	✓		The Company enters into a contract with major suppliers and conduct audit periodically. Where there is any violation of social responsibilities with a significant impact on the environment, the Company may cancel or terminate the contract by the contents of the contract. There is a contractor management policy that requires contractors to complete relevant documents before entering the plant, and to confirm that occupational safety education and training have been conducted and communicated to their employees. In this way, we ensure that all employees and workers entering the TBI Motion plant have sufficient professional safety awareness and training.	No significant deviations

V. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?	✓		The Company prepares its Sustainability Reports in accordance with the GRI Standards issued by the Global Reporting Initiative, while referencing international frameworks including the SASB (Sustainability Accounting Standards Board), the UN Sustainable Development Goals (SDGs), and the TCFD (Task Force on Climate-related Financial Disclosures) recommendations. The 2024 Sustainability Report obtained a "Moderate Level of Assurance" from ARES International Certification, conducted under AA1000 AS v3 TYPE I. The verification of the 2025 report is expected to be completed by June 2026. For the Company's past sustainability reports, please refer to the official website.	No significant deviations
VI. If the Company has established its sustainable development best practice principles according to “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please describe its implementation status and deviations: The Company has established the Sustainable Development Best Practice Principles and has devoted to promoting its corporate social responsibilities. There is no significant deviations.				
VII. Other important information to facilitate better understanding of the Company’s implementation of sustainable development: (I) Categories of Issues: 1. Environment protection: The Company pursues the sustainable development of environmental protection and manufacturing at the same time. In addition to quality management, we are also committed to pollution prevention, industrial waste reduction, and environmental protection. In accordance with our Sustainable Development Best Practice Principles, we have adopted the following environmental protection principles: We strive to improve the efficiency of resource utilization and use recycled materials with low impact on the environment so that the earth's resources can be used sustainably; We establish a dedicated environmental protection unit or personnel to develop, promote and maintain relevant environment management systems and specific action plans; and we use the water resource appropriately and sustainably. 2. Community engagement: Engage in community life with practical actions. We have long adopted the park on the south side of Qiangliao Li, regularly cleaning, disinfecting and spraying pesticides in the area to provide a comfortable and clean public space for community residents and to promote the concept of environmental protection to facilitate environmental sustainability. 3. Community caring: We are committed to building good neighborly relations with the local community. In addition to providing community patrol stations to strengthen local law enforcement and protect the safety of neighbors, we also invite residents to join our mid-autumn party, year-end party etc. to fully realize the Company's business philosophy of caring for the community. 4. Public interests: In terms of supporting vulnerable groups, the Company organizes community senior caring events on the eve of the Chung Yeung Festival, distributing gifts to the elderly and providing services such as blood pressure checks. We also help the poverty-stricken students by setting up scholarships and				

nutritious lunches for the outstanding poverty-stricken students in the schools, so that the cultivation of talents is not limited by environmental factors and we can do our part for the society.

5. Human rights:
   The Company has insured the employer's liability insurance and employee group insurance.
6. Vocational safety and health:
   The Company follows the Occupational Safety and Health Act and relevant laws and regulations to conduct related matters and implement the management of various safety and health affairs. To enhance employees' awareness of vocational safety and health, all newly hired employees are required to undergo safety training before they can take up their posts and start working. For current employees, we arrange regular occupational safety and health education training every year, including: safety production regulations, safety production knowledge, hazard prevention, first aid knowledge, etc. We also conduct regular inspections of the plant to ensure that our employees are working in a safe working environment.
7. Industry-academe collaboration:
   In order to effectively enhance the competitiveness of the power transmission component industry, the Company actively invests in R&D innovation and cooperates with the government's diversified industry-academic coordination program, hoping to integrate theory and practice; we offer practicums and summer internship opportunities to students in high schools and colleges in the northern region, providing a workplace experience environment for students in the mechanical field and pass on the experience to students and industry and recruit excellent talents from them.
8. Others:
   The Company creates many job opportunities, establishes the Employee Welfare Committee, adopts the pension system, arranges various employee training courses and insures employee group insurance. We value harmonious labor relations. We recognize our impact on corporate social responsibilities and strive to operate our business for the maximum benefit of our shareholders and related stakeholders. Going forward, the Company will not only cultivate professional talents but also take corporate social responsibilities and implement corporate core values.

(II) Scope of Human Rights Due Diligence and Material Human Rights Issues in 2025:

Human Rights Issue	Description of Negative Impact	Risk Classification
Equality and Non-Discrimination	Unfair treatment in recruitment, employment, promotion, or compensation decisions based on factors unrelated to job performance or qualifications.	High
Freedom of Expression and Grievance Mechanism	Failure to establish effective grievance or whistleblowing mechanisms, or retaliation against whistleblowers.	Medium
Labor Conditions and Fundamental Labor Rights	Working hours, wages, or labor conditions that do not comply with applicable laws and regulations.	Medium
Labor-Management Communication Mechanism	Lack of effective labor-management communication channels or regular labor-management meetings.	Medium
Personal Freedom and Safety	Occurrence of threats, violence, workplace bullying, sexual harassment, or other inappropriate conduct in the workplace.	Medium
Occupational Safety and Health	Failure to provide adequate safety training, protective equipment, or hazardous substance management measures.	Medium
Right to Health and Reasonable Working Hours	Failure to provide reasonable rest systems or long-term excessive working hours affecting employee health.	Medium
Forced Labor	Forced overtime without consent, withholding of personal documents, restriction of movement, or other involuntary	Medium

	work arrangements.	
Right to Family Life	Failure to provide legally required family care measures, or long-term overtime affecting employees' family life.	Medium
Right to Privacy	Leakage of employees' or stakeholders' personal data due to inadequate information management or cybersecurity measures.	Medium
Freedom of Assembly and Association	Restricting employees from legally participating in or organizing labor unions, or discriminatory treatment against participants.	Medium
Child Labor and Protection of Minors	Illegal employment of underage workers or assigning minors to hazardous work.	Low

The questionnaire evaluated each issue based on "severity of impact" and "likelihood of occurrence." Average scores were calculated for each issue, and human rights issues were ranked according to the scores obtained, with risk levels categorized as high, medium, or low.

(III) Mitigation and Remedial Measures Implemented in 2025:

Management and Remedial Measures for High-Risk Human Rights Issues

Based on the questionnaire assessment results, only the following issue was identified as a high-risk human rights issue:

Equality and Non-Discrimination

Unfair treatment in recruitment, employment, promotion, or compensation decisions based on factors unrelated to job performance or qualifications.

Preventive Policies:

1. Establish transparent performance evaluation standards, with work capability, performance, and job requirements serving as the primary evaluation criteria.
2. Establish grievance and investigation mechanisms to promptly accept, review, and handle suspected cases of unfair treatment.

Remedial Measures:

1. Conduct regular audits of employee attendance management operations.
2. Establish employee promotion evaluation procedures.

Tracking Indicators:

1. The proportion of promotion and salary adjustment cases aligned with performance evaluation results reached over 62.83%.
2. No employee grievance cases were reported.

(IV) Material Topic Management – Supplier Management:

Impact

The Company regards upstream and midstream suppliers as important partners for mutual growth and prosperity. Effective supplier management not only ensures product quality and manufacturing processes that meet customer and legal requirements, but also enhances the positive environmental and social influence of the Company's supply chain and supports the achievement of sustainable development goals. Conversely, ineffective supply chain management may result in increased costs, compromised product quality, and potential involvement in suppliers' violations of human rights or environmental regulations, thereby damaging the Company's operational performance and reputation and adversely affecting stakeholders' interests.

Management Policy

The Company is committed to continuously encouraging suppliers to comply with business ethics standards. Through procurement management regulations and supplier audit systems, the Company actively addresses issues relating to labor rights, occupational safety and health, and environmental protection. Particular attention is given to environmental protection initiatives such as energy conservation, water conservation, waste reduction, and carbon reduction to mitigate the social impact and responsibilities arising from climate change, promote sustainable resource circulation, and jointly pursue sustainable business operations and growth, thereby creating a win-win sustainable supply chain.

Management Objectives

Short-Term Objectives (Within One Year) – Achieved

1. 100% completion rate for supplier integrity commitment promotion.
2. 100% achievement rate for qualified supplier evaluations and environmental, safety, and health management assessments.
3. 100% completion rate for signing hazardous substance-free declarations.
4. 100% evaluation coverage of raw material and outsourcing suppliers.

Mid-Term Objectives (More Than One Year and Within Three Years)

1. Enhance supplier evaluation standards.
2. Gradually introduce supplier sustainability self-assessment questionnaires.
3. Implement a supplier management platform to reduce paper usage.
4. Encourage high electricity-consuming suppliers to obtain ISO 14064 greenhouse gas inventory certification.

Commitment

The Company is committed to deepening sustainable supply chain management, implementing digital supplier management systems, promoting a compliant and efficient supply chain system, and collaborating with suppliers to gradually establish a sustainable supply chain and create long-term value together.

Remedial and Preventive Measures for Negative Impacts

1. New Suppliers: Establish screening, testing, and selection policies to ensure compliance with quality, technical, environmental, safety, and health requirements.
2. Existing Suppliers: Implement monthly evaluation and assessment systems covering six major aspects of social and environmental management, with regular follow-up and improvement tracking. High electricity-consuming suppliers are encouraged to adopt ISO 14064-1 greenhouse gas inventories.
3. Promote the signing of conflict minerals declarations by raw material suppliers in accordance with customer requirements.
4. Implement supplier platform systems to promote digitalization.

Evaluation Methods and Mechanisms

Supplier selection and periodic evaluations.

Grievance Mechanism

Contact Department: Procurement Department

Email: tbisupplier@tbimotion.com.tw

(V) Supplier Evaluation:

The Company's principal products include ball screws, linear guideways, ball splines, and single-axis robots. Major upstream suppliers primarily consist of raw material suppliers, consumable suppliers, and processing contractors. The Company implements a local procurement policy, with major procurement activities conducted primarily with local Taiwanese suppliers and distributors. In 2025, the Company cooperated with a total of 239 local suppliers. Supplier categories and quantities are summarized as follows:

Supplier Category		2023		2024		2025	
		Quantity	Local Procurement Ratio	Quantity	Local Procurement Ratio	Quantity	Local Procurement Ratio
Category I	Raw materials	24	100%	28	100%	16	100%
	materials	71	100%	58	100%	14	100%
Category II	Outsourced processing	61	100%	67	100%	96	100%
Category III	Consumables and general affairs	120	100%	84	100%	112	100%

With respect to new supplier selection, the Company mainly evaluates suppliers providing Category I raw materials. Based on production requirements, the Procurement Department first reviews suppliers' basic information. New suppliers are then required to provide production samples, which are tested by the R&D Department to ensure compliance with the Company's production requirements. Subsequently, an evaluation team conducts on-site assessments covering quality, technology, and procurement aspects.

In 2025, 100% of the Company's new suppliers were screened using environmental and social standards, with a total of 27 new suppliers included in the environmental and social screening process.

In addition, the Company requires suppliers to conduct self-assessments. Through on-site evaluations and supplier self-assessments, the Company comprehensively evaluates suppliers in areas including technology and procurement management, employee human rights and training, occupational safety and health management, environmental management systems, and regulatory compliance. Qualified suppliers are then selected as the Company's long-term business partners.

For existing Category I and II suppliers, the Company conducts monthly procurement performance evaluations based on product quality, delivery schedules, service performance, and packaging. Suppliers failing to meet requirements are requested to make improvements within a specified period or face termination of cooperation.

To uphold human rights protection and environmental sustainability, TBI Motion Technology Co., Ltd. has committed not to use conflict minerals. The Company also requires all suppliers to sign or provide a "Conflict Minerals Policy Declaration," prohibiting the use of conflict minerals in order to promote sustainable supply chain development.

(VI) Supplier Human Rights Due Diligence:

The Company incorporates human rights issues into the core of its supply chain management in order to identify, assess, and mitigate potential human rights risks. In 2025, the Company conducted supplier human rights due diligence for the first time. Through supplier self-assessment questionnaires, a total of 63 valid responses were collected.
As this was the Company's first year conducting such investigations, the primary objective was to preliminarily identify supplier risks. Going forward, the Company will gradually enhance suppliers' awareness of human rights issues. Survey results indicated that high-risk suppliers accounted for 38.10%, medium-risk suppliers accounted for 22.22%, and low-risk suppliers accounted for 39.68%. The overall maturity level of human rights management within the supply chain was 3.41, classified as a medium-risk level, indicating that suppliers generally possess basic legal compliance capabilities, although their overall management mechanisms remain at an early stage of development.

Topic	Preventive Measures	Remedial Measures After Occurrence	Goal Setting	Coverage Rate (Final Result Through Gradual Implementation)
Human Rights Risk Assessment Implementation	● Establish supplier human rights risk assessment mechanisms and regularly conduct human rights due diligence questionnaires to identify high-risk suppliers	● Request identified high-risk suppliers to provide explanations or improvement measures where appropriate ● Conduct on-site inspections or document reviews if necessary	Gradually establish supplier human rights risk assessment mechanisms.	100%

	● Evaluate the incorporation of human rights risks into supplier management processes ● Prioritize risk identification for potentially high-risk suppliers.	● Terminate or adjust cooperative relationships with suppliers that fail to improve or refuse cooperation.		
Integration of Human Rights Risk Management	● Evaluate the incorporation of human rights issues into existing risk management or related management mechanisms ● Promote human rights management measures through relevant departments such as Procurement ● Incorporate human rights management into supplier selection and contract renewal conditions.	● Regularly review implementation status of human rights management measures and make adjustments where necessary ● Provide guidance or reassess cooperation for suppliers failing to comply with management requirements.	Gradually strengthen the integration of human rights issues into management mechanisms.	100%
Human Rights Policies and Commitments	● Plan and review the Company’s human rights policies and related regulations ● Require suppliers to sign human rights commitments or codes of conduct ● Conduct human rights awareness campaigns or training where necessary.	● Investigate suspected human rights violations and request corrective actions where appropriate ● Evaluate adjustments to future cooperation methods if necessary ● Terminate cooperation in cases of severe violations or failure to improve.	Gradually establish human rights policies and related management measures.	100%

According to the questionnaire analysis results, the three highest-risk issues were “Implementation of Human Rights Risk Assessments,” “Integration of Human Rights Risk Management,” and “Human Rights Policies and Commitments.” These findings mainly reflect that suppliers still have deficiencies in establishing and integrating human rights management systems. Going forward, the Company will prioritize these high-risk issues by gradually strengthening supply chain human rights management capabilities through system implementation, educational training, and supplier classification management mechanisms to reduce potential risk impacts.

For more details on sustainable development, please refer to the Company's announcement of the sustainability development report and the Company's official website.

Climate-related information of TWSE/TPEx listed companies

1. Implementation of climate-related information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr>
<td>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).
3. Describe the financial impact of extreme climate events and transformation actions.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the pricing shall be stated.
8. If climate-related goals</td>
<td>1. The Board of Directors is the highest unit responsible for TBI Motion's risk management and decision-making, and is also in charge of approving, supervising the risk management policy, as well as tracking the progress and achievement of action plans. In order to implement the governance of climate change, the global promotion is integrated by the Sustainable Development Promotion Team to establish climate change adaptation and mitigation management plans, review the implementation progress and discuss future planning. The top executive of the Sustainable Development Promotion Team reports to the Board of Directors at least once a year on the results of climate risk identification and the effectiveness of each control mitigation measure.
2. The key climate issues of TBI Motion include transition risks (increased pricing of GHG emissions, requirements and regulation of existing products and services) and opportunities (entering to new markets).
(1) Short-term impact:
A. As operating costs may rise due to the possible increase in the price of GHG emissions, GHG emission management is required.
B. The product and service supervision requirements are becoming more stringent, and the product development and certification costs are increasing.
(2) Mid-term impact: The implementation of carbon fees and carbon tariffs must comply with the market and regulatory requirements for low-carbon products.
(3) Long-term impact: Continued promotion of energy efficiency and GHG reduction is required to maintain a competitive edge in response to the global net zero trend.
3. Extreme weather events such as typhoons, flooding and droughts may lead to disruptions of the supply chain or damage to production facilities, increasing capital expenditures and repair costs. Transformation actions (e.g. carbon tax, emission trading system implementation) will increase production costs, which may affect business profits.
4. Climate change has been included in the overall risk management procedures for TBI Motion. The Sustainable Development Promotion Team coordinates the identification of climate risks and opportunities, formulates response strategies, and regularly reviews the implementation and effectiveness of strategies.
5. The Company’s preliminary assessment of the financial impact on the Company was based on the major climate risk. The risk was assessed to be "direct operation" in the value chain. The impact of the domestic regulations (the government's net-zero route) was assessed as follows:
<table>
<tr><th>Scenario assumption</th><th>Content</th><th>Assessment of source of emissions</th><th>Evaluation period</th></tr>
<tr><td>Government's Net Zero Roadmap</td><td>Based on the current net zero target and policy assumptions in Taiwan.</td><td>Scope 1 + Scope 2 (Mainly focused on Taiwan operations)</td><td>Short-term (2023-2026)
Mid-term (2027-2030)</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>have been set, specify the activities covered, the scope of GHG emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified.
9. GHG inventory and verification status (to be filled in section 1-1 and 1-2).</td><td>
<table>
<tr><th rowspan="2">Climate change risks</th><th rowspan="2">Assumptions about the parameters of operating costs</th><th colspan="2">Short-term (2023-2026) impact on revenue</th><th colspan="2">Mid-term (2027-2030) impact on revenue</th></tr>
<tr><th>Stable operation</th><th>Optimistic business</th><th>Stable operation</th><th>Optimistic business</th></tr>
<tr><td>Increase the pricing of GHG emissions</td><td>Carbon price setting:
Under climate change regulations, carbon fees for Scope 1 and Scope 2 GHG emissions are anticipated to be introduced from 2024, at NT$100–300 per ton, with a projected assumption of NT$1,500 per ton by 2030.
Threshold value of carbon tariff levied:
The short to medium term is evaluated at 25,000 tCO2-GHG; the long term is parameterized at 10,000 tCO2-GHG.
Revenue growth:
The evaluation is conducted with a flat (stable growth) and optimistic (industrial automation market is booming) basis.</td><td>0%</td><td>0%</td><td>0.002%</td><td>0.05%-0.51%</td></tr>
</table>
In the future, the Company will refer to TCCIP, National Science and Technology Council, and National Science and Technology Center for Disaster Reduction to evaluate Taiwan’s operating sites and quantify physical risks.
6. In order to comply with the international net zero trend and the GHG inventory information disclosure schedule established by the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies” in 2024, the Company conducted a GHG inventory for the previous year in accordance with the "ISO14064-</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
1:2018 Greenhouse Gas Inventory Standards". Based on the results of the inventory, we will identify the emission hotspots of the Company's processes and develop carbon reduction programs and targets accordingly. In the future, we will continue to complete the annual GHG inventory, while also planning the GHG verification to ensure the accuracy of the GHG results.
<table>
<tr><th>Phase</th><th>Content</th></tr>
<tr><td>Short-term targets (2025)</td><td>1. Completion of GHG inventory and verification: Complete the 2024 GHG inventory in accordance with ISO14064-1. The scope of inventory covers the Company's individual financial statements, and the inventory covers Categories 1-4.
2. Organize carbon inventory education and training: Cultivate professional personnel with carbon inventory capabilities so that the Company can continue to conduct carbon inventory.
3. GHG reduction target: GHG emissions reduced by 1% per year compared to the previous year.</td></tr>
<tr><td>Mid-term targets (2025-2027)</td><td>1. Carbon inventory certification completed: ISO14064-1 verification is conducted every year to ensure the accuracy of the results.
2. GHG reduction target: GHG emissions will be reduced by 3% by 2027.
3. Propose a carbon reduction action plan: The hotspots identified by the Company are monitors with relevant carbon reduction plans formulated.</td></tr>
<tr><td>Long-term targets (2027-)</td><td>1. Maintain the validity of ISO14064-1 certificate: Continue to maintain the validity of the certificate.
2. Electricity-saving target: Reduce the electricity consumption by 10% by 2034 according to the regulations of the Bureau of Energy, MOEA.
3. GHG reduction target: GHG emission will be reduced by 8% by 2030.</td></tr>
</table>
7. The Company has not yet adopted the internal carbon pricing system. In the future, the Company will continue to monitor changes in the cost of carbon emissions and carefully evaluate the feasibility of internal carbon pricing as a reference for risk assessment and decision-making.
8. The current climate targets and ranges are as follows:
(1) Coverage: The production process and operating activities within the scope of the Company’s individual financial statements.
(2) Scope of Emissions: Category 1 (direct emissions), Category 2 (direct emissions from energy), Category 3 (indirect GHG emissions caused by transportation), and Category 4 (indirect GHG emissions caused by organizational use of products).
(3) As described in 6.
(4) The 2025 carbon inventory was completed and certified as follows
■ Reasonable assurance level:
• Category 1: Direct GHG emissions: 439.7434 tCO2e
• Category 2: Indirect GHG emissions from input energy: 8,852.8032 tCO2e
</td></tr>
</table>

Item	Implementation status
	■ Limited guarantee grade: • Category 3: Indirect GHG emissions caused by transportation: 599.8053 tCO2e • Category 4: Indirect GHG emissions caused by organizational use of products: 2,196.9129 tCO2e • Category 5: Indirect GHG emissions caused by indirect GHG emissions caused by use of products: N.A. • Category 6: Other indirect GHG emissions from other sources: N.A. ■ Total emissions: 12,089.2648 tCO2e (5) Currently, the Company has not used the carbon credit or renewable energy certificate (REC). In the future, the Company will evaluate the applicability and feasibility based on the carbon reduction needs and operating strategies. 9. As described in 6. The information of the Company's climate governance and action will be detailed in the 2025 Sustainability Report. Please refer to our 2025 Sustainability Report for details.

1-1GHG inventory and assurance status of the Company in the last two years

1-1-1GHG inventory information

Describe the GHG emission volume (tCO2e), intensity (tCO2e/NT$million), and data coverage for the most recent two years.

In 2025, the Company commissioned an external third-party independent organization to conduct coaching on GHG inventory and quantification. In accordance with the ISO 14064-1:2018 standard, we have conducted a GHG inventory and quantification, and calculated GHG emissions by the operating control approach. The geographic coverage includes the Company's operating sites, including all processes and management facilities, and the GWP value calculated based on the IPCC 6th assessment report (2021). In order to effectively grasp the GHG emissions, the GHG intensity (tCO2e/total consolidated revenue (NT$1,000)) is used as the GHG management index. In March 2026, UCS completed the verification in accordance with ISO 14064-3:2019, and met the requirements of ISO 14064-1:2018.

The following table shows the Company's carbon inventory data:

		2024	2025
1	Category 1: Direct GHG emissions and removals	421.4175	439.7434
1.1	Stationary emission sources	1.8383	2.3907
1.2	Mobile emission sources	43.5343	61.1776
1.3	Process emission sources	0.0000	0.0203
1.4	Fugitive emission sources	376.0449	376.1548
2	Category 2: Indirect GHG emissions from purchased energy	6,503.6592	8,852.8032
2.1	Electricity emissions	6,503.6592	8,852.8032
3	Category 3: Indirect GHG emissions caused by transportation	443.0525	599.8053
3.1	Upstream transportation and distribution	212.3255	97.4071
3.2	Downstream transportation and distribution of goods	-	206.1329

3.3	Employee commuting	225.1995	285.9813
3.5	Business travel	5.5275	10.2840
4	Category 4: Indirect GHG caused by organizational use of products	1,419.7212	2,196.9129
4.1	Upstream emissions from purchased materials (energy resources)	1,346.5085	2,097.6753
4.3	Waste generated from operations	73.2127	99.2376
5	Category 5: Indirect GHG emissions caused by the use of products from the organization	Not quantified	Not quantified
6	Category 6: Indirect GHG emissions from other sources	Not quantified	Not quantified
Total of Categories 3-6		1,862.7737	2,796.7182
Total volume		8,787.8500	12,089.2648
Reduction ratio		11.0793%	-37.5679%
Parent company only operating revenue (unit: NT$million)		1,137.666	1,923.13
Category 1 + Category 2 total GHG emission intensity (tCO2e/operating revenue in millions NTD)		7.7245	6.2862

Note 1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e. indirect GHG emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions from the Company's activities that are not indirect emissions from energy, but are from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect emissions from energy shall be handled in accordance with the schedule specified in Paragraph 2, Article 10 of the Rules. Other indirect emissions can be voluntarily disclosed.

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

Note 4: The intensity of GHG emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NT$ million) should be stated.

1-1-2GHG assurance information

Describe the assurance status for the most recent two years, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.
I. Assurance status In the 2025 GHG verification process, the Company further expanded its inventory boundary by incorporating "Downstream transportation and distribution of goods". The Company completed the 2024 GHG inventory covering Categories 1 through 4, achieving a 100% verification coverage rate. This reflects our commitment to continuously enhancing inventory integrity and the transparency of information disclosure. II. Assurance scope TBI Motion Technology Co., Ltd. (geographic location: Shulin Headquarters) III. Assurance standards The boundary of the report covers TBI Motion, including direct GHG emissions and removals, as well as the significant indirect GHG emissions identified. (I) Category 2 - Category 6 significance assessment description. For the significance assessment considerations of ISO 14064-1:2018 Categories 2 to 6, the factors to be considered include: 1. Requirements of laws and regulations or specific departments. 2. Quality of data of the available activities. 3. Quality of available emission coefficients. 4. Control ability (the Company's ability to monitor and reduce emissions to a certain extent). 5. Employee participation level.

We have established the Guidelines for Assessment of Indirect GHG Emission Significance, and consider the indirect GHG emission item with a significance assessment score of more than 20 points as a necessary inventory item. The results of the inventory must be disclosed in the inventory list, and Category 2 is a necessary inventory item when assessing indirect GHG emissions.

Significant indirect evaluation principles

Scoring criteria	Requirements of laws and regulations or specific departments	Quality of factor of the available emissions	Quality of available coefficients	Control ability	Employee participation
10	Clearly require disclosure	Data can be obtained through measurement	Average coefficient available from national announcement	The organization has assessed that the reduction potential is high	Related to more than 60% of the total number of employees
5	Potential future disclosure requirement	Data can be obtained through financial information	-	The organization has assessed that the reduction potential is moderate	Related to 20%-60% of the total number of employees
1	Not required for disclosure	Data is only available through estimates or is not available	Only the LCA coefficient can be used internationally, or currently no other coefficient can be used	The organization has assessed that there is no reduction opportunity in the short term	Related to less than 20% of the total number of employees

(II) The results of the significance assessment are as follows:

Category	GHG evaluate item	Requirements of laws and regulations or specific departments	Quality of factor of the available emissions	Quality of available coefficients	Control ability	Employee participation	Score	Significance ≥ 20 points
	Purchased electricity	10	10	10	10	5	45	significant
category3	3.1 Upstream transportation/distribution of goods	1	5	10	5	1	22	significant
category3	3.2 Downstream transportation and distribution of goods	1	5	10	5	1	22	significant
category3	3.3 Employee commuting	1	5	10	5	10	31	significant
category3	3.4 Customer and visitor transportation	1	1	10	1	1	14	non-significant
category3	3.5 Business travel	1	10	10	5	10	36	significant
category4	4.1 Upstream emissions from the purchase of goods (Energy)	1	10	10	10	5	36	significant
category4	4.1 Upstream emissions from the purchase of goods (Raw material)	1	1	1	1	1	5	non-significant
category4	4.2 Upstream emissions from purchased capital goods	1	5	1	1	1	9	non-significant
category4	4.3 Disposal of waste generated from operations	1	5	10	5	5	26	significant
category4	4.4 Use of leased equipment	1	1	1	1	1	5	non-significant
category4	4.5 Purchased services	1	1	1	1	1	5	non-significant
category5	5.1 Product use phase	1	1	1	1	1	5	non-significant
category5	5.2 Downstream leased assets	1	1	1	1	1	5	non-significant
category5	5.3 End-of-life treatment of products	1	1	1	1	1	5	non-significant
category5	5.4 Investment	1	1	1	1	1	5	non-significant
category6	Other indirect emission sources	1	1	1	1	1	5	non-significant

(III) Based on the results of the significance assessment, TBI Motion is quired to inventory and quantify the following items:

Category	Type
Category 1: Direct emission sources	Stationary combustion sources: Generators (diesel), lawnmowers (gasoline)
	Mobile combustion sources: Company vehicles (gasoline, diesel) and forklifts (diesel)
	Process emission sources: Acetylene, welding rods
	Fugitive GHG emission sources: Refrigerant escape equipment, fire extinguishers, WD-40
Category 2: Indirect emission sources of input energy	Purchased electricity
Category 3: Indirect emission sources caused by transportation	Upstream transportation/distribution of goods
	Downstream transportation and distribution of goods
	Employee commuting
	Business travel
Category 4: Indirect GHG caused by organizational use of products	Upstream emissions from the purchase of goods (Energy)
	Disposal of waste generated from operations
Category 5: Indirect emission sources from the use of the Company's products	Not quantified
Category 6: Other indirect emission sources	Not quantified

IV. Assurance institutions and assurance opinions
The verification for 2025 was completed by a third-party verification agency, UCS, carried out in accordance with ISO 14064-3:2019 and ISO 14064-1:2018 standards. The levels of guarantee are as follows:
Reasonable assurance level:

- Category 1: Direct GHG emissions: 439.7434 tCO2e.
- Category 2: Indirect GHG emissions between input energy: 8,852.8032 tCO2e.

➢ Limited guarantee grade:

- Category 3: Indirect GHG emissions caused by transportation: 599.8053 tCO2e.
- Category 4: Indirect GHG emissions caused by organizational use of products: 2,196.9129 tCO2e.
- Category 5: Indirect GHG emissions caused by indirect GHG emissions caused by use of products: N.A.
- Category 6: Other indirect GHG emissions from other sources: N.A.

➢ Total emissions: 12,089.2648 tCO2e.

1-2GHG reduction goals, strategies and concrete action plans

Describe the baseline year of GHG reduction, its data, reduction targets, strategies and specific action plans and achievement of reduction targets.
The Company has revised its GHG inventory base year to 2025 in response to significant changes in its operational structure and emission sources. The main reason is the addition of “downstream transportation and distribution of goods” as a material emission category in 2025, along with a sharp increase in order volume that drove a roughly 35% rise in electricity consumption, leading to notable changes in both operations and emissions compared to previous years. As the base year should represent a meaningful and representative operational state, 2025 has been redefined as the inventory base year. The Company set 2025 as the baseline year for GHG reduction. The number of the total GHG emissions in 2024 were 12,089.2648 tCO2e, which is used as a reference for the subsequent emission management and reduction performance evaluation. I. Reduction targets ■ Short-term targets (up to 2025): 1. Complete Category 1 and Category 2 GHG inventories with a data accuracy rate of more than 95%. 2. Introduce carbon emission education and training to enhance employees' climate awareness and management capability. ■ Mid-term targets (up to 2027): 1. Complete carbon inventories of the subsidiaries. 2. Carbon emissions in 2027 are expected to be 5% lower than 2025. ■ Long-term targets: 1. The Group has completed the carbon inventory and inspection of all aspects, and established a systematic carbon management system. 2. Strategy and concrete action plan. II. GHG reduction plan: The Company introduced the inventory tool and inspection system in 2025 to strengthen data transparency. Meanwhile, the Company has promoted the energy-saving management measures for equipment, optimized energy efficiency, controlled carbon emissions, and trained employees to establish a carbon management culture. The Company has implemented a number of carbon reduction measures in 2025, including: Commissioning a third-party verification agency to conduct reasonable and limited level of verification, covering Scopes 1 to 4. Organize carbon inventory training and carbon awareness promotion activities. Promoting the inventory and energy saving improvement of high energy consumption equipment, and continuing to optimize the energy consumption structure. The overall action plan is expected to complete group-level verification by 2029, and establish cross-departmental participation in carbon reduction initiatives to support the implementation and expansion of the mid- to long-term greenhouse gas reduction pathway.

(VI) Ethical management implementation and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
I. Establishment of ethical management policy and measures (I) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its ethical corporate management policy and measures and commitment regarding implementation of such policy from the Board of Directors and the senior management?	✓		(I) In order to demonstrate the spirit of ethical management and to fulfill the corporate social responsibility of sustainable management, the Company follows the laws and regulations of the Republic of China as the basic principle for the Company's operations. To implement the spirit of ethical management, the Company has formulated various internal regulations and requires all colleagues to rigorously abide by laws and regulations, and strictly prohibits all unethical behaviors. The Company's specific practices for promoting ethical management are summarized as follows: Formulate internal regulations At TBI Motion, we value reputation very much, and promote the Company's ethical philosophy to new recruits and in-service employees. In order to implement the concept of ethical corporate management, the Company has appointed the Finance Department as the dedicated unit for promoting ethical corporate management, and reports the implementation of ethical corporate management to the Board of Directors at least once a year. The Company has established the "Ethical Corporate Management Best Practice Principles" to prohibit all unethical conduct, and requires all	No significant deviations

Evaluation item	Implementation status: Yes	No	Summary description	Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
			employees to strictly comply with laws and regulations to implement ethical management. The "Codes of Ethical Conduct" sets forth that all employees shall not seek illicit gains and not to engage in unfair trade with customers, suppliers and competitors. The "Measures for Prevention of Insider Trading" strictly prohibit insider trading for directors, managers and employees of the Company, and information disclosure must be clear and transparent. In accordance with the "Corporate Governance Best Practice Principles", the Company shall implement a corporate governance system, comply with laws and regulations and the Articles of Incorporation. he Company shall also encourage shareholders to participate in corporate governance. The "Sustainable Development Best Practice Principles" stipulate that corporate governance responsibilities shall be fulfilled and sustainability information disclosure strengthened.	
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?"	✓		(II) The Company has established relevant preventive measures in the Ethical Corporate Management Best Practice Principles and encourages internal and external personnel to report unethical or inappropriate conduct. In addition, the Company has effective accounting and internal control systems to ensure the implementation of ethical corporate management. Internal auditors review the compliance status of various systems regularly	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			and report to the Board of Directors. Internal audit and internal control Self-evaluation of internal control system - each department of the Company (including the production units) conducts a self-evaluation of internal control system once a year. The self-evaluation process is to check whether the operating process is in compliance with the laws and regulations and the ethical standards, and to assess the possible violation risk. Internal audit operation: The internal auditors conduct the internal control cycle audit every month to review whether there is any major violation of the law and regulations in each department, and submit the audit results to the Board of Directors.	
(III) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures and periodically reviews and revises such policies?	✓		(III) In addition to explicitly prohibiting unethical conduct in the "Ethical Corporate Manage Best Practice Principles and the "Codes of Ethical Conduct," the Company regularly educates its employees on the implementation and compliance. Besides, the Company has explicitly stated in its work rules that no bribes or commissions should be accepted. Any person who uses his or her authority to commit fraud or accept bribes illegally will be removed from office. Complaint and reporting channels Whistleblower reporting and protection system - to prevent illegal or improper behaviors that lead to damaging the Company's business integrity or moral	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			behavior, and to establish a corporate culture of integrity and transparency. At the same time, the "Procedures for Whistleblower Reporting and Protection System" were established to protect the rights and interests of whistleblowers.	
II. Implementation of ethical corporate management (I) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(I) Prior to doing business, the Company would consider the legitimacy and goodwill of customers, suppliers, and counterparties of the transaction to avoid trading with parties involving unethical conduct. Besides, if any of our business partners or cooperative partners are found to have unethical conduct, we will stop doing business with them and will be listed as a rejected partner in order to implement the Company's ethical management policy.	No significant deviations
(II) Does the Company set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters and program to prevent unethical conduct and monitor its implementation?	✓		(II) The Company has established the "Ethical Corporate Management Best Practice Principles" assigned the Finance Department as the dedicated unit responsible for the promotion of ethical corporate management. The implementation status is regularly reported to the Board of Directors.	No significant deviations
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The Company's "Ethical Corporate Management Best Practice Principles" stipulates a conflict of interest prevention policy that governs the standards of corporate conduct to be followed by employees. We post our internal rules and regulations on the Company's website,	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			conduct regular training and have appropriate channels for communication. If unethical or illegal conduct is discovered or reported, it would be handled by dedicated personnel.	
(IV) To implement relevant policies on ethical conduct, does the Company establish effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		(IV) We have established effective accounting and internal control systems to ensure the implementation of ethical corporate management. 1. Accounting system: we have established an effective accounting system to implement ethical corporate management. The accounting system of the Company was established in accordance with the Securities and Exchange Act, the Company Act, the Business Entity Accounting Act, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, the International Accounting Standards and other relevant laws and principles and was designed in accordance with the Company's regulations to meet actual operational needs. 2. Internal control system: The Company amends the internal control system periodically to respond to the environmental changes timely, adjust the design and implementation of the internal control system and enhance the audit quality and efficiency of the internal audit department. The amendments are reported to the Audit Committee and the Board of	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			Directors for approval. After evaluating the Company's risks each year, the internal auditors would prepare an annual audit plan, conduct audits accordingly, issue audit reports, continuously track and report on improvements and conduct annual internal control self-assessment. The Company's internal audit executive regularly communicates with members of the Audit Committee about the results of audit reports and the implementation of the tracking reports and reports and discussions on audit operations are made to the independent directors at the Audit Committee meetings and Board of Directors meetings. The implementation and effectiveness of audit operations have been fully communicated.	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) The Company's management philosophy is integrity, quality, professionalism, innovation and cooperation. In addition to posting posters at each of our offices, we also promote our corporate culture and management philosophy in the new employee orientation and on-the-job training.	No significant deviations
III. Implementation of reporting procedures (I) Does the Company set up a specific reporting and reward system and convenient reporting channels, and assign an appropriate and dedicated unit to handle the case?	✓		(I) The Company has stipulated a complaint and reward system in the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", and the "Procedures for Whistleblower Reporting and	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			Protection System. Furthermore, the Company has set up a complaint page on its website and a contact email address (tbiwhistleblower@tbimotion.com.tw) to serve as channels for internal and external personnel to file complaints and reports, with independent directors handling follow-up actions.	No significant deviations
(II) Does the Company establish standard operating procedures for the investigation, following measures and a confidentiality mechanism?	✓		(II) The Company's "Whistleblower Reporting and Protection Management Policy" stipulates the principles for accepting reports, investigation procedures, follow-up actions based on investigation results, and protection measures for whistleblowers. 1. Principles for Acceptance of Reports Reports may be accepted if they involve any of the following matters: (1) Offenses under the Criminal Code relating to embezzlement, fraud, breach of trust, or offenses against computer use. (2) Violations of the Company Act, Trade Secrets Act, Securities and Exchange Act, or other laws and regulations applicable to public companies. (3) Violations of the Company's internal control regulations or other regulations enacted pursuant to specific legal authorization. (4) Situations where directors, managers, employees, or persons exercising substantial control over the Company provide, promise, request, or receive any improper benefit through a third party.	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			(5)Other suspected criminal, fraudulent, or unlawful conduct. Reports falling outside the above scope, or reports that are malicious, false, lacking specific details, under investigation, previously investigated, or repeatedly reported without new evidence, may not be accepted. Relevant documents and information shall be retained by the investigation unit. However, where new evidence is provided and further investigation is deemed necessary, the report may be processed in accordance with the Policy. 2. Investigation Procedures (1)Upon determining that the reported matter contains sufficient information regarding the time, location, specific facts, supporting documents, or investigable leads, and that an investigation is warranted, the investigation unit shall promptly initiate an investigation. (2)During the investigation process, the investigation unit may interview relevant personnel, request explanations, prepare interview records or audio recordings, and require the submission of necessary reports, records, and supporting documents. Copies of documents or photographic evidence may be obtained when necessary. (3)Upon completion of the investigation, the investigation unit shall evaluate whether the reported person has engaged in criminal, fraudulent, or	

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			unlawful conduct based on the Policy and all evidence collected, prepare an investigation report, and submit the investigation results together with all supporting records and documents to the designated recipient for filing. (4)Regardless of the investigation outcome, the results shall be submitted to the General Manager or the Audit Committee for approval: Where the reported person is a general employee, the investigation results shall be submitted to the General Manager for approval. Where the reported person is a director or a senior executive at the level of Associate Vice President or above, the investigation results shall be submitted to the Audit Committee for approval and reported to the Board of Directors. Where suspected illegal gains or losses incurred by the Company amount to NT$10 million or more, the investigation results shall be submitted to the Audit Committee for approval and reported to the Board of Directors, regardless of the reported person's position. (5)If the General Manager or Audit Committee determines that the allegations are substantiated and that criminal, fraudulent, or unlawful conduct has occurred, appropriate disciplinary actions shall be taken. If no such conduct is found, the case shall	

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			be closed. If the evidence is insufficient, further investigation shall be instructed. If referral to judicial authorities or reporting to competent authorities is required, the investigation unit shall proceed accordingly. (6)Where the General Manager, Audit Committee, or judicial authorities determine that the reported person has engaged in criminal, fraudulent, or unlawful conduct, disciplinary actions shall be imposed in accordance with the Employee Rewards and Disciplinary Management Regulations. If the applicable disciplinary measures are not specified therein, the investigation unit may submit the matter to the Personnel Review Committee for further action. 3. Confidentiality Mechanism During the handling and investigation of whistleblowing cases, the identity of the whistleblower and the content of the report shall be kept strictly confidential. Information that may reveal the whistleblower's identity shall not be disclosed, revealed, or made available to unnecessary third parties. Appropriate and effective protective measures shall be implemented to safeguard whistleblowers.	
(III) Does the Company adopt protection measures against unfair treatment for whistle-blowers?	✓		(III) The Company provides formal and independent reporting channels and keeps strictly confidential the whistleblower’s identity and the reporting content	

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies
	Yes	No	Summary description	
			to protect the personal safety of the whistleblower.	
IV. Enhancing information disclosure (I) Does the Company disclose its Ethical Corporate Management Best Practice Principles as well as its implementation effectiveness on the Company's website and Market Observation Post System (hereinafter referred to as the "MOPS")?	✓		The Company has set up a special section on its website and reports financial and business information on the MOPS regularly and irregularly.	No significant deviations
V. If the Company has established Ethical Corporate Management Principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies," please describe any deviation between the principles and their implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" and implemented it accordingly which complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and relevant laws.				
VI. Other important information to facilitate better understanding of the company's Ethical Corporate Management: (e.g., discussions in how the Company can further revise its ethical corporate management principles) 1. The Company complies with the Company Act, the Securities and Exchange Act, the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and other business conduct-related laws and regulations to implement the Ethical Corporate Management Principles and create a business environment of sustainable development. 2. The Company has formulated the "Operating Rules for Handling of Internal Material Information and Insider Trading Prevention" to establish a good internal material information handling and disclosure mechanism to avoid improper disclosure of information and to ensure the consistency and accuracy of information released by the Company publicly; the Company also stipulates that directors, managers, and employees shall not disclose material internal information known to them to others before it is formally disclosed to the public by the Company's spokesperson system and shall not inquire or collect material internal information not related to their duties from those who know material internal information of the Company, nor shall they disclose material internal information of the Company known to them that is not related to their duties to others. 3. In 2025, the Company continued to communicate its established integrity management policies and relevant laws and regulations to employees through internal awareness programs. During the year, a total of 165 training hours were conducted for 56 participants, continuously strengthening employees' awareness and implementation of the principles of ethical corporate management. 4. The Company submitted reports on the implementation of its integrity management practices to the Board of Directors on March 11, 2025, and March 9, 2026.				

(VII) Other important information to facilitate better understanding of the Company's corporate governance implementation:

Please refer to the Company's website http://www.tbimotion.com.tw and MOPS https://mops.twse.com.tw/mops/#/web/home.

(VIII) Implementation of internal control system:

1. Statement of Internal Control System:

TBI Motion Technology Co., Ltd.
Statement of Internal Control System

March 9, 2026

Based on the results of the self-assessment of the Company's internal control system for the year ended December 31, 2025, the Company hereby declares as follows:

I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system are the responsibilities of the Board of Directors and management. The Company has established such a system. The purpose of the internal control system is to provide reasonable assurance regarding the achievement of objectives relating to the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws.

II. An internal control system has inherent limitations. Regardless of how well designed, an effective internal control system can provide only reasonable assurance regarding the achievement of the aforementioned objectives. Furthermore, the effectiveness of an internal control system may change due to changes in the operating environment or circumstances. Nevertheless, the Company's internal control system incorporates self-monitoring mechanisms, and corrective actions are taken promptly whenever deficiencies are identified.

III. The Company has evaluated the effectiveness of the design and operation of its internal control system based on the criteria for assessing the effectiveness of internal control systems prescribed in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The assessment criteria adopted under the Regulations classify internal control systems into the following five components according to the process of managerial control:1.Control Environment. 2.Risk Assessment. 3.Control. Activities. 4.Information and Communication. 5.Monitoring Activities. Each component consists of a number of evaluation items. Please refer to the Regulations for details of the aforementioned assessment criteria.

IV. The Company has adopted the above assessment criteria to evaluate the effectiveness of the design and operation of its internal control system.

V. Based on the results of the aforementioned assessment, the Company believes that, as of December 31, 2025, its internal control system (including the supervision and management of subsidiaries), covering the extent to which operational effectiveness and efficiency objectives are achieved, the reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws and regulations, was effectively designed and implemented and can reasonably assure the achievement of the aforementioned objectives.

VI. This Statement shall form a major part of the Company's Annual Report and Prospectus and will be publicly disclosed. Any false representation, concealment, or other illegal act in the disclosed contents shall be subject to legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement was approved by the Board of Directors on March 9, 2026. Among the seven directors attending the meeting, none expressed any dissenting opinion, and all directors agreed to the contents of this Statement. The Company hereby makes this declaration.

TBI Motion Technology Co., Ltd.

Chairman	President
Lee, Ching-Kun	Lee, Ching-Sheng

2. Companies appointing a CPA to conduct a special audit for their internal control systems shall disclose the CPA audit report: None.

(IX) Important resolutions of the Shareholders' Meeting and Board Meetings in the most recent fiscal year and up to the publication date of the annual report:

Date	Category	Resolution
2025.01.14	Board of Director	(1) Motion for the subsidiary, TBI Motion (Jiangsu) Co., Ltd.. to acquire the right to use the land. (2) Motion for the bank draft discounting and financing proposal for the subsidiary, TBI Motion (Suzhou) Co., Ltd. (3) Motion for the Company's new chief auditor.
2025.03.11	Board of Director	(1) Motion for the Company's 2024 "Review on the Effectiveness of the Internal Control System" and "Internal Control Statement". (2) Motion for the Company's 2024 Business Report and Financial Statements. (3) Motion for the Company 2024 loss make-up. (4) Motion for changing the CPAs. (5) Motion for the appointment of the attesting CPAs for 2025 financial and tax statements and the appointment fees. (6) Motion for determining the date, place and agenda of the 2025 Annual General Meeting. (7) Motion for determining the location and time to accept shareholder proposals for the Company's 2025 annual general meeting. (8) Motion for determining the period and location for receiving director nominations for the 2025 annual general meeting of shareholders. (9) Capital increase by new share issuance for corporate bonds. (10) Receivables exceeding the normal credit terms are not classified as fund lending transactions. (11) Motion for the application and renewal of bank credit facilities. (12) Motion for the amendment to some provisions of the Company's "Articles of Incorporation". (13) Motion for the amendment to some provisions of the Company's "Procedures for Prevention of Insider Trading". (14) Motion for the promotion of the Vice President
2025.05.07	Board of	(1) Motion for the Company's 2025 Q1 financial

Date	Category	Resolution
	Director	statements. (2) Motion for the full re-election of the Company's directors and nomination of director candidates. (3) Motion for the termination of the restrictions of non-competing clauses for the new directors of the Company and their representatives. (4) Amendment to the Company's "Table of Delegation of Authorities". (5) Capital increase by new share issuance for corporate bonds. (6) Receivables exceeding the normal credit terms are not classified as fund lending transactions. (7) Motion for the application and renewal of bank credit facilities.
2025.06.26	Annual Shareholders' Meeting	(1) Approved the motion for the 2024 business report and financial statements. (2) Approved the motion for 2024 loss make-up. (3) Approved the motion for amendments to the Company's "Articles of Incorporation". (4) Election of the 6th term of directors (including independent directors). (5) Motion for the termination of the restrictions of non-competing clauses for the new directors and their representatives.
2025.06.26	Board of Director	(1) Motion for the election of the Company's Chairman for the 6th term. (2) Motion for the appointment of the members of the Company's 5th Remuneration Committee. (3) Motion for the appointment of the members of the Company's 2nd Sustainable Development Committee.
2025.07.14	Board of Director	(1) Motion for the acquisition of assets by the Company. (2) Motion for the Group's asset transactions. (3) Motion for the lending of funds to a subsidiary by the Company. (4) Manager remuneration adjustment proposal. (5) Motion for the application and renewal of bank credit facilities.

Date	Category	Resolution
2025.08.12	Board of Director	(1) Motion for the Company's 2025 Q2 financial statements. (2) Receivables exceeding the normal credit terms are not classified as fund lending transactions. (3) Capital increase by new share issuance for corporate bonds. (4) Motion for the amendments to the Regulations Governing the Issuance and Conversion of Corporate Bonds. (5) Motion for the Company’s 2024 Sustainability Report. (6) Amendment to the Company’s “Table of Delegation of Authorities”.
2025.11.07	Board of Director	(1) Proposal for the 2026 internal audit plan. (2) Motion for the Company's 2025 Q3 financial statements. (3) Receivables exceeding the normal credit terms are not classified as fund lending transactions. (4) Capital increase by new share issuance for corporate bonds. (5) Motion for the establishment of the "Internal Control Measures" for the subsidiary, TBI Motion (Jiangsu) Co., Ltd. (6) Motion for the amendments to the Company's "Payroll Cycle." (7) Motion for formulating the Company’s “Risk Management Policy and Procedure”. (8) Motion for the application and renewal of bank credit facilities. (9) Motion for the bank draft discounting and financing proposal for the subsidiary, TBI Motion (Suzhou) Co., Ltd. (10) Amendment to the Company’s “Table of Delegation of Authorities”. (11) Motion for withdrawing the amendments to the Regulations Governing the Issuance and Conversion of Corporate Bonds. (12) Motion for the acquisition of assets by the subsidiary.

Date	Category	Resolution
2025.12.15	Board of Director	(1) Motion for the 2026 Budget. (2) Motion for the acquisition of assets by the Company. (3) Motion for the Group's asset transactions. (4) Motion for the bank draft discounting and financing proposal for the subsidiary, TBI Motion (Jiangsu) Co., Ltd. (5) Motion for the appointment of the CSO of the Company’s Sustainable Development Committee.
2026.01.30	Board of Director	(1) Motion for the construction of a new factory for the subsidiary, TBI Motion (Jiangsu) Co., Ltd. (2) Motion for the bank credit facilities and financing limits for the subsidiary, TBI Motion (Jiangsu) Co., Ltd. (3) Capital increase by new share issuance for corporate bonds. (4) Motion for changing the Company’s CPA firm and CPAs. (5) Motion for the appointment and compensation of the CPAs for the 2026 financial and tax audits. (6) Motion for the amendment of some provisions of the company's "Measures Governing Related Party Transactions." (7) Motion for the amendments to the Company's "Payroll Cycle."
2026.03.09	Board of Director	(1) Motion for the Company’s 2025 “Review on the Effectiveness of the Internal Control System” and “Internal Control Statement”. (2) Motion for the Company’s 2025 Business Report and Financial Statements. (3) Motion for the Company 2025 loss make-up. (4) Motion for determining the date, place and agenda of the 2026 Annual General Meeting. (5) Motion for determining the location and time to accept shareholder proposals for the Company's 2026 annual general meeting. (6) Receivables exceeding the normal credit terms are not classified as fund lending transactions. (7) Motion for the application and renewal of bank

Date	Category	Resolution
		credit facilities. (8) Motion to define the scope of the Company's "grassroots employees." (9) Motion for the subsidiary, TBI Motion (Jiangsu) Co., Ltd., to apply for a bank letter of guarantee for obtaining a construction permit for its new factory.
2026.05.08	Board of Director	(1) The Company's financial statements for the first quarter of 2026. (2) Capital increase proposal for subsidiaries. (3) Equipment procurement proposal for TBI Motion Technology (Jiangsu) Co., Ltd. (4) Proposal regarding accounts receivable overdue beyond the normal credit period that do not constitute loans to others. (5) Bank financing facility proposal for TBI Motion Technology (Jiangsu) Co., Ltd. (6) The Company's bank credit facility proposal.

Implementation of resolutions of the 2025 annual general meeting:

1. Motion for the 2024 business report and financial statements.

   Implementation: The proposal was resolved by voting.

2. Motion for 2024 loss make-up.

   Implementation: The proposal was resolved by voting.

3. Approved the motion for amendments to the Company's "Articles of Incorporation".

   Implementation: The proposal was resolved by voting.

4. Election of the 6th term of directors (including independent directors)

   Implementation status: The elected members are as follows: Ching-Kun Lee (representative of Te Yi Investment Co., Ltd.), Ching-Sheng Lee, Szu-Ying Lee (representative of Smartech & Green Co., Ltd.), Chun-Yen Yeh, and independent directors I-Lin Liu, Chung-Li Fang, and Cheng-I Chou.

5. Motion for the termination of the restrictions of non-competing clauses for the new directors and their representatives

   Implementation: The proposal was resolved by voting.

(X) For the most recent year and as of the publication date of the annual report, the directors have dissenting opinions on important resolutions passed by the board of directors, and there are records or written statements of the main contents: None.

IV. CPA professional fees

Unit: NT$ thousand

Accounting firm	Name of CPA	CPAs' audit period	Audit fee	Non-audit fee	Total	Note
PricewaterhouseCoopers Taiwan	Chih, Ping-Chun	2025.01.01-2025.12.31	2,600	2,392	4,992	Non-audit fees are fees for the audit of profit-seeking enterprise income tax, review of the information checklist of full-time non-management staff, preparation of transfer pricing reports, tax advisory services, and business services.
	Hsu, Ming-Chuan					

1. Change of accounting firm and the audit fee of the changing year is less than previous year, the amount of audit fee, respectively, and the reason for the change shall be disclosed: None.
2. If the audit fee is reduced by more than 10% compared to the previous year, the amount, percentage and reason for the reduction shall be disclosed: None.

V. Information on change of CPA:

(I) About the CPAs previously appointed

<table>
<tr><td>Date of replacement</td><td colspan="4">Approved by the Board of Directors on January 30, 2026.</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="4">In response to the Company's future operational and management needs.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Parties
Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td colspan="2">Termination of appointment</td><td></td><td>V</td></tr>
<tr><td colspan="2">Declined (discontinued) further engagement</td><td></td><td></td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None.</td></tr>
<tr><td rowspan="6">Different opinions from the issuer's</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td>Description</td><td colspan="3"></td></tr>
</table>

Other disclosures (Those that shall be disclosed from Item 1-4 to Item 1-7, Paragraph 5, Article 10 of this Code)	None.

(II) About the successor CPA

CPA firm	Deloitte & Touche
Name of CPA	Chen, Chih-Yuan, Li, Tung-Feng
Date of appointment	January 30, 2026
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	None.
Succeeding CPA's written opinion of disagreement toward the former CPA	None.

(III) The former CPA's reply regardingthe matters under Article 10, Paragraph 5, Items 1 and 2-3 of these Standards: No opinion.

VI. Chairman, president or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its attesting CPAs or at an affiliated enterprise of such accounting firm: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report) by a director, manager or shareholder with a stake of more than 10 percent

(I) Changes in shares held by directors, managers and major shareholders.

Title	Name	2025		As of May. 31, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Te Yi Investment Co., Ltd.	-	-	-	-
	Representative: Lee, Ching-Kun	-	-	-	-
Director(Note 1)	Smartech & Green Co.,Ltd.	-	-	-	-

	Representative: Lee, Ching-Sheng Representative: Lee, Szu-Ying	- -	- -	- -	- -
Director	Lee, Ching-Sheng	-	-	-	-
Director	Yeh, Chun-Yen	-	-	-	-
Independent Director	Liu, I-Lin	-	-	-	-
Independent Director	Fang, Chung-Li	-	-	-	-
Independent Director	Chou, Cheng-I	-	-	-	-
Vice President	Lai, Wen-Hsin	-	-	-	-
Assistant Vice-President	Chiang, Wen-Lung	-	-	-	-
Assistant Vice-President	Hsu, Hsuan-Yu	-	-	-	-
Assistant Vice-President(Note 2)	Liu, Su-Miao	-	-	-	-
Chief Financial and Accounting Office	Shen, Hsin-Kai	-	-	-	-

Note 1: Effective June 26, 2025, the representative director of Smartech & Green Co., Ltd. was changed to Szu-Ying Lee, and Ching-Sheng Lee was elected as a director in his individual capacity.

Note 2: Resigned on August 28, 2025.

(II) Counterparty in any such transfer of equity interests is a related party: None.

(III) Counterparty in any such pledge of equity interests is a related party: None.

VIII. Information on relationships among top ten shareholders in terms of shareholding who are related parties, spouses or relatives within the second degree of kinship to each other

May 1, 2026; Unit: shares; %

Name	Shares held		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Names and relationship information, if among the Company's top 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another.		Note
	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Name (or full name of a person)	Relationship	
Ding Jie Investment Co., Ltd.	6,950,000	6.03	–	–	–	–	–	–	–
Person in Charge: Lee, Chuanyu	1,027,892	0.89	–	–	–	–	Lee, Ching-Sheng	Father	–
Te Yi Investment Co., Ltd.	5,735,000	4.98	–	–	–	–	–	–	–
Person in Charge:Lee Cheng, Yueh-E	–	–	–	–	–	–	Lee, Ching-Kun Lee, Ching-Sheng	Spouse Relatives by Marriage	–
Comtop Technology Co., Ltd.	3,001,303	2.61	–	–	–	–	–	–	–
Person in Charge:Lee, Ching-Kun	128,687	0.11	–	–	–	–	Lee Cheng, Yueh-E Lee, Ching-Sheng	Spouse Siblings	–
Eminence Investment Corporation	2,889,000	2.51	–	–	–	–	Gains Investment Corporation	Parent Company	–
Person in Charge:Chen, Kuan-Fu	–	–	–	–	–	–	–	–	–
HSBC Custody Account for Goldman Sachs International Investment	2,678,897	2.33	–	–	–	–	–	–	–
Lee, Ching-Sheng	2,603,456	2.26	–	–	–	–	Lee, Chuanyu Lee Cheng, Yueh-E Lee, Ching-Kun	Son Relatives by Marriage Siblings	–
Citibank Custody Account for Barclays Capital SBL/PB Investment	2,504,123	2.17	–	–	–	–	–	–	–
Gains Investment Corporation	1,975,000	1.71	–	–	–	–	Eminence Investment Corporation	Subsidiary	–
Person in Charge:Chen, Kuan-Fu	–	–	–	–	–	–	–	–	–
Te Chang Investment Co., Ltd. Representative: Lee, Fu-Lin	1,900,000	1.65	–	–	–	–	–	–	–
Person in Charge:Lee, Fu-Lin	–	–	–	–	–	–	–	–	–
HSBC Custody Account for Morgan Stanley International Holdings Inc. Investment	1,863,001	1.62	–	–	–	–	–	–	–

IX. Total number of shares and total equity stake held in any single enterprise by the Company, its directors, managers and any companies controlled either directly or indirectly by the Company: Not applicable.

Chapter III. Capital Raising Activities

I. Capital and shares

(I) Source of capital

Unit: thousand shares; NT$ thousand

Year/Month	Issuing price	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Source of capital	Use of property other than cash as capital contributions	Others
July 2010	10	20,000	200,000	100	1,000	Registered capital NT$1,000 thousand	None	Note 1
September 2010	10	20,000	200,000	17,460	174,600	Cash capital increase of NT$173,600 thousand	None	Note 2
October 2010	10	100,000	1,000,000	30,860	308,600	Cash capital increase of NT$134,000 thousand	None	Note 3
December 2010	10	100,000	1,000,000	40,560	405,600	Accepting a transfer of NT$97,000 thousand from the split company	Stock exchange by splitting the transferee	Note 4
January 2011	15	100,000	1,000,000	45,715	457,150	Cash capital increase of NT$51,550 thousand	None	Note 5
April 2011	20	100,000	1,000,000	59,278	592,780	Cash capital increase of NT$135,630 thousand	None	Note 6
August 2011	20	100,000	1,000,000	65,278	652,780	Cash capital increase of NT$60,000 thousand	None	Note 7
November 2013	30	100,000	1,000,000	85,278	852,780	Cash capital increase of NT$200,000 thousand	None	Note 8
August 2018	94.80	100,000	1,000,000	96,678	966,780	Cash capital increase of NT$114,000 thousand	None	Note 9
September 2020	10	300,000	3,000,000	94,178	941,780	Capital reduction of NT$25,000 thousand due to cancellation of treasury shares	None	Note 10
April 2023	10	300,000	3,000,000	95,105	951,048	Conversion of convertible bonds of NT$9,268 thousand	None	Note 11
June 2023	10	300,000	3,000,000	95,159	951,588	Conversion of convertible bonds of NT$540 thousand	None	Note 12
November 2024	10	300,000	3,000,000	99,614	996,143	Conversion of convertible bonds of NT$44,555 thousand	None	Note 13

Year/Month	Issuing price	Authorized capital		Paid-in capital		Note		
		Shares	Amount	Shares	Amount	Source of capital	Use of property other than cash as capital contributions	Others
April 2025	10	300,000	3,000,000	109,138	1,091,382	Conversion of convertible bonds of NT$95,239 thousand	None	Note 14
June 2025	10	300,000	3,000,000	112,140	1,121,405	Conversion of convertible bonds of NT$30,023 thousand	None	Note 15
September 2025	10	300,000	3,000,000	112,143	1,121,433	Conversion of convertible bonds of NT$28 thousand	None	Note 16
November 2025	10	300,000	3,000,000	113,077	1,130,767	Conversion of convertible bonds of NT$9,334 thousand	None	Note 17
February 2026	10	300,000	3,000,000	115,187	1,151,868	Conversion of convertible bonds of NT$21,101 thousand	None	Note 18

Note 1: Approved by the Taipei County Government, Bei-Fu-Jing-Deng-Zi No. 0993099554 on July 9, 2010.

Note 2: Approved by the Taipei County Government, Bei-Fu-Jing-Deng-Zi No. 0993155038 on September 14, 2010.

Note 3: Approved by the Taipei County Government, Bei-Fu-Jing-Deng-Zi No. 0993161605 on October 14, 2010.

Note 4: Approved by the Taipei County Government, Bei-Fu-Jing-Deng-Zi No. 0993174559 on December 13, 2010.

Note 5: Approved by the Taipei County Government, Bei-Fu-Jing-Deng-Zi No. 0993181001 on January 3, 2011.

Note 6: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10001086670 on April 29, 2011.

Note 7: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10001175700 on August 3, 2011.

Note 8: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10201231420 on November 13, 2013.

Note 9: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10701104540 on August 21, 2018.

Note 10: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 10901177260 on September 29, 2020.

Note 11: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11230091580 on May 31, 2023.

Note 12: Approved by the Department of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11230166600 on August 29, 2023.

Note 13: Approved by Administration of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11330206660 on November 28, 2024.

Note 14: Approved by Administration of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430042740 on April 17, 2025.

Note 15: Approved by Administration of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430072150 on June 16, 2025.

Note 16: Approved by Administration of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430140800 on September 22, 2025.

Note 17: Approved by Administration of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11430185380 on November 27, 2025.

Note 18: Approved by Administration of Commerce, Ministry of Economic Affairs, Jing-Shou-Shang-Zi No. 11530022240 on February 25, 2026.

Types of shares	Authorized capital			Note
	Outstanding shares	Unissued shares	Total	
Ordinary share	115,186,724	184,813,276	300,000,000	-

Information related to shelf registration shares: None.

(II) List of major shareholders

May 1, 2026; Unit: Shares

股份 / 主要股東名稱	持有股數	持股比例(%)
Ding Jie Investment Co., Ltd.	6,950,000	6.03%
Te Yi Investment Co., Ltd.	5,735,000	4.98%
Comtop Technology Co., Ltd.	3,001,303	2.61%
Eminence Investment Corporation	2,889,000	2.51%
HSBC Custody Account for Goldman Sachs International Investment	2,678,897	2.33%
Lee, Ching-Sheng	2,603,456	2.26%
Citibank Custody Account for Barclays Capital SBL/PB Investment	2,504,123	2.17%
Gains Investment Corporation	1,975,000	1.71%
Te Chang Investment Co., Ltd.	1,900,000	1.65%
HSBC Custody Account for Morgan Stanley International Holdings Inc. Investment	1,863,001	1.62%

(III) Dividends policy and implementation status

1. Dividends policy specified in the Articles of Incorporation:

If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlling or subsidiaries The remuneration to directors not more than 5% of the amount of the above-mentioned profit, shall be set aside by resolution of the Board of Directors.

Among the aforementioned employee compensation, no less than 5% should be allocated as compensation for entry-level employees.

The proposal of the distribution of remuneration to employees and directors shall be reported in the shareholders' meeting.

However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the remuneration to employees and directors proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

Where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.

For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 10% of the total dividends distributed in the current year.

2. Implementation status

The 2025 loss make-up table proposed by the Board of Directors on March 9, 2026 is as follows:

TBI Motion Technology Co., Ltd.

Deficit compensation statement

2025

Unit: NTD

Undistributed earnings at the beginning of the period	$	-
Current for 2025		(74,066,848)
Losses to be made up		(74,066,848)
The legal reserve was used to offset deficits in 2025		51,373,078
Motion to offset the 2025 accumulated deficits using capital surplus		22,693,770
Undistributed earnings at the end of the period	$	-

(IV) Impact of proposed stock dividends on the Company's business performance and earnings per share.

Not applicable, as no stock dividend or employee stock dividends were distributed in 2025. Impact of proposed stock dividends on the Company's business performance and earnings per share: not applicable.

(V) Remuneration to employees and directors.

1. Employee and director remuneration prescribed by the Company's Articles of Incorporation:
   (1) Employees' remuneration as at least one per cent.
   (2) Directors' remuneration as no more than five percent.
2. The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as remuneration to employees and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

If, after the end of the year, there is a material difference in the amount of distribution resolved by the Board of Directors, the difference is used to adjust the expenses in the year in which the distribution was originally set aside. If the difference occurs after the financial report announcing date in the next year, it will be treated according to the change in accounting estimates and will be adjusted and recorded in the next year.

3. Distribution of remuneration approved by the Board of Directors:

(1) Amount of remuneration to employees and directors paid in cash:

As there was no profit in 2025, no remuneration to employees and directors was appropriated. The actual distribution amount was both NT$0.

(2) The amount of any employees' remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports financial reports for the current period and total remuneration to employees: Not applicable, as no appropriation was made in the previous year.

4. Actual distribution of remuneration to employees and directors in the previous year: Not applicable, as no appropriation was made in the previous year.

(VI) Status of a company repurchasing its own shares: None.

II. Corporate bond application:

The Company's first domestic secured convertible bonds and second domestic unsecured convertible bonds matured on October 24, 2025, and December 12, 2025, respectively. As of the date of publication of this annual report, there are no outstanding bonds or bonds currently in the process of redemption.

(I) Information on corporate bonds: None.

(II) Information on convertible corporate bonds: None.

(III) Information on exchangeable corporate bonds: None.

(IV) Information on shelf registration for issuance of corporate bonds: None.

(V) Information on corporate bonds with warrants: None.

III. Preferred shares: None.

IV. Global depositary receipts: None.

V. Employee share subscription warrants: None.

VI. New restricted employee shares: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of capital allocation plans:

As of the date of publication of the annual report, the Company had not issued or completed any private placement of securities in the most recent three years. The planned benefits have not yet been shown.

Chapter IV. Business Overview

I. Business description

(I) Business scope

1. Major lines of business: Producing and selling ball screws, linear guides, ball splines, and other products.
2. Business weights

Unit: NT$ thousand

Product	2025		2024	
	Amount	%	Amount	%
Ball screw	1,251,338	48.89%	1,463,095	63.77%
Linear guide	1,126,975	44.03%	702,155	30.60%
Ball spline	165,296	6.46%	114,420	4.99%
Others	15,721	0.62%	14,611	0.64%
Total	2,559,330	100.00%	2,294,281	100.00%

3. Current products (services)
   (1) Ball screw
   (2) Linear guide
   (3) Ball spline
   (4) Rotary series
   (5) Single axis actuator
   (6) Others (linear ball bearing, coupling, fixed/floated sides, etc.)
4. New products planned for development
   (1) Planetary Roller Screw Products
   (2) Linear Actuator Products
   (3) Microminiature Differential Roller Screw Products

(II) Industry overview

1. Current status and development of the industry

Transmission components are the “core joints” of industrial automation, and their technological sophistication directly defines the precision and efficiency of machinery systems. As the world progresses into the AI-driven Fifth Industrial Revolution, transmission components have evolved from traditional power transmission functions into integrated endpoints for high-precision positioning and intelligent sensing. From AI-powered server assembly lines and advanced semiconductor equipment to highly collaborative industrial robots, ball screws and linear guides remain central to precise motion control.

The industry is currently undergoing a critical transformation driven by “digitalization” and “green transition.” In smart manufacturing, transmission components utilize digital twin technologies to achieve closed-loop processes from wear monitoring to predictive maintenance, significantly reducing unplanned downtime costs. Amid the net-zero emissions trend, high-performance transmission components have become an important benchmark for “low-carbon manufacturing.” Through optimized recirculation designs and lightweight materials, they improve energy efficiency and reduce lubrication usage, supporting RE100 initiatives and ESG sustainability goals across global supply chains.

2. Links between the upstream, midstream and downstream segments of the industry

Upstream segment: raw material supply - alloy steel, stainless steel, high carbon steel.

Processing - cold drawing, forging, heat treatment, precision cutting processing.

Processed material supply - precision ball, roller, precision plastic injection mold.

Midstream segment: precision power transmission components manufacturing, linear guides, ball screws, ball splines, linear motion robotics.

Supporting segment: mold designing and manufacturing, specialized processing machines, controller, drive.

Downstream segment: IC industry equipment, TFT-LCD industry equipment, biotech and medicare industry equipment, connector industry equipment, PCB, FPC, motor vehicle and aerospace industry equipment, optical product industry equipment, automated special equipment industry and others, IT (hardware), home appliance, mold factory, mobile phone and tooling equipment industry, passive component industry equipment, green energy and energy saving industry, and hardware agency related industry.

3. Development trends and competition for the company's products

(1) Development trends

The Company’s products include linear guides, ball screws, and ball splines. These are critical parts and components that are used in machinery and tools for the downstream automation industry.

With the widespread adoption of information technology and automation, the linear motion components industry has shifted from labor substitution toward advanced efficiency and precision control. Current market trends are mainly characterized by the following developments:

- **Modular and standardized design**: To address stringent delivery demands from downstream customers, product designs are increasingly modular, allowing for rapid assembly and simplified maintenance.
- **Performance optimization and quality consistency**: Besides improvements in precision and speed, greater focus is placed on product stability to support the continuous operation of smart manufacturing lines.

(2) Competition

The precision transmission industry is characterized by high levels of technology and capital intensity. For many years, the high-end market has been dominated by leading global brands from Japan (such as THK and NSK), Germany (such as Bosch Rexroth), Switzerland, and the United States.

The Company's market positioning and competitive strategy are as follows:

In the domestic competitive environment, key competitors include linear transmission manufacturers such as HIWIN, PMI, and CPC. HIWIN benefits from economies of scale and system integration capabilities, while CPC Motion specializes in miniature linear guides and linear motors.

The Company adopts a differentiation strategy and has, since its inception, focused on the "automation equipment" market, with core strengths as follows:

Leadership in rolled ball screws: The Company mainly focuses on rolled ball screws with standardized specifications.

Efficient production and delivery capabilities: Through optimized manufacturing processes and inventory planning, the Company is able to fulfill short lead-time orders efficiently, respond to rapidly changing downstream demand, and maintain stable competitiveness in the automation sector.

(III) Technologies and R&D overview

1. Technology level and R&D of the business

Our main technical team has more than 30 years of experience in the manufacturing and R&D of linear motion products. The target market of our products is the automation market. The main focus of our ball screw is to develop the rolling process. The Company designs our own tooling for turning screws and can modify the tooling to meet production requirements to achieve stable production quality. At present, we are able to produce precision-grade adapter screw products.

2. R&D personnel and their educational background

Year		2024		2025		March 31, 2026	
Education		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Education background distribution	Master's	11	22.00	10	16.95	10	16.95
	University (college)	26	52.00	35	59.32	34	57.63
	Senior high school (vocational school) and below	13	26.00	14	23.73	15	25.42
	Total	50	100.00	59	100	59	100
Average years of service (years)		7.31		7.47		7.39	

3. R&D expenses for each of the most recent five years

Unit: NT$ thousand

Year	2021	2022	2023	2024	2025
R&D expenses (A)	87,378	86,749	83,811	81,085	103,146
Net operating revenue (B)	3,285,319	3,374,243	2,571,194	2,294,281	2,559,330
R&D expenses as a percentage of operating revenues (A/B)	2.66%	2.57%	3.26%	3.53%	4.03%

4. Technology or products developed successfully in the most recent five years

Year	R&D results
2021	1. TH miniature rail assembly series
2022	1. Ground ball spline series products 2. J bolt nut series products
2023	1. Micro linear guide
2024	1. High-speed reinforced silent and dust-proof ball screw 2. Reinforced anti-dust ball spline sets
2025	1. Roller Linear Guide Products 2. Lightweight Rotary Products 3. HB bolt nut series products 4. Square Bolt Nut Products

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

1. Short-term development plan

The Company aims to consolidate its leadership in the automation market by positioning ball screws as its core product. While continuing to expand capacity to meet demand, its R&D focus is on the vertical integration of product capabilities.

- **Product upgrading and modularization**: To meet the diverse needs of the automation market, the Company develops transmission components with specialized specifications and enhanced capabilities.
- **Introduction of system integration technology**: By incorporating motor and drive control technologies, the Company is transforming its offerings from individual precision parts into high value-added integrated power system modules. By combining cross-disciplinary technologies, the Company enhances overall performance in precision positioning and power output, elevating brand value and establishing strong technological entry barriers.

2. Mid- and long-term business development plans

To capitalize on the rapid expansion of AI and embodied intelligence, the Company is strategically entering the next-generation robotics sector, transforming its long-standing expertise in precision transmission into the development of key components with high dynamic performance and lightweight design.

- **Development of humanoid robot components**: The Company is actively advancing the development of linear actuators and core components for dexterous robotic hands. Addressing the highly intricate motion requirements of robotic limbs and finger joints, the Company is developing high power-density transmission solutions to enable flexible and precise biomimetic movement.
- **Outlook on AI industry trends**: As 2026 is expected to mark the first year of large-scale commercialization of humanoid robots, market demand is shifting from traditional industrial standards toward miniaturization, high stiffness, and enhanced energy efficiency. The Company will continue to invest in advanced technologies such as planetary roller screws and strengthen partnerships within the global AI robotics ecosystem, aiming to evolve from an automation equipment supplier into a core hardware provider in the physical AI domain and secure long-term growth momentum.

II. Market, production and sales at a glance

(I) Market analysis

1. Sales (provision) of major goods (services) by region

Unit: NT$ thousand; %

Year / Sales region		2025		2024	
		Amount	Ratio	Amount	Ratio
Export	Europe	102,394	4.00%	89,941	3.92%
	Asia	2,195,126	85.77%	2,026,922	88.35%
	Others	39,245	1.53%	39,334	1.71%
	Subtotal	2,336,765	91.30%	2,156,197	93.98%
Domestic sales		222,565	8.70%	138,084	6.02%
Total		2,559,330	100.00%	2,294,281	100.00%

2. Market share

In 2025, the Company’s revenue from ball screws and linear guides were NT$1,251,338 thousand and NT$1,126,975 thousand, respectively, accounting for 48.89% and 44.03% of the operating income. According to the product statistics of the Industrial Production, Shipment and Inventory Survey by the Department of Statistics, Ministry of Economic Affairs, the sales value of ball screws and linear guides for 2025 was NT$7,902,425 thousand and NT$17,986,849 thousand, respectively. Based on our estimated revenue of each product in 2025, the market share of the Company's ball screw and linear guide would be 15.83% and 6.27%, respectively.

3. Market demand and supply conditions for the market in the future and the growth potential

Over the long term, the global linear guide and ball screw market remains highly competitive, with numerous players intensifying market rivalry. In recent years, Mainland China has actively promoted industrial upgrading under its "14th Five-Year Plan" to enhance self-reliance in key components, leading to increased investment and improved manufacturing capacity among local firms. As capacity from Chinese manufacturers is gradually released, increased supply has placed pricing pressure on mid- and low-end products, impacting the industry's supply–demand balance. In the future, industry development is expected to transition from scale-driven growth to a focus on quality and technological advancement. Chinese manufacturers are likely to continue improving in precision and technical capabilities, thereby influencing competitive dynamics.

On the other hand, as leading industrial nations advance manufacturing upgrades and digital transformation, demand for automation equipment and smart manufacturing continues to expand, driving demand for critical components. As AI, IoT, and related technologies are increasingly integrated into production systems, higher requirements for efficiency, precision, and stability will provide medium- to long-term support for linear transmission components. Nevertheless, demand remains subject to economic cycles and capital expenditure trends, resulting in gradual growth momentum.

According to market research projections, the global industrial automation market will maintain steady growth, reaffirming automation and intelligent manufacturing as key industry directions. While short-term uncertainties such as price competition and supply chain adjustments persist, the long-term outlook for linear transmission components remains positive due to the ongoing shift toward automation and intelligent manufacturing.

4. Competitive niche

(1) Diversified products and complete specifications

The Company's core products encompass linear guides, ball screws, ball splines, and single-axis actuator modules, all of which are key components in precision machinery systems. With a comprehensive product portfolio, the Company provides a full spectrum of transmission components ranging from miniature to large-scale specifications, along with various accessory options tailored to customer needs in dust resistance, self-lubrication, load requirements, and motion paths. This high level of specification coverage allows the Company to provide customized solutions for industries such as semiconductors, medical equipment, and specialized automation systems, helping customers shorten development cycles and reduce procurement complexity, thereby establishing a strong market supply advantage.

(2) Professional business operation

The Company has always defined its role as a "specialized provider of precision linear transmission components.” From the outset, it has focused extensively on the R&D and manufacturing of key components such as ball screws, linear guides, and ball splines. Through close co-development partnerships with downstream customers, the Company gains deep insights into application trends, enabling specialized manufacturing and win–win collaboration, and establishing a strong industry presence.

(3) Proficient in the production technology of rolled screws

The Company showcases advanced capabilities in rolled ball screw manufacturing technology. In contrast to traditional methods, the Company focuses on optimizing rolling processes and has achieved stable production of high-precision rolled ball screws that meet the accuracy requirements of a wide range of automation applications. This advantage allows the Company to provide products with strong performance and economic value, supported by lower production costs and reduced lead times, reinforcing its competitiveness in an increasingly automated market environment.

5. Positive and negative factors for future development and countermeasures

(1) Positive factors:

A. High entry barrier: the linear transmission industry is a capital- and technology-intensive industry, which requires strong capital to achieve economies of scale and because the market is mature and international manufacturers have a large number of product patents, the launch of new products depends on long-term investment in product development and production technology. Without solid technology backing, only lower-tier products can be produced, and patent applications are required to avoid product infringement, so it is generally not easy for new manufacturers to enter.

B. Trend of automation development: The development of smart factories is the future trend of the global manufacturing industry. Our linear motion products are mainly aimed on key parts and components for automation equipment. The industry's upgrading to highly automated and intelligent equipment will drive the demand for transmission components, which will help the sales of the Company's products.

C. Technical team and certifications: our technical team has many years of experience in designing linear motion products and, based on production technology, we have an Engineering Department that can develop specialized production machines to meet the needs of our production processes in order to master production technology and have obtained a number of quality certifications. In addition, our ball screw products are mainly made by the rolling process. With the same precision, the production cost is lower and the production time is shorter, so we can provide customers with more cost-effective products in a short period of time.

(2) Negative factors and countermeasures

A. Not easy to obtain, cultivate talent

Countermeasures: the Company's main technologies are self-developed, so we have an internal training mechanism. In the future, we will not only enhance the industry-academic collaboration to train young talents to put their learning into practice but also improve our benefits system to attract and retain good talents.

B. The market is dominated by price competition

Countermeasures: the Company mainly produces rolled products which are more competitive in terms of delivery time and price compared to ground products. Besides, in terms of product R&D, the Company continues to develop products for niche markets, such as ball spline products that have been launched mainly for the medical industry. Since the demand in niche markets is relatively small, it is not easy to attract a large number of competitors to invest in the development, so the gross profit is relatively high, which can reduce the impact of price competition in the industry.

C. Rising labor cost

Countermeasures: the Company has started to automate some of our production processes. At present, the production of nuts has started to use robotic arms to feed. This will not only share the manpower demand but also eliminate the need to wait for pausing the machine to load and unload the material, which will help to increase the production capacity steadily. The rest of the production line has also started to develop an automation upgrade plan. Based on the evaluation results, the Company will draw up a production line upgrade plan to develop an automated production system to improve production efficiency and save labor costs.

(II) Usage and manufacturing processes for main products

1. Usage of main products

The Company produces key components for equipment. Our products have a wide range of applications, covering the automation industry, industrial equipment, semi-conductor industry, robot industry, machine tools, solar equipment, medical industry, parking equipment, etc.

2. Production process

(1) Rolled screw processing process

Raw material→Feed inspection→Centerless grinding→Inspection→Thread rolling→Contour measurement→Heat treatment→Slurry polishing→Pad polishing→Classification→Packaging→Stocking

(2) Finished screw processing process

Raw material → Incoming inspection → Thread rolling → Heat treatment → Cutting → Polishing → Straightening → End-face machining → Center hole drilling →

Secondary straightening → Outer diameter grinding → In-process inspection → Internal diameter grinding → Super-finishing → Lead testing → Final assembly → Final product inspection → Packaging → Shipping

(3) Nut processing process

Raw material→Incoming→Inspection→Turning→Milling→Drilling→Inspection→ Thread cutting → Inspection → Heat treatment → Inspection → External grinding→ Internal grinding→Inspection→Laser tag→WIP inventory

(4) Block processing process

Raw material processing→IQC inspection I→ Heat treatment→ IQC inspection II→ Substrate surface grinding → Form grinding→ Glueing→ Metal polishing→ Assembly→ OQC inspection III→ Packaging→ Shipping

(5) Linear guide rail processing process

Raw material incoming→IQC inspection I→Heat treatment→ Twist and calibration → Drilling → Twist and calibration → Substrate surface grinding → Form grinding → Twist and calibration → OQC inspection II → Packaging → Shipping

(III) Supply situation for major raw materials

Major raw materials	Country	Supply situation
Steel	Taiwan	Good
Steel	Japan	Good
Steel	Korea	Good

(IV) List of major suppliers and customers

1. Clients accounting for ten percent or more of the Company's total sales amount in either of the two most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each and an explanation of the reason for increases or decreases in the above figures

Unit: NT$ thousand

2025				2024			
Business title	Amount	Percentage of net sales (%)	Relation with issuer	Business title	Amount	Percentage of net sales (%)	Relation with issuer
A	476,813	18.63%	None	A	648,147	28.25%	None
B	446,033	17.43%	None	B	323,122	14.08%	None
D	431,464	16.86%	None	C	228,676	9.97%	None
Others	1,205,020	47.08%		Others	1,094,336	47.70%	
Net sales	2,559,330	100.00%		Net sales	2,294,281	100.00%	

Reason for changes: Net sales in 2025 grew compared to 2024, indicating a rebound in global automation demand and the positive results of the Company’s business expansion. Changes in the major customer base over the two years demonstrate the Company’s proactive efforts to optimize its customer structure, with a more even distribution of revenue among the top three customers, reducing concentration risk. While maintaining strong relationships with existing key customers, the Company has also successfully developed promising large new customers, alongside increasing penetration within the SME customer base, resulting in more diversified revenue streams. This structural shift enhances the Company’s ability to withstand industry cycles and ensures stable mid- to long-term growth, demonstrating its competitiveness and effective risk management in the precision transmission components market.

2. Suppliers accounting for ten percent or more of the Company's total purchase amount in either of the two most recent fiscal years, the amounts bought from each, the percentage of total purchase accounted for by each

Unit: NT$ thousand

2025				2024			
Business title	Amount	Percentage of net purchase (%)	Relation with issuer	Business title	Amount	Percentage of net purchase (%)	Relation with issuer
C	148,234	11.50%	None	A	83,720	17.76%	None
D	142,143	11.03%	None	B	50,922	10.80%	None
A	129,113	10.02%	None	C	50,101	10.63%	None
B	104,406	8.10%	None	Others	286,574	60.81%	
Others	765,226	59.35%					
Net purchase	1,289,122	100.00%		Net purchase	471,317	100.00%	

Reason for changes: The Company’s net purchases in 2025 showed continued growth compared to 2024, mainly due to increased order demand following the recovery of the global automation market. Raw material procurement was expanded accordingly to support production capacity. The shift in major suppliers indicates ongoing improvement in supply chain management, with a more balanced contribution from the top three suppliers, reducing concentration risk. In addition to sustaining long-term relationships with existing core suppliers, the Company has successfully developed new suppliers with competitive quality and pricing, strengthening the adaptability and resilience of its procurement framework. This structural adjustment secures a stable supply of production materials and enhances the Company’s ability to manage cost efficiency and mitigate market volatility during expansion, supporting sustainable growth.

III. Number of employees employed for the two most recent fiscal years and during the current fiscal year up to the publication date of the annual report

Unit: people

Year		2024	2025	March 31, 2026
Number of employees	Direct and indirect personnel	631	888	868
	Management personnel	86	113	115
	Sales personnel	14	9	9
	R&D personnel	50	59	59
	Total	781	1,069	1,051
Average age		35.14	34.67	34.62
Average years of service (years)		5.65	4.91	4.94
Education background distribution ratio	PhD	-	0.15%	0.15%
	Master's	5.80%	6.75%	6.58%
	University	52.01%	52.92%	52.07%
	High school	33.98%	35.38%	35.99%
	Middle school and below	8.21%	4.80%	5.21%

Note: The table is based on the total number of employees employed by the Company at the end of each period, including dispatched workers.

IV. Disbursements for environmental protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions); disclosure of an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. The Company did not suffer any losses or was penalized for polluting the environment during the most recent year and up to the publication date of the annual report.

V. Labor relations

(I) The Company's employee benefit plans, continuing education, training, retirement systems and the implementation status thereof, labor-management agreements, and measures for preserving employees' rights and interests:

1. Employee benefits

From the official date of employment, the Company's employees will be insured for labor and health insurance in accordance with the Labor Standards Act as well as additional employee group insurance. The Company also attaches great importance to protecting the vocational safety of our employees by providing them with work uniforms and safety shoes.

In addition, the Company has also established an Employee Welfare Committee, which, by regulations, appropriates and handles various benefits, such as annual festival gifts, wedding and funeral subsidies, scholarship subsidies for employees' children, congratulatory payments for childbirth, employee health checkups, and lucky draws in yearend party.

2. Continuing education, training and the implementation status

The Company values the on-the-job training for employees and encourages employees to continue their education. In addition to new employee orientation, the Company actively organizes various regular training courses within the company according to our functions and business needs or arranges external training. The Company also places great emphasis on industry-academe exchanges. Currently, we are working with the universities of science and technology on a "Dual Program" to jointly invest in the training of talents and provide students with favorable conditions for practicums. Moreover, we often invite students from vocational schools to visit the Company and production lines to provide students with diversified learning space and contribute to the cultivation of national talents.

3. Retirement system and its implementation

The Company has a defined contribution retirement plan in accordance with the Labor Pension Act. For employees who choose to adopt the “Labor Pension Act,” the Company appropriates six percent of each employee’s monthly wage as the pension fund and deposits it to the individual labor pension accounts.

4. Labor-management agreements and measures for preserving employees' rights and interests

The Company values the harmony of labor relations. We protect the rights and interests of our employees in accordance with various laws and regulations and we have good interaction with our employees. The Company handles and protects the aforementioned rights and interests of employees well. We also take initiatives to add many employee benefit measures to retain a harmonic labor relations.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. The Company has not incurred any losses due to labor disputes during the most recent fiscal year and up to the date of publication of this annual report; therefore, this disclosure is not applicable.

(III) The union has never proposed a negotiation of collective bargaining, and no collective bargaining has been signed.

VI. Cyber security management

(I) Cyber security risk management framework

1. Corporate information security governance

In order to maintain information security, the Company has designated the Manager of the Information Technology Department as the Cyber Security Supervisor and the System Administrator of the Information Technology Department as the Cyber Security Executive, who are responsible for implementing Cyber security management planning, establishing and maintaining a cyber security management system and coordinating the formulation, implementation, risk management, and compliance inspection of cyber security and protection related policies. They are responsible to report to the board of directors once a year the cyber security management effectiveness and strategic direction.

2. Cyber security risks and countermeasures

The Company values cyber security and the internet risk prevention. We establish a sound multi-layer prevention system including the firewall, intrusion detection, anti-virus system, vulnerability scanning, and patch management, etc. and periodically engage cyber security companies to conduct the penetration tests to ensure continuous improvement of cyber security defenses.

(II) Cyber security policies

The Company’s cyber security policies are to

1. Establish cyber security management rules in line with laws, regulations and customer needs.
2. Build a consensus on information security is everyone's responsibility through employees' awareness.
3. Protect the confidentiality, integrity and availability of company and customer information.
4. Provide a safe production environment to ensure the Company's business continuity.

Using the three main axes of information security protection: anti-virus, anti-hack, and anti-leakage, we have established firewalls, intrusion detection, anti-virus systems and various internal control systems to enhance the company's ability to prevent external attacks and ensure internal confidential information protection.

(III) Specific management program

The Company attaches great importance to information security. To ensure the security of our confidential and personal information, we have management programs such as cyber security management measures, equipment management and disaster recovery :

1. Cyber security management measures: To ensure the security of information, system, equipment and networks and to protect users’ rights, establish and implement a cyber security plan as follows:

（1） Different access rights are granted according to the user's function. If the user leaves or is rotated, the original privileges will be revoked.

(2) Regularly perform social engineering drills, conduct cyber security educational training, and announce and promote cyber security to raise employee awareness of cyber security.
(3) Regularly perform network vulnerability scanning and penetration tests.
(4) Install anti-virus software.
(5) Put up a firewall.
(6) Prohibit the use of unauthorized and unknown software/hardware.

2. Equipment management:
(1) Computer data and equipment are kept by a safekeeping unit/person.
(2) Erase all confidential, sensitive data and copyrighted software before a storage device is disposed of.

3. Disaster recovery: in the event of damage to information systems caused by natural disasters, human error or vandalism, a recovery mechanism is in place to quickly restore the system to normal operating levels. Take the necessary steps to ensure that resources, staff and business processes continue to operate in a timely manner to reduce the risk of data loss and shorten the recovery window. Conduct two disaster recovery drills each year to ensure that the data can be recovered and the system can be restored to normal operations.

(IV) Investments in resources for cyber security management

Cyber security is an important part of the Company's operations and the resources devoted to cyber security management are as follows:

1. Dedicated manpower: there is a dedicated supervisor and an executive member who are responsible for cyber security planning, technology introduction, and related auditing to maintain and continuously strengthen cyber security.
2. Educational training: all new employees have to complete the cyber security training course before taking office. All employees have to complete at least one cyber security training course per year and one social engineering drill test every six months.
3. Cyber security announcement: Issue Cyber security announcements from time to time to communicate important cyber security regulations and precautions.
4. In 2025, the Company invested in the acquisition and maintenance of equipment such as scanning and penetration testing, network security equipment, anti-virus software and hardware, VPN and account authorization management systems.
5. The Company obtained ISO 27001 certification in 2026.

(V) Significant cyber security incidents:

1. The Company did not have significant cyber security incidents that could cause business damage during the most recent fiscal year and up to the date of publication of this annual report.
2. We will continue to implement our cyber security management policies and conduct regular recovery plan drills to protect the security of our critical systems and data and safeguard the interests of our shareholders and investors.

VII. Important contracts

Nature of contract	Parties	Commencing and ending dates	Main content	Restriction clause
Leases	Economic Development Department, New Taipei City Government	2012.03.23-2032.03.22	Land lease for Shulin Plant	(Note 1)
Long-term borrowings	Chang Hwa Bank	2016.03.23-2031.03.23	Secured borrowings	None
Long-term borrowings	Chang Hwa Bank	2020.08.03-2027.07.15	Unsecured borrowings	None
Long-term borrowings	Chang Hwa Bank	2020.09.01-2027.07.15	Unsecured borrowings	None
Long-term borrowings	Chang Hwa Bank	2020.09.30-2027.07.15	Unsecured borrowings	None
Long-term borrowings	Chang Hwa Bank	2022.01.27-2042.01.27	Secured borrowings	None
Long-term borrowings	Chang Hwa Bank	2025.11.04-2030.11.04	Unsecured borrowings	None
Long-term borrowings	E. Sun Bank	2025.10.07-2027.10.07	Unsecured borrowings	None
Long-term borrowings	First Bank	2016.03.29-2031.03.29	Secured borrowings	None
Long-term borrowings	First Bank	2021.05.20-2028.05.15	Unsecured borrowings	None
Long-term borrowings	First Bank	2023.08.02-2028.05.15	Unsecured borrowings	None
Long-term borrowings	First Bank	2024.12.24-2028.05.15	Unsecured borrowings	None
Long-term borrowings	First Bank	2025.12.29-2030.12.29	Secured borrowings	None
Long-term borrowings	Taiwan Cooperative Bank	2016.06.29-2031.06.29	Secured borrowings	None
Long-term borrowings	Taiwan Cooperative Bank	2016.06.29-2031.06.29	Secured borrowings	None
Long-term borrowings	Taiwan Cooperative Bank	2020.07.01-2027.06.15	Unsecured borrowings	None
Long-term borrowings	CTBC Bank	2025.08.27-2027.08.27	Unsecured borrowings	None

Note 1: The lessee may not sub-let or transfer all or part of the leasehold rights to others; use it for purposes that violate the law or violate the purposes specified in the investment execution plan; request the establishment of superficies and apply for compensation from the lessor for this reason.

Chapter V. Review and Analysis of the Financial Position and Financial Performance and the Risks Thereof

I. Financial position

(I) Consolidated (the Company and subsidiaries)

Unit: NT$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	3,871,771	3,382,222	489,549	14.47%
Non-current financial assets at fair value through other comprehensive income	88,918	88,918	-	-
Property, plant and equipment	2,553,995	2,634,977	(80,982)	(3.07%)
Right-of-use assets	769,403	742,802	26,601	3.58%
Intangible assets	16,213	23,943	(7,730)	(32.29%)
Other assets	234,836	230,212	4,624	2.01%
Total assets	7,535,136	7,103,074	432,062	6.08%
Current liabilities	1,873,145	1,565,677	307,468	19.64%
Non-current liabilities	2,212,713	2,257,816	(45,103)	(2.00%)
Total liabilities	4,085,858	3,823,493	262,365	6.86%
Equity attributable to owners of parent	3,449,278	3,279,581	169,697	5.17%
Share capital	1,151,868	1,091,382	60,486	5.54%
Capital surplus	2,267,162	2,097,475	169,687	8.09%
Retained earnings	(22,694)	51,373	(74,067)	(144.17%)
Other equity interest	52,942	39,351	13,591	34.54%
Total equity	3,449,278	3,279,581	169,697	5.17%

An analysis of the changes with the percentage change of 20% or more and the amount change of NT$10,000 thousand or more is as follows:

1. Decrease in retained earnings: Mainly due to the operating loss of the current year.
2. Increase in other equity: Mainly due to the impact of the TWD's depreciation on exchange differences resulting from the translation of financial statements of foreign operations.

(II) Parent company only (The Company)

Item / Year	2025	2024	Difference	
			Amount	%
Current assets	3,303,140	3,716,131	(412,991)	(11.11%)
Non-current financial assets at fair value through other comprehensive income	88,918	88,918	-	-
Property, plant and equipment	2,452,472	2,588,199	(135,727)	(5.24%)
Right-of-use assets	697,353	717,202	(19,849)	(2.77%)
Intangible assets	14,828	23,529	(8,701)	(36.98%)
Other assets	492,929	262,701	230,228	87.64%
Total assets	7,049,640	7,396,680	(347,040)	(4.69%)
Current liabilities	1,389,978	1,500,546	(110,568)	(7.37%)
Non-current liabilities	2,210,384	2,616,553	(406,169)	(15.52%)
Total liabilities	3,600,362	4,117,099	(516,737)	(12.55%)
Equity attributable to owners of parent	3,449,278	3,279,581	169,697	5.17%
Share capital	1,151,868	1,091,382	60,486	5.54%
Capital surplus	2,267,162	2,097,475	169,687	8.09%
Retained earnings	(22,694)	51,373	(74,067)	(144.17%)
Other equity interest	52,942	39,351	13,591	34.54%
Total equity	3,449,278	3,279,581	169,697	5.17%

An analysis of the changes with the percentage change of 20% or more and the amount change of NT$10,000 thousand or more is as follows:

1. Increase in other assets: Mainly attributable to the recognition of profits from subsidiaries accounted for using the equity method during the current period.
2. Decrease in retained earnings: Mainly due to the operating loss of the current year.
3. Increase in other equity: Mainly due to the impact of the TWD’s depreciation on exchange differences resulting from the translation of financial statements of foreign operations.

II. Financial performance

(I) Operating performance analysis

1. Consolidated (the Company and subsidiaries)

Unit: NT$ thousand

Item \ Year	2025	2024	Increase (decrease) amount	Change percentage
Operating revenue	2,559,330	2,294,281	265,049	11.55%
Operating costs	2,312,902	2,419,392	(106,490)	(4.40%)
Gross profit (loss) from operations	246,428	(125,111)	371,539	296.97%
Operating expenses	546,571	511,603	34,968	6.83%
Operating net profit (loss)	(300,143)	(636,714)	336,571	52.86%
Non-operating income and expenses	337,043	72,882	264,161	362.45%
Net profit (loss) before tax	36,900	(563,832)	600,732	106.54%
Income tax benefit (expense)	(110,967)	77,180	(188,147)	(243.78%)
Net income (loss) of the period	(74,067)	(486,652)	412,585	84.78%
Other comprehensive income (net amount after tax)	13,591	(5,573)	19,164	343.87%
Total comprehensive income	(60,476)	(492,225)	431,749	87.71%

An analysis of the changes with the percentage change of 20% or more and the amount change of NT$10,000 thousand or more is as follows:

1. Gross profit (loss) from operations and operating net profit (loss) increased due to higher market demand and the Company’s active business expansion.
2. Increase in non-operating income and expenses: Mainly attributable to the gain on disposal of real estate recognized during the current year.
3. Income tax benefit (expense) decreased, mainly due to income tax arising from the disposal of real estate during the current year.
4. Increase in other comprehensive income (net of tax) for the current period: Mainly due to the impact of the TWD’s depreciation on exchange differences resulting from the translation of financial statements of foreign operations.
5. Net profit (loss) before tax, net income (loss) for the period, and total comprehensive income were primarily driven by operating gross profit and gains from the disposal of real estate during the current year.

2. Parent company only (The Company)

Unit: NT$ thousand

Item \ Year	2025	2024	Increase (decrease) amount	Change percentage
Operating revenue	1,923,134	1,137,666	785,468	69.04%
Operating costs	2,102,952	1,244,162	858,790	69.03%
Gross profit (loss) from operations	(179,818)	(106,496)	(73,322)	(68.85%)
Unrealized loss (gain) from sales	43,396	111,317	(67,921)	(61.02%)
Net operating gross profit (loss)	(136,422)	4,821	(141,243)	(2,929.74%)
Operating expenses	404,515	320,939	83,576	26.04%
Operating net profit (loss)	(540,937)	(316,118)	(224,819)	(71.12%)

Item \ Year	2025	2024	Increase (decrease) amount	Change percentage
Non-operating income and expenses	521,971	(182,884)	704,855	385.41%
Net profit (loss) before tax	(18,966)	(499,002)	480,036	96.20%
Income tax benefit (expense)	(55,101)	12,350	(67,451)	(546.16%)
Net income (loss) of the period	(74,067)	(486,652)	412,585	84.78%
Other comprehensive income (net amount after tax)	13,591	(5,573)	19,164	343.87%
Total comprehensive income	(60,476)	(492,225)	431,749	87.71%
An analysis of the changes with the percentage change of 20% or more and the amount change of NT$10,000 thousand or more is as follows: In 2025, driven by the recovery in market demand and the Company's proactive business expansion efforts, operating revenue increased by 69.04% compared with 2024. However, operating costs also increased by 69.03% in line with the expansion of shipment scale, resulting in a 68.85% increase in gross operating loss. Unrealized loss on sales declined by 61.02% YoY, primarily reflecting strategic adjustments in product mix in response to market dynamics. Net gross operating loss increased by 2,929.74%. Operating expenses increased by 26.04% compared to the prior year due to expansion in operations and business activities, resulting in a higher operating net loss. In terms of non-operating performance, gains from real estate disposal in 2025 turned non-operating results from a net expense in the prior year into net income, significantly improving results and reducing net loss before tax. Income tax expense rose YoY, mainly attributable to tax liabilities arising from the disposal of real estate during the year. Based on the factors above, net loss for the period was significantly reduced compared to 2024. Other comprehensive income increased compared to the previous year, mainly due to the depreciation of the TWD against foreign currencies, which generated translation differences in the financial statements of foreign operations. As a result, total comprehensive loss for the period declined compared to the prior year.				

(II) Expected sales volume, its basis, the possible impact on the Company's future financial operations, and the countermeasures to be taken:

The Company has not released any public financial forecasts; please refer to the "Letter to Shareholders."

III. Cash flow analysis and review

(I) Cash flow change analysis for the most recent year

1. Consolidated (the Company and subsidiaries)

Unit: NT$ thousand

Item \ Year	2025	2024	Difference in amount	Increase (decrease) percentage (%)
Operating activities	(514,922)	628,818	(1,143,740)	(181.89%)
Investing activities	385,124	(88,163)	473,287	536.83%
Financing activities	60,861	(421,411)	482,272	114.44%

Cash flow change analysis:
1. Increase in net cash outflow from operating activities: Mainly due to the overall business growth in the current year, which led to an increase in inventory procurement requirements.
2. Increase in net cash inflow from investing activities: Mainly due to the sales of real estate in the current year.
3. Increase in net cash inflow from financing activities: Mainly due to the increase in loans in the current year.

2. Parent company only (The Company)

Unit: NT$ thousand

Item \ Year	2025	2024	Difference in amount	Increase (decrease) percentage (%)
Operating activities	(91,940)	798,411	(890,351)	(111.52%)
Investing activities	417,324	(69,875)	487,199	697.24%
Financing activities	(617,745)	(434,286)	(183,459)	(42.24%)

Cash flow change analysis:
1. Increase in net cash outflow from operating activities: Mainly due to the overall business growth in the current year, which led to an increase in inventory procurement requirements.
2. Increase in net cash inflow from investing activities: Mainly due to the sales of real estate in the current year.
3. Increase in net cash outflow from financing activities: Mainly due to the repayment of loans in the current year.

(II) Improvement plan for insufficient liquidity:

The Company did not experienced insufficient liquidity.

(III) Cash flow analysis for the coming year:

Based on the Company’s evaluation, its cash on hand and projected cash flows from operations over the next year are adequate to meet the funding needs of investing and financing activities, and overall liquidity is considered sound.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

(I) Sources of funds for and the usage of significant capital expenditures: None.

(II) Impact on financial and operational performance: None.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improvement and investment plan for the coming year

(I) Re-investment policy for the most recent fiscal year: the Company's reinvestment policy is implemented by the relevant executive departments in accordance with the "Investment Cycle" and "Management Procedures for the Acquisition and Disposal of Assets" of the internal control system. Such rules and procedures have been discussed and approved by the board of directors or the shareholders' meeting.

(II) Profit or loss of reinvestment and improvement plan

Unit: NT$ thousand

Investee	Main business items	2025 profit (loss) amount	Main reason for profit or loss	Improvement plan
TBI Motion Technology (USA) LLC.	Sale of precision transmission components for the automated industry	(13,551)	Declining demand in the U.S. market	(Note)
TBI Motion Technology (HK) LTD.	Holding company for overseas enterprises	190,703	Investment profit arising from the profit of the investee company	None
TBI Motion Intelligence Co., Ltd.	Sale of precision transmission components for the automated industry	4,636	Stable demand in the Asia Pacific market	None
TBI Motion (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	150,801	Increase in demand in China market	None
TBI Motion Technology (Jiangsu) Co., Ltd.	Sale of precision transmission components for the automated industry	39,907	Increase in demand in China market	None

Note: Through targeted participation in industry exhibitions, regular visits to multinational group customers, and direct customers, the Company is able to strategically focus on developing first-line direct customers, particularly in the fields of automation, medicine, and automotive.

VI. Investment plans for the coming year:

The Company's Board of Directors resolved to invest in the establishment of a subsidiary in China indirectly through the subsidiary, TBI Motion Technology (HK) Ltd. The amount of investment is expected to be US$20 million. As of March 31, 2026, a total of US$12.38 million has been invested; the remaining funds will be deployed over the coming year in accordance with the investment plan.

VII. Risk analysis and assessment

(I) Impact of interest/exchange rate changes and inflation on the Company's profit (loss) and future countermeasures:

1. Interest rate

As of the date of publication of the annual report, the Company continued to regularly evaluate the changes in the interest rate of bank loans and market interest rates based on the principle of improving the financial structure and reducing the risk of interest rate changes. The Company's financial structure has gradually strengthened and has been actively seeking more favorable financing terms from banks. Therefore, in general, the changes in interest rates do not have a significant impact on the Company's operations.

2. Exchange rate

The Company's main currencies are RMB and USD. In response to the risk of exchange rate changes, the Company will continue to monitor and collect exchange rate changes information, grasp the trend of exchange rates, and maintain good interaction with its banks to take timely countermeasures. This will help the Company effectively control and hedge interest rate risks.

3. Inflation

As of now, there is no significant impact on the Company's profit or loss due to inflation. The Company will pay attention to future inflation and adjust inventory and product prices in a timely manner.

(II) Policies regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions, reasons for gains or losses generated thereby, and future countermeasures:

1. In an effort to manage financial risks, the Company does not engage in high-risk and highly leveraged investments, nor does it engage in derivative transactions. The relevant risks are limited.
2. To control the related transactions, the Company has, by laws and regulations, established internal management rules and operating procedures, including the "Operational Procedures for Acquisition and Disposal of Assets," "Rules for Loans to Others," and "Rules for Making of Endorsements/Guarantees," as the basis for conducting the related transactions.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The total research and development budget for 2026 is projected to increase by 13% to 16% compared to 2025, with total expenditures estimated between NT$117,000 thousand and NT$ 120,000 thousand, the new products scheduled for development over the coming year are as follows:

1. Planetary Roller Screw Products.
2. Linear Actuator Products.
3. Microminiature Differential Roller Screw Products.

(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’s businesses are conducted in compliance with laws and regulations of the competent authorities. We pay attention to important policies adopted and changes in the legal environment at home and abroad from time to time and evaluate their effect on the Company. There was not any effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad in the most recent fiscal year and up to the publication date of the annual report.

(V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and countermeasures:

In response to technological changes, our information security defense system will be deployed to enhance endpoint detection response, network anomaly traffic monitoring, intrusion detection protection, complete system backup and the cyber security monitoring platform. We have increased our defensive depth from both the management and technical perspectives to reduce cyber security risks. The Company always keeps abreast of technological changes and developments related to its own industry in order to introduce products that meet market trends. Therefore, there are currently no technological changes that have a significant impact on the Company's financial operations.

(VI) Effect on the Company's crisis management of changes in the Company's corporate image and measures:

Since our incorporation, the Company has been following relevant laws and regulations, actively enhancing internal management, building the strength of our management team and fulfilling our corporate social responsibilities. The Company has a dedicated spokesperson who is responsible to maintain our relationships with the public and the investors and maintain our corporate image. Therefore, there is no incident that damaged our corporate image that has occurred. For the most recent year and up to the publication date of the annual report, there were no relevant reports about the Company's poor corporate image.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and countermeasures: Not applicable. There was no such circumstances in the most recent fiscal year and up to the publication date of the annual report.

(VIII) Expected benefits and possible risks associated with any plant expansion, and countermeasures:

The Company has accumulated strong technical capabilities and manufacturing experience through long-term investment in transmission component R&D and process optimization. In recent years, it has enhanced production efficiency and cost control through ongoing process refinement and supply chain optimization. Building on this foundation, the plant expansion is expected to further expand production capacity and enhance operational efficiency. The expansion will also support new product development and extend the product line, strengthening product portfolio completeness and enabling the Company to offer more comprehensive transmission components and integrated application services. Increased capacity and improved efficiency are expected to generate economies of scale, reducing unit costs and improving profitability.

Potential risks include capital investment requirements and exposure to market fluctuations and demand variability. To address these risks, the Company will maintain production flexibility, adjust capacity and product strategies based on market conditions, and carefully manage investment progress and capital allocation to ensure financial stability.

Overall, with a balanced approach to growth and risk management, the plant expansion is expected to deliver positive benefits to the Company’s future operations.

(IX) Risks associated with any sales or purchase concentration, and countermeasures:

1. Risks of the purchase concentration: The main raw material of the Company is steel. Most of our suppliers are domestic manufacturers and their delivery methods are quite flexible. We have a deep partnership with them for a long time. In addition, we have a number of homogeneous suppliers at the same time to achieve a higher flexibility of raw material supply. The supplier also needs to have the ability to flexibly deploy special specification raw materials and sourcing from the spot market to ensure the stability of our steel sources. We maintain good relationships with our supplier partners so there is no risk of material shortage or disruption due to concentration of supply.
2. Risks of sales concentration: our end-customers covering various industries. The wide range of customers can reduce the risk of concentration of sales caused by the economic cycle. Besides, we have been working closely with our major customers for many years and we are still actively expanding into new markets in Europe, the US and emerging countries to diversify our operational risks. Overall speaking, the Company does not have any risk of sales concentration.

(X) Effect upon and risk to the Company in the event a major quantity of shares held by a director, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands and countermeasures: Not applicable. There was no such circumstances in the most recent fiscal year and up to the publication date of the annual report.

(XI) Effect upon and risk to company associated with any change in governance personnel, and mitigation measures being or to be taken: Not applicable. There was no such circumstances in the most recent fiscal year and up to the publication date of the annual report.

(XII) Major litigious, non-litigious or administrative disputes that involve the Company and/or any director, any supervisor, the president, actual responsible person, any major shareholder holding a stake greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:

The Company’s subsidiary, TBI Motion Technology (Suzhou) Co., Ltd. (the “Subsidiary”), received a complaint filed by Zhejiang Today Transmission Technology Co., Ltd. on February

11, 2025, regarding a trademark infringement dispute. To safeguard the Company's interests, the Subsidiary engaged Beijing Yingke (Suzhou) Law Firm and Fangda Partners Shanghai to handle the first-instance and second-instance proceedings, respectively. The Ningbo Haishu District People's Court and the Ningbo Intermediate People's Court of Zhejiang Province rendered judgments against the Subsidiary in the first-instance and second-instance proceedings on October 15, 2025 and May 14, 2026, respectively. The Subsidiary has engaged legal counsel to handle subsequent legal matters in order to protect the Company's rights and interests. Relevant information is available in the Material Information section of the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

To continue providing high-quality and reliable transmission solutions, the Subsidiary launched a new brand, MOSIONX, in Mainland China in March 2025. As of the date of publication of this annual report, the Company has assessed that this case will not have a material impact on the financial or business operations of the Company or its subsidiaries.

(XIII) Other important risks and countermeasures: Not applicable. There was no such circumstances in the most recent fiscal year and up to the publication date of the annual report.

VIII. Other important matters: None.

Chapter VI. Special Items to be Included

I. Information on the affiliates:

Please visit the MOPS (https://emops.twse.com.tw/server-java/t58query) "Electronic Books" - "Shareholders’meetings" for inquiry.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report: None.

III. Other matters that require supplementary description: None.

Chapter VII. Matters Specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Printing Date of the Annual Report: None.

TBI Motion Technology (USA) LLC.

Chairman: Lee, Ching-Kun