

STOCK CODE: 2467

C SUN MFG. LTD.

Annual Report 2025



Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>

Annual Report is available at <https://www.csun.com.tw>

Printed on 31/03/2026



C SUN MFG. LTD.

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csun志聖



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Independent Auditors (Most Recent Fiscal Year)

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Overseas Securities Listing Information

None



Table of Contents



1

Chapter I. Letter to Shareholders	10
I. 2025 Business Report	12
II. 2026 Business Plan Overview	13
III. Future Company Development Strategies	15
IV. Impacts from External Competitive Environment, Regulatory Environment, and Overall Operational Conditions	16

2

Chapter II. Corporate Governance Report	18
I. Information on Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Officers of Departments and Branches	20
(I) Information on Directors and Supervisors	20
(II) Professional Qualifications of Directors and Supervisors, and Disclosure of Independence of Independent Directors	25
(III) Continuing Education of Directors and Independent Directors	30
(IV) Information on General Manager, Vice General Managers, Assistant Managers, Directors of Departments and Branches	32
(V) Remuneration Paid to Directors, Independent Directors, Presidents, and Vice Presidents in the Recent Fiscal Year	34
II. Operations of Corporate Governance	44
(I) Operations of the Board of Directors	44
(II) Operations of the Audit Committee	49
(III) Corporate Governance Practices and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations	54
(IV) Disclosure on Composition, Responsibilities, and Operations of Remuneration or Nomination Committee (if established)	60
(V) Implementation of Sustainable Development Initiatives and Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations	64
(VI) Climate-related Information of TWSE/TPEX Listed Companies	82
(VII) Performance of Ethical Management and Its Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Cause	90

(VIII) Disclosure of Access Methods for Corporate Governance Codes and Related Regulations (if established)	96
(IX) Other key information helpful for understanding the operation of the corporate governance may also be disclosed	96
(X) Implementation of the Internal Control System	96
(XI) Key Resolutions of Shareholders' Meetings and Board of Directors During the Recent Fiscal Year and Up to the Annual Report Publication Date	98
(XII) Records or Written Statements of Dissenting Opinions from Directors/Supervisors Regarding Key Board Resolutions During the Recent Fiscal Year and Up to the Annual Report Publication Date	100
III. Information on Audit Fees for CPAs	101
IV. Information on the Replacement of CPAs	101
V. When the Chairman, General Manager, Managers Responsible for Financial or Accounting Affairs of the Company Had Taken Office in the CPAs' Firm or its Affiliates, Names, Titles, and the Period Taken Office in the CPA's Firm or Its Affiliates shall be Disclosed	102
VI. Changes in Share Transfers and Pledges for Directors, Supervisors, Managers, and Shareholders Holding Over 10% Equity During the Recent Fiscal Year and Up to the Annual Report Publication Date	103
VII. Shareholdings of the Company, the Company's Directors, Supervisors, Managers, and Companies Directly or Indirectly Controlled by the Company in the Same Investee Companies, and the Consolidated Shareholding in Aggregation	103
VIII. Shareholdings of the Company, the Company's Directors, Supervisors, Managers, and Companies Directly or Indirectly Controlled by the Company in the Same Investee Companies, and the Consolidated Shareholding in Aggregation	105

3

Chapter III. Capital Raising Activities	106
I. Capital and Shares of the Company	108
(I) Equity Capital and Sources	108
(II) Capital and Shares	113
(III) Summary of Information Related to the Declaration System	113
(IV) List of Major Shareholders	113
(V) Company dividend policy and implementation	113
(VI) Impact of Proposed Stock Dividends on Business Performance and Earnings Per Share for the Current Shareholders' Meeting	115
(VII) Remuneration of Employees and Remuneration of Directors	115
(VIII) Share Buyback Status of the Company	117

II. Issuance Status of Corporate Bond/Preferred Shares/ Global Depository Receipt:	118
(I) Issuance Status of Corporate Bonds	118
(II) Issuance Status of Preferred Shares/Global Depository Receipt	119
III. Issuance Status of Employee Stock Option Warrants	119
(I) Outstanding Employee Stock Option Warrants and Effects on Shareholders' Interests	119
(II) Names, Acquisition, and Subscription of Managers Acquired Employee Stock Option and Top Ten Employees in the Amount of Employee Stock Warrant Acquired with Subscription Amounts Reaching NT\$30 Million and Above	119
IV. Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares Situation	119
(I) Completed Mergers & Acquisitions or Share Transfer-Related New Share Issuances During the Recent Fiscal Year and Up to the Annual Report Publication Date	119
(II) Board-Approved Mergers & Acquisitions or Share Transfer-Related New Share Issuances of Other Companies During the Recent Fiscal Year and Up to the Annual Report Publication Date	119
V. Execution of Fund Utilization Plan	120
(I) Plan Details	120
(II) Implementation Status	121

Chapter IV. Business Overview 124

I. Scope of Business	126
(I) Business Scope	126
(II) Industry Overview	130
(III) Technology and R&D Overview	146
(IV) Long-term and short-term business development plans	146
II. Market and Production/Sales Overview	149
(I) Market Analysis	149
(II) Key Product Applications and Production Processes	162
(III) Supply Status of Key Raw Materials	164
(IV) Names of Customers/Suppliers Accounting for 10% or More of Total Purchases/Sales in Either of the Past Two Fiscal Years	164

III. Information on Employees for the Past Two Fiscal Years and Up to the Annual Report Publication Date	166
(I) Structure of Employees	166
(II) Employee Conduct or Ethical Codes	166
(III) Work Environment and Personal Safety Protection Measures	167
IV. Information on Environmental Protection Expenditures	173
V. Labor-Management Relations	173
VI. Information and Cybersecurity Management	177
VII. Intellectual Property Management Plan	181
VIII. Social Responsibilities	184
IX. Material Contracts	192

5 Chapter V. Review and Analysis of Financial Position, Operating Results, and Risk Management 194

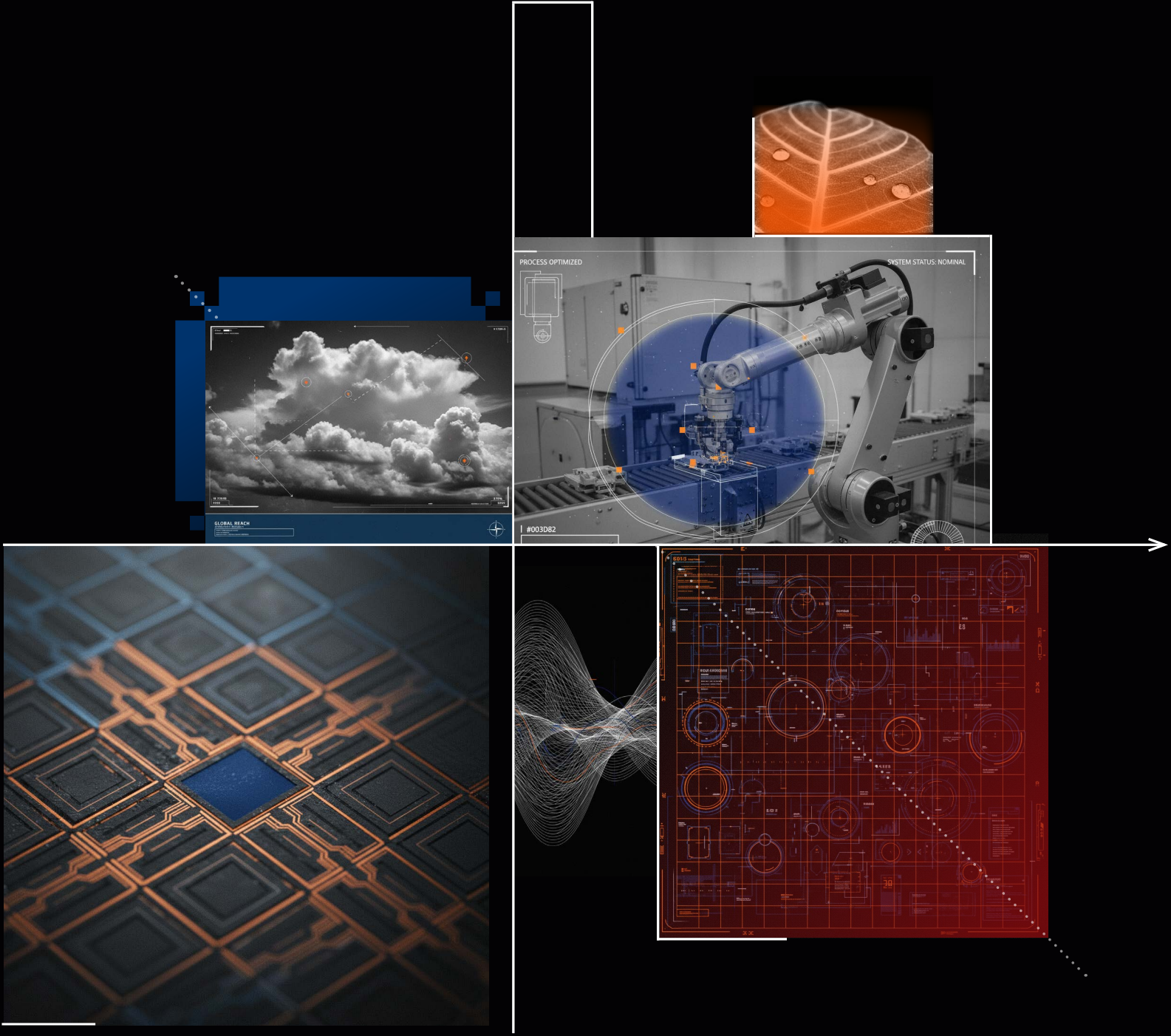
I. Financial Position Analysis	196
II. Analysis of Operating Results	196
III. Cash Flows	197
IV. Effects of Significant Capital Expenditures on the Financial Operations for the Latest Year	198
V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year	198
VI. Risk Management and Evaluation	198
(I) Organizational Structure of Risk Management	198
(II) Impact of Interest Rate/Foreign Exchange Fluctuations and Inflation on Company Profits/Losses, with Future Mitigation Measures	199
(III) Policies for engaging in high-risk or high-leverage investments, loans to others, endorsement and guarantee, and derivative transactions, primary reasons for gains or losses, and future countermeasures	200
(IV) Research and development work to be carried out in the future, and further expenditures expected for research and development work	200
(V) Effect on the Company's finance and business of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response	201
(VI) Effects of changes in technologies (including cybersecurity risks) and industries on the Company's financial operations and countermeasures	201
(VII) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response	202
(VIII) Expected benefits and possible risks arising from mergers and acquisitions and countermeasures	202

(IX) Expected benefits and possible risks associated with plant expansions and countermeasures	202
(X) Risks arising from concentrate sales or purchases and countermeasures	203
(XI) Effects of significant transfers of or changes in equity by directors or top ten major shareholders with over 10% shareholding on the Company, risks, and countermeasures	203
(XII) Effects of changes in the Company's ownership, risks, and countermeasures	204
(XIII) Handling of litigation or non-litigation matters: As of the date of publishing the Annual Report, there are no such circumstances	204
(XIV) Cybersecurity risk evaluation and analysis, countermeasures, and significant risk evaluations	204
(XV) Other Significant Risks and Mitigation Measures	204
VII. Other Material Matters	204

6	Chapter VI. Special Matters	206
	I. Information on Affiliates	208
	II. Private Placement of Securities During the Recent Fiscal Year and Up to the Annual Report Publication Date	208
	III. Shares of the Company Held by or Disposed of by Subsidiaries for the Latest Year and as of the Date of Publishing the Annual Report	208
	IV. Material Events Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Affecting Shareholder Equity or Securities Prices During the Most Recent Year and Up to the Annual Report Publication Date	208
	V. Other Matters of Supplements and Explanations Required	208

1

Chapter I.
Letter to Shareholders



I. 2025 Business Report

Dear Shareholders,

First, we extend our gratitude for your long-standing support to C Sun. Below is the operational performance report for 2025:

(I) Operating Results:

Unit: NT\$/Thousand

Item	2025	2024	Increase/(decrease) ratio
Net operating revenue	6,102,155	4,818,209	26.6%
Operating gross profit	2,643,741	1,983,100	33.3%
Operating expenses	1,760,497	1,347,104	30.7%
Operating gains	883,244	635,996	38.9%
Non-operating income/(expenses)	243,443	343,568	-29.1%
Net profit after tax	892,907	756,575	18.0%
Net profit attributable to the parent company	830,564	719,160	15.5%

(II) Overview on Financial Income and Expenses and Profitability:

(1) Financial structure:

Equity to assets ratio = 44.41%

Debt to assets ratio = 55.59%

(2) Solvency:

Current ratio = 131.72%

Quick ratio = 85.74%

(3) Profitability:

Return on assets = 6.27%

Return on shareholders' equity (ROE) = 13.57%

Net profit margin = 13.61%

Earnings per share (EPS) = 5.50

2025 R&D Status:

Industry category	Item
Semiconductor process equipment	Carrier bonder upgrade project, WTW bonder project, Panel bonder module development, roller lamination upgrade project, and semiconductor R&D special program
Printed circuit board (PCB) process equipment	RCC pre-lamination machine, high-end roller laminator, ABF film peeler, outer layer film peeler, multi-captivity vacuum lamination system
Advanced processes and other electronic applications equipment	Quartz oscillator photolithography equipment

II. 2026 Business Plan Overview

(I) Operating Policy for the Year

(1) Business Focus

- Grasp the business opportunities related to capital expenditures on 2.5D, 3D IC packaging, FoPLP , LTPS, SLP HDI/MSAP, RCC manufacturing process, ABF/BT SLP and other advanced and forward-looking manufacturing processes.
- Expand into Thailand, Malaysia, Singapore, Vietnam, India, North America, and Japan markets.
- Focus on appeals related to energy-saving, environmental protection, and circular economy: Improve the energy-saving feature of ovens and different machines, adhere to energy-saving and reuse, and facilitate a sustainable environment during its operations.
- R&D: Improve the internal core technologies and exchanges and strengthen the cooperative relationships with external strategic partners for R&D and marketing to allow a more comprehensive product portfolio.

2026 Product & Technology Development Plans:

Industry category	Item
Semiconductor process equipment	CoPoS/PLP roller lamination module development, thermal processing equipment development, CoWoP thermal processing equipment development, Semiconductor A+ R&D special program, SOIC equipment development, wafer carrier bonder upgrade project, wafer vacuum laminator upgrade project, panel bonder project, panel vacuum/roller laminator project.
Printed circuit board (PCB) process equipment	RCC pre-lamination machine, high-end roller laminator, ABF film peeler, solder mask film peeler, dual-row ceramic substrate laminator, RCC pre-lamination machine, high-end roller laminator, ABF film peeler, solder mask film peeler, dual-row ceramic substrate laminator
Advanced processes and other electronic applications equipment	WTW Bonder Project, Press Anneal Project

- Management
 - Organization
 - Establish an operational center organizational structure based on industry categories and core technologies.
 - Each operational center shall leverage expertise in specialized processes through its relevant core technologies, while developing cross-industry integrated innovation R&D mechanisms and capitalizing on the scale advantages of distribution channels across the group’s management platform.
- Talent Cultivation
- Introduce outstanding talent, international industry-academia collaborations, and external consultants; assign senior executives as internal instructors integrated with the

Problem Analysis & Conclusions (PAC) system, You Should Know (YSK) frontline operation guidelines, internal knowledge management systems, and digital transformation management to systematically cultivate core technology R&D teams and PARPROs (Professional Partners) with managerial and integrative capabilities, thereby organically extending C Sun into a learning organization with core competitiveness.

- **Asset Management**
Strengthen risk controls for cash flow liquidity; enhance the reduction of accounts receivable and clearance of both new and obsolete inventory.
- **Production Management**
Elevate the quality management system from QC (Quality Control) to QA (Quality Assurance) to quality assurance; introduce the Problem Analysis & Conclusions (PAC) system, and You Should Know (YSK) frontline operation guidelines to comprehensively enhance product reliability. Enable rapid market response through effective division of labor and lean operations across the Taiwan Strait, while integrating sustainability concepts and the practice of corporate social responsibility (CSR).

(2) Expected Sales Volume and Its Basis in 2026:

Industry category	Quantity
Semiconductor process equipment	287
Printed circuit board (PCB) process equipment	410
Advanced processes and other electronic applications equipment	466
Total	1,143

Note: Forecast based on current orders, production schedules, delivery timelines, and industry trends.

(3) Key Production & Sales Policies

To better align with the demand trends in semiconductor advanced packaging processes and future AI chips, while considering the planning of process equipment for other industries at the Guangzhou and Kunshan plants, we will implement the following strategic positioning for production and sales policies:

- **Targeted Production Allocation and Operational Flexibility:** Taiwan Linkou Plant, Taichung Plant, and Taichung Second Plant will expand the development of production equipment and capacity preparation for semiconductor advanced packaging processes and future AI chips to meet the demands of the high-end semiconductor market. Meanwhile, the Guangzhou and Kunshan plants will focus on serving process technology and equipment development for other electronic industries such as AI PCB, and IC Substrate, ensuring all facilities flexibly adjust production capacity and technical direction based on market

demands and economic conditions.

- **Comprehensive Solution Provider:** Strengthen the capabilities of Taiwan Linkou Plant and Taichung Plant in providing Total Solution that integrate materials, equipment, and process technologies, with a focus on meeting specialized requirements for advanced processes and AI chip manufacturing-related equipment. The Guangzhou and Kunshan plants will continue enhancing integration and innovation capabilities in other electronic process technologies.
- **Consolidation and Expansion of Regional Leadership:** Taiwan Taichung Plant and Taichung Second Plant will strive to become leaders in semiconductor advanced packaging process equipment, while Taiwan Linkou, Guangzhou, and Kunshan plants will concentrate on solidifying and expanding their market-leading positions in opto-thermal process equipment for AI PCB and other electronic industries across Greater China.
- **High-Efficiency, Energy-Saving, and High-Precision Production Solutions:** Taiwan Taichung Plant and Taichung Second Plant will develop technologies and equipment specifically designed for semiconductor advanced packaging, IC substrates, and HBM (High Bandwidth Memory), emphasizing high performance, energy efficiency, and precision.
- **Active Participation in Innovation and Sustainable Development:** All bases will actively engage in the R&D and application of smart automation, energy reuse, and environmentally sustainable technologies. Each plant will explore and implement innovative technologies and eco-friendly solutions to lead the industry towards a more efficient and more eco-friendly future.

With these strategic adjustments, we aim to satisfy the market demands for semiconductor advanced packaging equipment, strengthen technological innovation, actively secure a leadership position in global semiconductor and electronic equipment industries, and drive the Company’s long-term growth alongside industry advancements.

III. Future Company Development Strategies

Upholding the Company’s consistent business philosophy, we specialize in providing equipment for bonding, lamination, peeling, thermal processing, UV curing, wet processes, and plasma technologies. As AI technologies and their applications (e.g., cloud computing servers, big data analytics, AI model training/inference, and autonomous driving) demonstrate significant growth potential, semiconductor advanced packaging technologies, particularly 2.5D/3D chip stacking, have become critical to meeting these demands. These technologies integrate multiple chips onto a single substrate, reducing interconnect spacing while achiev-

ing advantages such as smaller form factors, lower power consumption, cost savings, and enhanced performance.

As a key equipment supplier to leading global semiconductor manufacturers, we plan to apply innovative technologies to these advanced packaging fields to support the rapid development and emerging needs of AI. By connecting with G2C+ strategic partners in technology and markets, we will leverage decades of accumulated core equipment technologies as a robust operational foundation. We will extend these innovations to other industries, expand business and overseas outreach, and aim to deepen and broaden core technologies and smart automation/AI capabilities, delivering more comprehensive products and services to customers.

IV. Impacts from External Competitive Environment, Regulatory Environment, and Overall Operational Conditions

(I) External Competitive Environment:

As the semiconductor industry continues to advance, Taiwan's leadership in advanced packaging technologies is particularly critical, especially in areas such as CoWoS (Chip on Wafer on Substrate) and HBM (High Bandwidth Memory).

Such technologies powerfully underpin AI, big data, high-performance computing and other cutting-edge applications. As a core player in this progress, the Company has attained global leadership in key equipment for PCB ABF/BT substrate processes, including laminators, film peelers, and IC packaging ovens. Guided by sustained technological innovation, we plan to deepen our presence in Taiwan, Southeast Asia, and Europe/US/Japan markets, particularly in advanced packaging technologies like CoWoS and HBM. We will continue increasing R&D investments and collaborate with G2C+ partners to drive the semiconductor industry toward greater efficiency, sustainability, and innovation.

As global demand for high-performance computing capabilities rises, we are confident that through continuous technological innovation and market strategy adjustments, we will maintain our competitive edge in the global arena. By delivering diversified, high-quality products and services to leading clients worldwide, we aim to pioneer new frontiers in IC substrates, semiconductor advanced packaging, and HBM memory industries.

(II) Regulatory Environment:

C Sun operates with strict legal compliance and social responsibility. Adaptations to regulatory changes are managed through the responsiveness of professional managers and consultations with legal experts to ensure adherence.

(III) Overall Operating Environment:

C Sun's business spans diverse equipment industries, including AI PCB, IC Substrate, SEMI, Advanced Packaging, and Printing & Coating. Evolving customer strategies underscore the growing importance of core competitiveness.

In recent years, influenced by China-U.S. relationships, changes in tariff policies under the Trump administration, and other international situations, the industrial chain and trade ecosystem have undergone significant transformations. We form an amoeba-like team structure with a flat Organization, allowing for flexible collaboration and agile adaptation to significant environmental changes. We also develop multifaceted industry-academia collaborations to deepen and expand core technologies. Chroma and G2C+ alliance partners employ a T-shaped strategy, horizontally connecting alliance partner resources and integrating cross-domain technologies, while vertically embodying the spirit of hidden champions. This has earned Chroma the TSMC Excellent Supplier Award for outstanding performance in 2023 and 2025, recognizing Chroma's excellence in mass production support.

Looking ahead to 2026, C Sun is expanding the lineup of G2C+ Alliance partners to strengthen and deepen existing products and customer relationships through innovative models. We project another doubling of semiconductor equipment revenue share in 2026, aligned with ESG (Environmental, Social, and Governance) and AI trends to explore new industries and applications. In line with the localization trend in the industry, we offer one-stop solutions to meet customer needs. Upholding the ethos of "Collaborative Innovation, Shared Progress," we strive to create greater value for customers, shareholders, and employees while fulfilling our corporate social responsibilities.

Finally, we extend our best wishes to all shareholders



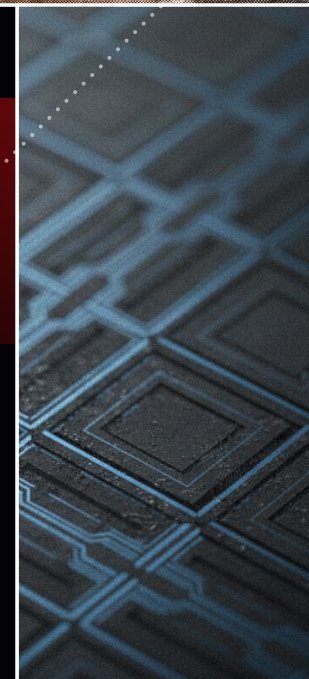
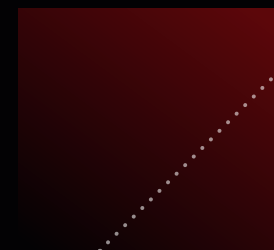
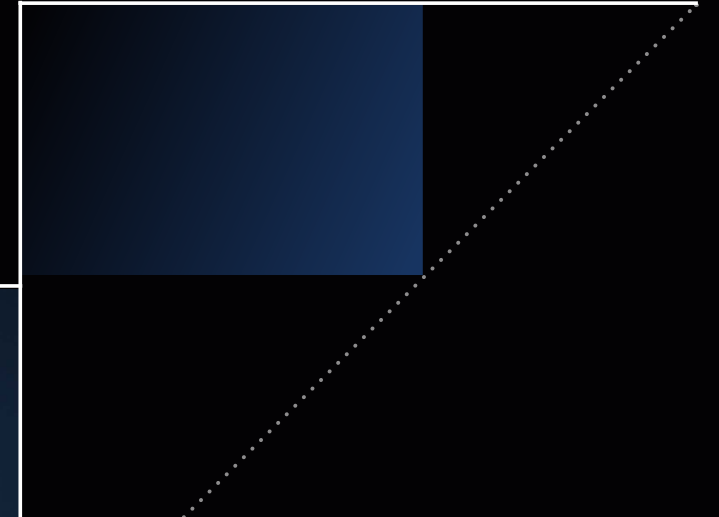
For good health and prosperity in all endeavors.

A handwritten signature in black ink, reading "梁茂生" (Liang Maosheng).

Chairman Morrison Liang

2

Chapter II. Corporate Governance Report



I. Information on Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Officers of Departments and Branches:

(I) Information on Directors and Supervisors:

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term of Office	Date Initially Elected	Shares held when elected (Note 2)		Current shares held (Note 2)		Current shares held by spouse and minors		Shares held under others' names		Major Experience (Educational Background)	Current Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Serving as Executives, Directors, or Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Republic of China	Morrison Liang	Male 71~80 years old	May 27, 2025	3 years	April 18, 1978	2,377,866	1.52%	2,377,866	1.52%	346,222	0.22%	None	—	Bachelor, Department of Chemical Engineering, National Taiwan University 7th Business Administration Executive Program, National Chengchi University Vice Chairman, Taiwan Printed Circuit Association (TPCA) Vice President, Taiwan Electronic Equipment Industry Association (TEEIA) Supervisor, Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT) Vice Chairman, Taiwan Printed Circuit Association Environment Foundation (TPCF) Deputy Director, Taiwan Display Union Association (TDUA)	Director, King Polytechnic Engineering Co., Ltd. Director, Huada Venture Investment Co., Ltd.	General Manager Concurrent CEO	Liang, Yu-Wen	Father & son	Notes 1, 2
Director	Republic of China	Zhen Sheng Co., Ltd.	—	May 27, 2025	3 years	May 27, 2025	1,928,237	1.23%	2,556,237	1.63%	—	—	None	—	—	—	—	—	—	—
		Representative: Liang, Yu-Yuan	Male 41~50 years old	May 27, 2025	3 years	May 27, 2025	7,465	0.00%	2,001	0.00%	—	—	None	—	EMBA, National Chung Hsing University Director, Alpha-Cure Asia Co.,Ltd.	Director of the Company	—	—	—	—
Director	Republic of China	Gallant Precision Machining Co., Ltd.	—	May 27, 2025	3 years	May 27, 2025	19,957,082	12.73%	19,957,082	12.73%	—	—	None	—	—	—	—	—	—	—
		Representative: Yen, Lu	Female 41~50 years old	May 27, 2025	3 years	May 27, 2025	1,000	0%	1,000	0%	—	—	None	—	Master of Integrated Marketing, Northwestern University Vice President and Spokesperson, Tongtai Machine & Tool Co., Ltd. Corporate representative director, Contrel Technology Co., Ltd.	Director of the Company Vice President and Spokesperson, Tongtai Machine & Tool Co., Ltd. Corporate representative director, Contrel Technology Co., Ltd. Legal Representative Director, HONOR SEIKI CO., LTD. Legal Representative Director, Ray Yang Precision Co., Ltd. Chairman, The Hex Chairman, Lu Yan Investment Co., Ltd. Director, Asia Pacific Elite Corp. Director, Fullsun Engineering Technology Co., Ltd. Director, POTZU FORGING CO., LTD.	—	—	—	—
Independent Director	Republic of China	Liu, Shih-Yuan	Male 53 years old	May 27, 2025	3 years	May 27, 2025	—	—	—	—	—	—	None	—	Department of Energy and Refrigerating Air-Conditioning Engineering, National Taipei University of Technology General Manager, Yankey Engineering Co., Ltd.	Independent Director of the Company Chairman, Yankey Engineering Co., Ltd. Chairman, Suzhou Yankey Engineering Co., Ltd. Chairman, Lido investment LTD. Chairman, Yankey Sports & Entertainment Co., Ltd.	—	—	—	—
Independent Director	Republic of China	Tsao, Cheng-Hu	Male 51~60 years old	May 27, 2025	3 years	May 27, 2025	3,000	0%	3,000	0%	2,150	0%	None	—	Bachelor, Department of Applied Physics, Tamkang University Master of Business Administration, University of South Australia President of Greater China, Orbotech Ltd. KLA Corporation, Head of Flat Panel Display Chairman, Orbotech New Technology Co., Ltd. Consultant, Taiwan Electronic Equipment Industry Association (TEEIA) SID Industry Consultant	Independent Director of the Company Independent Director, Contrel Technology Co., Ltd.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term of Office	Date Initially Elected	Shares held when elected (Note 2)		Current shares held (Note 2)		Current shares held by spouse and minors		Shares held under others' names		Major Experience (Educational Background)	Current Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Serving as Executives, Directors, or Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	Republic of China	Lin, Shu-Hsien	Male 51~60 years old	May 27, 2025	3 years	June 13, 2019	—	—	—	—	—	—	None	—	Director, New Materials Corp. Director, Dayu Optoelectronics Co., Ltd. Corporate Representative Director, Shen-Yuan Construction & Development Co., Ltd. Director, Advanced Microsystems Co., Ltd. Sales Manager, G-Tech Optoelectronics Corp. Applications Engineer, KLA-Tencor (USA) Bachelor of Science in Chemical Engineering, Tamkang University	Corporate Representative Supervisor, JM Innovation Investment Co., Ltd. Corporate Representative Chairperson, Tung Ling Freezer Co., Ltd. Director, Darwin Venture Management Co., Ltd. Director, Dayu Optoelectronics Co., Ltd. Corporate Representative Director, Shen-Yuan Construction & Development Co., Ltd. Corporate Representative Director, Contrel Technology Co., Ltd.	—	—	—	—
Independent Director	Republic of China	Liao, Wan-Chun	Female 51~60 years old	May 27, 2025	3 years	May 27, 2025	—	—	—	—	—	—	None	—	PhD in Electrical and Computer Engineering, University of Southern California Dean of Academic Affairs, National Taiwan University Director General, Department of Engineering and Technologies, National Science and Technology Council Chair, Department of Electrical Engineering, National Taiwan University Head of the Network Management Division, Computer and Information Networking Center, National Taiwan University Professor, National Taiwan University	Independent Director of the Company Vice President, National Taiwan University Chair Professor, National Taiwan University Distinguished Professor, Department of Electrical Engineering, National Taiwan University Director, NTU Venture Management Consulting Co., Ltd.	—	—	—	—

※ Major shareholders of corporate shareholders: As detailed in the table below.

Note 1: When the Chairman and the General Manager or equivalent positions (chief managerial officer) are held by the same person, spouse, or relatives within the first degree of kinship, the reason, relevant information on the reasonableness, necessity, and future improvement measures shall be explained (such as methods of increasing the number of seats for Independent Directors and the majority Directors not concurrently being employees or managers):

The reason for the Chairman and the General Manager of the Company being within the first degree of consanguinity is to facilitate the efficiency of the operation and the decision-making process. However, to reinforce the independence of the Board; furthermore, the Chairman also closely and fully communicates with Directors from time to time regarding the Company's recent operations and prepares guidelines to realize corporate governance. Currently, the Company has the following specific measures in place:

- Four current Independent Directors possess expertise in the industrial field and are capable of effectively exerting their supervisory functions.
- The Company arranges Directors to participate in professional directorial programs provided by external institutions on a yearly basis to improve the operating results of the Board.

3. Independent Directors may carry out comprehensive discussions at meetings of functional committees and propose their viewpoints for the Board's reference to realize corporate governance.

4. More than half of the board members do not concurrently serve as employees or managers.

Note 2: 2,200,000 shares held by Chairman Morrison Liang are trust shares under the category of "trust shares with discretion reserved."

Note 3: The re-election of the Company's Directors took place on May 27, 2025; the appointment of the newly elected Directors Morrison Liang, Yu Yuan Liang, Yan Lu, Liu Shiyuan, Cao Zhenghu, Shu Hsien Lin, and Liao Wanjun became effective on May 27, 2025.

(1) Major shareholders of corporate shareholders

Name of the corporate shareholder	Major shareholders of corporate shareholders	Shareholding (%)
Zhen Sheng Co., Ltd.	Liang, Pi-Chen	25%
	Liang, Ching-Min	25%
	Liang, Yu-Yuan	25%
	Liang, Yu-Feng	25%
Gallant Precision Machining Co., Ltd. (Note)	C SUN MFG. LTD.	27.13%
	Treasury Share Special Account of Gallant Precision Machining Co., Ltd.	2.23%
	Mega Bank Custodied Investment Account of Micronics Japan Co., Ltd.	1.65%
	Citibank (Taiwan) Limited Custodied Investment Account of UBS Europe SE	0.55%
	Cho, Yi-Lang	0.48%
	Chen, Cheng-Hsing	0.46%
	Citibank (Taiwan) Limited Custodied Investment Account of DBS Bank Ltd. - External Account Manager JPMorgan Chase & Co.	0.45%
	Jun Peng Investment Co., Ltd.	0.43%
	Deutsche Bank AG, Taipei Branch Custodied Investment Account of The City of New York Group Trust	0.34%
	Deutsche Bank AG, Taipei Branch Custodied Investment Account of California State Teachers' Retirement System Entrusted to External Manager AQR Capital Management, LLC	0.30%

Note 1: For directors and supervisors who are representatives of corporate shareholders, the name of the corporate shareholder should be specified.

Note 2: Fill in the names of major shareholders of corporate shareholders (whose shareholding percentage ranks among the top ten) and their percentage of shareholding. If the major shareholder is a corporate entity, Table 2 should be filled in.

Note 3: If the corporate shareholder is not a company organization, the previously mentioned shareholder's name and percentage of shareholding should be the name of the investor or donor (referenced from Judicial Yuan's announcement inquiry) and their investment or donation percentage. If the donor has passed away, add "deceased."

(2) Major Shareholders of Corporate Shareholders

Name of the corporate shareholder	Major shareholders of corporate shareholders	Shareholding (%)
C Sun MFG. Ltd.	Gallant Precision Machining Co., Ltd.	12.73%
	Hai-Xing Investment Co., Ltd.	11.37%
	Pin-zhi Investment Co., Ltd.	7.91%
	Mao Chung Liang	4.39%
	Morrison Liang	2.92%
	Treasury Share Special Account of C Sun	2.81%
	Norges Bank Investment Account Custodied by Citibank	2.30%
	SPDR Portfolio Emerging Market ETF Special Account under the Custody of Stanrd Chartered	2.19%
	Investment Account of Goldman Sachs International Custodied by HSBC Bank	1.90%
	Jin Tu Jian	1.79%
	Zhen Sheng Co., Ltd.	1.63%
Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.	100%

Note1: If the major shareholder in Table 1 is a corporate entity, the name of the corporate shareholder should be specified.

Note2: Fill in the names of major shareholders of the corporate shareholder (whose shareholding percentage ranks among the top ten) and their percentage of shareholding. If the major shareholder is a corporate entity, Table 2 should be filled in.

Note3: If the corporate shareholder is not a company organization, the previously mentioned shareholder's name and percentage of shareholding should be the name of the investor or donor (referenced from Judicial Yuan's announcement inquiry) and their investment or donation percentage. If the donor has passed away, add "deceased."

(II) Professional Qualifications of Directors and Supervisors, and Disclosure of Independence of Independent Directors:

(1) Professional Qualifications of Directors and Supervisors

Criteria Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of independent director roles in other public companies
Morrison Liang Liang, Yu-Yuan Yen, Lu	For the professional qualifications and experience of the Directors, please refer to Section III, II, (1) "Information on Directors and Supervisors" of this annual report.	N/A	—
			—
			—
Lin, Shu-Hsien Tsao, Cheng-Hu Liu, Shih-Yuan Liao, Wan-Chun		All independent directors meet the following conditions: 1. Compliance with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Compliance Matters of Independent Directors for Public Companies" (Note 2) issued by the Financial Supervisory Commission. 2. The independent director (whether directly or through third parties), their spouse, and minor children hold no shares in the Company. 3. No remuneration has been received within the past two years for providing commercial, legal, financial, or accounting services to the Company or its affiliates.	—
			—
			—
	—		

Note 1: Persons meeting any of the following conditions are disqualified from serving as managers. Incumbent managers are automatically dismissed if any condition applies:

1. Conviction of crimes stipulated in the Organized Crime Prevention Act with a final guilty verdict, where the sentence has not been executed, has not been fully executed, or where less than five years have passed since completion of the sentence, parole period expiration, or pardon.
2. Conviction of fraud, breach of trust, or misappropriation resulting in a final sentence of imprisonment for one year or more, where the sentence has not been executed, has not been fully executed, or where less than two years have passed since completion of the sentence, parole period expiration, or pardon.
3. Conviction of crimes stipulated in the Anti-Corruption Act with a final guilty verdict, where the sentence has not been executed, has not been fully executed, or where less than two years have passed since completion of sentence, parole period expiration, or pardon.
4. Declaration of bankruptcy or court-ordered commencement of liquidation proceedings, with civil rights not yet reinstated.
5. Current suspension of banking transactions due to dishonored negotiable instruments where the penalty period has not expired.
6. Legal incapacity or restricted legal capacity.
7. Subject to a court-ordered guardianship declaration that has not been revoked.

Note 2:

1. Failure to qualify as a government entity, legal entity, or its representative under Article 27 of the Company Act.
2. Concurrent service as an independent director for more than three publicly listed companies.
3. None of the following circumstances occurred two years prior to the election and during the term of office:
(1) An employee of the Company or its affiliates.
(2) A director or supervisor of the Company or its affiliates.
(3) A natural person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or that ranks among the top ten in shareholdings.
(4) A manager as specified in (1) nor a spouse or a direct blood relative within the second degree or third degree of kinship as specified in (2) or (3).
(5) A director, supervisor, or employee that directly holds 5% or more of the Company's total issued shares, or that ranks among the top five shareholders, or that appoints representatives to serve as directors to the Company under Article 27 of the Company Act.
(6) A director, supervisor, or employee of another company with its majority of director seats or voting shares controlled by the same individual.
(7) A director, supervisor, or employee of another company or institution who is, or the person's spouse is, holding the position as the Chairman, President, or equivalent positions of the Company.
(8) A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
(9) A professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, manager, or spouse thereof that provides auditing service for the Company or its affiliates or provides relevant commercial, legal, financial, or accounting services with a cumulative remuneration less than NT\$0.5 million in the latest two years. However, members of the Company's Remuneration Committee are exempt from this restriction.

(2) Board Diversity and Independence:

- A. The Company's Articles of Association stipulate that director elections shall fully adopt a candidate nomination system. The Corporate Governance Best Practice Guidelines and Director Election Regulations further mandate that board composition shall prioritize diversity, with tailored diversity policies aligned with the Company's operations, business model, and developmental needs, including but not limited to standards in two key dimensions: fundamental qualifications/values and professional expertise/skills.
- B. The Company maintains an ongoing director succession plan, establishing a candidate database based on the following criteria:
 - i. Integrity, accountability, innovation, and decision-making capabilities, aligning with the Company's core values and demonstrating professional knowledge and skills essential for corporate governance.
 - ii. Industry experience directly relevant to the Company's business operations.
 - iii. Potential to contribute to an effective, collaborative, and diverse Board that addresses the Company's evolving needs. Proactive efforts to recruit at least two female directors, ensuring the Board's collective expertise spans corporate strategy, accounting and taxation, finance, legal affairs, administrative management, and production management. The Company ensures strict compliance with qualification reviews and regulatory requirements during the selection of director candidates. This process guarantees that vacancies or expansions in Board seats are filled promptly with qualified individuals who meet the Company's governance standards.
- C. The Company has established the "Measures for Board Performance Evaluation," utilizing assessment metrics that include the operational efficiency of board meetings, management of internal relationships and communication, board composition and competencies, and self-assessments by directors. These measures ensure the effective functioning of the Board, evaluate director performance, and provide guidance for future director nominations.

(3) Board Diversity Policy:

- A. The Company's Board Diversity Policy is established in accordance with Chapter 3, Article 20 of the Corporate Governance Best Practice Guidelines, which mandates that the composition of the Board of Directors shall prioritize diversity. The policy formulates appropriate diversity objectives aligned with the Company's operational model, business needs, and developmental goals, including but not limited to the following two dimensions:
 - i. Fundamental Qualifications and Values: Gender, age, nationality, and cultural background.
 - ii. Professional Expertise and Skills: Professional backgrounds (e.g., law, accounting,

industry, finance, marketing, or technology), professional skills, and industry experience.

- B. All Board members shall possess the knowledge, skills, and competencies necessary to fulfill their duties effectively. To achieve the ideal goals of corporate governance, the Board as a whole should possess the following capabilities:
 - i. Operational judgment.
 - ii. Accounting and financial analysis.
 - iii. Management expertise.
 - iv. Crisis management.
 - v. Industry knowledge.
 - vi. Global market perspective.
 - vii. Leadership.
 - viii. Decision-making skills.

(4) Specific Management Objectives for Board Member Diversity:

The Company's Board of Directors is responsible for guiding corporate strategy, overseeing management, and fulfilling duties to the Company and shareholders. All corporate governance procedures and arrangements shall ensure the Board exercises its authority in accordance with laws, Articles of Association, or shareholder resolutions. Specific management objectives are as follows:

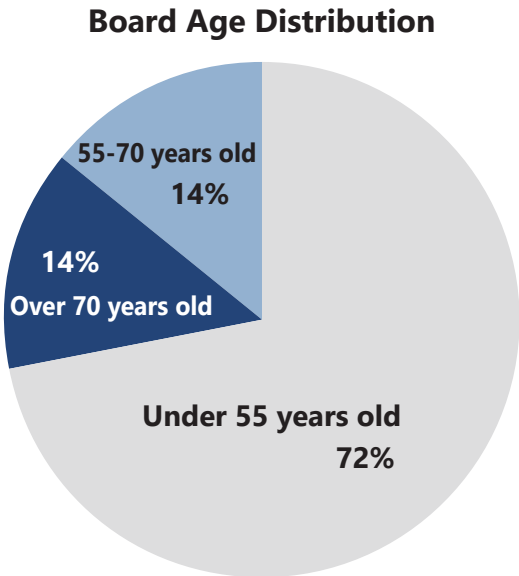
- A. The Company's Board of Directors emphasizes gender equality among members, with the board required to include at least one female director.
- B. The Board prioritizes operational judgment, management capabilities, and crisis handling competence. At least two-thirds of directors must possess expertise in relevant core competencies.
- C. Independent directors shall not serve more than three consecutive terms to maintain independence.
- D. Directors holding employee positions in the Company, its parent, subsidiaries, or affiliates shall not exceed one-third (inclusive) of total board seats to ensure oversight effectiveness.

(5) Implementation Status of Board Member Diversity:

To strengthen corporate governance and promote a healthy board structure, the Company considers diversity in its board composition. In accordance with our operational model and developmental needs, we follow an appropriate diversity policy for the selection of board members. All directors possess the necessary knowledge, skills, professional character, and industry decision-making and management capabilities required to perform their duties. Furthermore, the Company continues to arrange diverse professional development courses

for directors to enhance their decision-making quality, fulfill their supervisory responsibilities, and further strengthen board functions.

The Company's current Board of Directors consists of 7 members, including 4 Independent Directors (representing 57.14%). None of the 4 Independent Directors have served more than three consecutive terms, ensuring the independence of the Board. Two members currently hold concurrent employee status (representing 28.6%), and there are 2 female directors (representing 28.6%).



The Company places great importance on the professionalism, diversity, and independence of the Board of Directors, and continues to optimize the board structure in accordance with the "Corporate Governance Best Practice Principles." Board members possess diverse and complementary professional backgrounds, covering fields such as industry experience, business management, finance and accounting, law, risk management, and corporate governance. Furthermore, they possess practical experience in managing listed companies and hold extensive management credentials. With their respective professional backgrounds in relevant industries—combined with the specialized knowledge, skills, and professional character necessary to fulfill their duties—these members effectively enhance the Board's decision-making quality and supervisory functions.



Achievement Rate

Where seats held by any one gender on the Board of Directors represent less than one-third of the total, the Company shall specify the reasons and the planned measures to increase gender diversity:

- (A) Explanation of Reasons: The Company attaches great importance to gender equality and diversity among Board members. Currently, male directors account for 71.4% (5 members) and female directors account for 28.6% (2 members). The failure to reach the one-third threshold is due to the specific technical background requirements of our industry, which has made it difficult to identify and recruit suitable female professionals in the short term.
- (B) Measures Taken: The Company has planned to seek talent recommendations through multiple channels, including industry and academic institutions, to increase the number of female directors during the next board re-election upon the expiration of the current term. The Company expects to add 1 to 2 female directors to ensure that any one gender accounts for at least one-third of the board seats. This will fulfill our board diversity policy and enhance decision-making quality and governance effectiveness.

The current seven Board members exhibit diverse professional backgrounds spanning multiple industries, academia, and legal expertise. The implementation status of the board diversity policies is set out in the following table:

Implementation status of the board diversity policies							
Title	Chairman	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Morrison Liang	Liang, Yu-Yuan	Yen, Lu	Lin, Shu-Hsien	Tsao, Cheng-Hu	Liu, Shih-Yuan	Liao, Wan-Chun
Over 70 years old	●						
Age 55-70							●
Under the age of 55		●	●	●	●	●	
Concurrently an employee of the Company	●	●					
Professional Knowledge and Skills							
Business	●	●	●	●	●	●	●
Technology	●	●	●	●	●	●	●
Finance/accounting		●			●		
Marketing	●	●	●			●	
Core Competencies and Experience							
Leadership	●	●	●	●	●	●	●
Ability to make decisions	●	●	●	●	●	●	●
International viewpoints	●	●	●	●	●	●	●
Industrial knowledge	●	●	●	●	●	●	●
Financial management ability	●	●			●		
Operation and manufacturing	●	●	●	●	●	●	●
Business development	●	●		●	●	●	●
Risk management/crisis management	●	●	●	●	●	●	●
Sustainable environment	●	●			●	●	●
Social participation	●	●	●		●	●	●

(III) Continuing Education of Directors and Independent Directors

Title	Name	Date of continuing education		Sponsor	Program	Hours of continuing education
		Start	Until			
Director	Morrison Liang	May 5, 2025	May 5, 2025	Taiwan Corporate Governance Association (TCGA)	Trump 2.0, the Death of Globalization, and Regional Wars	3
		October 3, 2025	October 3, 2025	Securities and Futures Institute (SFI)	2025 Insider Trading Prevention Seminar	3
Director	Liang, Yu-Yuan	June 24, 2025	June 24, 2025	Securities and Futures Institute (SFI)	Director and Supervisor (including Independent) and Corporate Governance Officer Practical Training Course	12
Director	Yen, Lu	July 11, 2025	July 11, 2025	Taiwan Institute of Directors (TWIOD)	Practice of Implementing Multigenerational Talent Management and Sustainability Guidelines IFRS S1/S2	6
Independent Director	Lin, Shu-Hsien	February 18, 2025	February 18, 2025	Taiwan Corporate Governance Association (TCGA)	How does the Board of Directors respond to the 12 ESG risk issues?	3
		February 21, 2025	February 21, 2025	Taiwan Corporate Governance Association (TCGA)	[Director Alliance] Current Global Economic Situation	1
		March 11, 2025	March 11, 2025	Taiwan Corporate Governance Association (TCGA)	Trump 2.0, the Death of Globalization, and Regional Wars	3
		April 25, 2025	April 25, 2025	Taiwan Corporate Governance Association (TCGA)	Design of Executive Manager Remuneration and ESG Performance System	3
Independent Director	Tsao, Cheng-Hu	July 9, 2025	July 9, 2025	Taiwan Stock Exchange Corporation and Cathay Financial Holding Co., Ltd.	2025 Cathay Sustainable Finance and Climate Change Summit	6
		July 25, 2025	July 25, 2025	Securities and Futures Institute (SFI)	2025 Seminar on Legal Compliance for Insider Share Trading	3
		November 14, 2025	November 14, 2025	Taiwan Corporate Governance Association (TCGA)	The Digital Financial Revolution: Principles of Stablecoins and Development Trends of Blockchain Virtual Assets	2.5
		November 21, 2025	November 21, 2025	Securities and Futures Institute (SFI)	2025 Seminar on Legal Compliance for Insider Share Trading	3
		December 5, 2025	December 5, 2025	Taiwan Corporate Governance Association (TCGA)	Legal Responsibility Analysis of Misleading Sustainability Information Disclosure (Greenwashing)	3
Independent Director	Liao, Wan-Chun	July 25, 2025	July 25, 2025	Securities and Futures Institute (SFI)	2025 Seminar on Legal Compliance for Insider Share Trading	3
		October 3, 2025	October 3, 2025	Securities and Futures Institute (SFI)	2025 Insider Trading Prevention Seminar	3
Independent Director	Liu, Shih-Yuan	November 26, 2025	November 26, 2025	Taiwan Project Management Association (TPMA)	Continuing Education Course for Directors of Listed Companies - Succession Team Building and Talent Development	3
		November 27, 2025	November 27, 2025	Corporate Operating and Sustainable Development Association of the Republic of China	Promote corporate sustainable development through risk management.	3
Note: Refer to the number of hours, scope, system, arrangement for continuing education, and information disclosure required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies."						

(IV) Information on General Manager, Vice General Managers, Assistant Managers, Directors of Departments and Branches

Title	Name	Gender	Nationality	Date of election (appointment)	Number of Shares Held		Shares held by spouse and minor children		Under others' names		Major Experience (Educational Background)	Concurrent positions in other companies	Managers with spouse or relatives within the second degree of kinship			Issuance Status of Employee Stock Option Warrants to Managers	Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship		
General Manager and Concurrent CEO	Liang, Yu-Wen	Male	Republic of China	February 25, 2026	2,167,861	1.38%	-	-	None	-	The 40th Class, Executives Program, Graduate School of Business Administration, National Chengchi University Being granted the degree of Master of Business Administration (MBA), Washington State University (WSU) Being granted the degree of Master of Laws, Northwestern University Completed the Business Administration Courses at Northwestern University Supervisor, Viewmove Technologies, Inc.	Chairman and CEO, Gallant Micro. Machining Co., Ltd. Director, Taiwan Printed Circuit Association (TPCA) Chairman, Top Creation Machines Co., Ltd. Chairman, Power Ever Enterprises Limited (SAMOA) Director, Good Team International Enterprises Limited Director, Suzhou Top Creation Machines Co., Ltd. Director, Nantong Top Creation Machines Co., Ltd. Supervisor, Kuang Shin Venture Capital Co., Ltd. Legal Representative Director, Phoenix Silicon International Corporation Independent Director, Contrel Technology Co., Ltd. Chairman/Representative of Corporate Director, Navigation Technology Co., Ltd. Vice Chairman and CEO, Gallant Precision Machining Co., Ltd. Independent Director, YU-CHEN SYSTEM TECHNOLOGY CORP. Legal Representative Director, Dunpin No. 1 Innovation Investment Co., Ltd. Legal representative Director, National Taiwan University Alumni Venture Investment Management Consulting Co., Ltd.	None	None	None	-	None
Deputy General Manager	Wang, Chien-Hung	Male	Republic of China	August 1, 2020	68,018	0.04%	664	0.00%	None	-	Lee-Ming Institute of Technology / Mechanical Engineering	Chairman, Csun Technology (Guangzhou) Co., Ltd.	None	None	None	-	None
Vice President of Administration	Tung, Pao-Wei	Male	Republic of China	February 25, 2026	127,113	0.08%	-	-	None	-	Tunghai University/Business Administration	None	None	None	None	-	None
Chief Operating Officer	Tseng, Wen-Chin	Male	Republic of China	August 5, 2025	60,372	0.04%	-	-	None	-	Graduated with a Master's degree in Mechatronics Engineering from National Changhua University of Education Graduated with a Bachelor's degree in the Department of Mechanical Engineering, Feng Chia University	Legal Representative Director, Viewmove Technologies, Inc.	None	None	None	-	None
Chief Operating Officer	Lu, Pang-Chao	Male	Republic of China	August 5, 2025	30,610	0.02%	-	-	無	-	Graduated with a Master's degree in the Institute of Mechanical Engineering, National Chung Hsing University	None	None	None	None	-	None
Assistant Manager	Wu, Yen-Cheng	Male	Republic of China	October 5, 2018	103,301	0.07%	-	-	無	-	Graduated with a Master's degree in Distribution Management, National Chin-Yi University of Technology	Supervisor, Navigation Technology Co., Ltd.	None	None	None	-	None

Note 1: Information shall be disclosed for the General Manager, Deputy General Manager, Assistant Manager, heads of all departments and branch offices, as well as any positions equivalent to General Manager, Deputy General Manager or Assistant Manager, regardless of their titles.

Note 2: For experiences related to current positions, when any manager held positions in the CPA's firm or its affiliates during the above period, the positions held, and responsible duties shall be described.

Note 3: Where the positions of General Manager and the Chairman or equivalent position (top executive) are held by the same person, by married couples, or by relatives within the first degree of consanguinity, the information relevant to the reason, rationality, necessity, and measures to be taken shall be disclosed (such as an increase of the number of independent directors, and the requirement that more than half of the Directors should not concurrently serve as employees or managers): The reason for the Chairman and General Manager of the Company being within the first degree of consanguinity is to facilitate the efficiency of the operation and the

decision-making process and to reinforce the independence of the Board. The Chairman and the General Manager also closely and fully communicates with Directors from time to time regarding the Company's recent operations and prepares guidelines to realize corporate governance. Currently, the Company has the following specific measures in place:

- Incumbent Independent Directors possess expertise in the industrial field and are capable of effectively exerting their supervisory functions.
- The Company arranges Directors to participate in professional directorial programs provided by external institutions on a yearly basis to improve the operating results of the Board.
- Independent Directors may carry out comprehensive discussions at meetings of functional committees and propose their viewpoints for the Board's reference to realize corporate governance.
- The majority of Directors are not concurrently employees or managers.

(V) Remuneration Paid to Directors, Independent Directors, Presidents, and Vice Presidents in the Recent Fiscal Year

(1) Remuneration of General Directors and Independent Directors

(Disclose the Name and the Corresponding Remuneration Separately):

Unit: NT\$/Thousand

Title	Name	Remuneration of Directors								Ratio of the sum of items A, B, C, and D to net profit after tax (%) (Note 10)		Relevant remuneration received by Directors who are also employees								The total amount of items A, B, C, D, E, F and G as a % of the Net Profits After Tax (Note 10)		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company (Note 11)
		Compensation (A)		Severance pay and retirement pension (B)		Remuneration of Directors (C)		Allowances for Business Execution (D) (Note 4)				Salaries, bonus, and allowance (E) (Note 5)		Remuneration of Directors (F)		Remuneration of Employees (G) (Note 6)						
		(Note 2)				(Note 3)																
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)	
		Amount in cash	Amount in shares	Amount in cash	Amount in shares																	
Chairman	Morrison Liang	-	-	-	-	4,717	4,717	-	-	4,717 0.57%	4,717 0.57%	9,589	9,589	77	77	312	-	312	-	14,695 1.77%	14,695 1.77%	-
Vice Chairman	Mao Chung Liang	-	-	-	-	1,589	1,589	-	-	1,589 0.19%	1,589 0.19%	4,490	4,490	8,397	8,397	-	-	-	-	14,476 1.74%	14,476 1.74%	-
Director	Hsien Ho Shen	-	-	-	-	1,589	1,589	50	50	1,639 0.20%	1,639 0.20%	-	-	-	-	-	-	-	-	1,639 0.20%	1,639 0.20%	-
Director	Cheng Hsing Chen	-	-	-	-	1,589	1,589	50	50	1,639 0.20%	1,639 0.20%	-	-	-	-	-	-	-	-	1,639 0.20%	1,639 0.20%	-
Director	Zhen Sheng Co., Ltd. Representative: Yu Yuan Lianag	-	-	-	-	1,690	1,690	50	50	1,740 0.21%	1,740 0.21%	1,555	1,555	58	58	19	-	19	-	3,372 0.41%	3,372 0.41%	-
Director	Gallant Precision Machining Co., Ltd. Representative: Yan Lu	-	-	-	-	1,740	1,740	60	60	1,800 0.22%	1,800 0.22%	-	-	-	-	-	-	-	-	1,800 0.22%	1,800 0.22%	-
Independent Director	Chih Yuan Chu	-	-	-	-	1,589	1,589	50	50	1,639 0.20%	1,639 0.20%	-	-	-	-	-	-	-	-	1,639 0.20%	1,639 0.20%	-
Independent Director	Ming Chieh Lin	-	-	-	-	1,589	1,589	50	50	1,639 0.20%	1,639 0.20%	-	-	-	-	-	-	-	-	1,639 0.20%	1,639 0.20%	-
Independent Director	Liu Shiyuan	-	-	-	-	3,479	3,479	110	110	3,589 0.43%	3,589 0.43%	-	-	-	-	-	-	-	-	3,589 0.43%	3,589 0.43%	-
Independent Director	Liu, Shih-Yuan	-	-	-	-	1,740	1,740	60	60	1,800 0.22%	1,800 0.22%	-	-	-	-	-	-	-	-	1,800 0.22%	1,800 0.22%	-
Independent Director	Cao Zhenghu	-	-	-	-	2,041	2,041	60	60	2,101 0.25%	2,101 0.25%	-	-	-	-	-	-	-	-	2,101 0.25%	2,101 0.25%	-
Independent Director	Liao Wanjun	-	-	-	-	1,639	1,639	50	50	1,689 0.20%	1,689 0.20%	-	-	-	-	-	-	-	-	1,689 0.20%	1,689 0.20%	-

Note: The members of the Board of Directors were fully re-elected on May 27, 2025.

1. Please describe the remuneration payment policy, system, standards, and structure, and the connectivity with the duties and risks assumed and time invested by the Independent Director:

- (1) The remuneration for directors of the Company includes compensation and operational execution fees.
- (2) Items for assessing the remuneration of directors: operational performance, sustainability performance, and industry standards.
- (3) Director remuneration is determined by the Board of Directors in accordance with the Company's Articles of Association, based on their level of participation in the Company's operations, the value of their contributions, and prevailing domestic and international industry standards.

(4) The Articles of Association also stipulate that director remuneration shall not exceed 2.25% of the annual profit.

The principles for paying director compensation are as follows:

- i. Independent directors all serve as audit committee members and compensation committee members. Considering their responsibilities, assumed risks, and time commitment, a reasonable remuneration is separately determined.
- ii. Business execution expenses are travel allowances, paid according to the number of meetings attended.
- iii. Except for the disclosures made in the above table, remuneration received by Directors for providing services (such as being a non-employee consultant) to all companies in the financial report for the Latest year: None.

*Please separately set out the information related to Directors (General Directors who are not Independent Directors) and Independent Directors.

(2) Remuneration Range Table:

Remuneration ranges for the directors of the Company	2025			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Below NT\$1,000,000	—	—	—	—
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Representative of Zhen Sheng Co., Ltd.: Yu Yuan Liang, Representative of Gallant Precision Machining Co., Ltd.: Lu Yan, Zhu Zhiyuan, Lin Mingjie, Liu Shiyuan, Liao Wanjun	Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Representative of Zhen Sheng Co., Ltd.: Yu Yuan Liang, Representative of Gallant Precision Machining Co., Ltd.: Representative: Yan Lu, Chih Yuan Chu, Ming Chieh Lin, Liu Shiyuan, Liao Wanjun	Hsien Ho Shen, Cheng Hsing Chen, Representatives of Gallant Precision Machining Co., Ltd.: Yan Lu, Chih Yuan Chu, Ming Chieh Lin, Liu Shiyuan, Liao Wanjun	Hsien Ho Shen, Cheng Hsing Chen, Representatives of Gallant Precision Machining Co., Ltd.: Yan Lu, Chih Yuan Chu, Ming Chieh Lin, Liu Shiyuan, Liao Wanjun
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Cao Zhenghu	Tsao, Cheng-Hu	Zhen Sheng Co., Ltd. Representative: Liang, Yu-Yuan 、Tsao, Cheng-Hu	Zhen Sheng Co., Ltd. Representative: Liang, Yu-Yuan 、Tsao, Cheng-Hu
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Morrison Liang, Shu Hsien Lin	Morrison Liang, Shu Hsien Lin	Shu Hsien Lin	Shu Hsien Lin
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—	Morrison Liang, Mao Chung Liang	Morrison Liang, Mao Chung Liang
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—	—	—
Above NT\$100,000,000	—	—	—	—
Total	—	—	—	—

Note 1: Name of the Directors shall be set out separately (title of the corporate shareholder and the name of the representative shall be set out separately for a corporate shareholder), and general Directors and Independent Directors shall be set out separately to disclose the amount of different payment in aggregate.

Note 2: Refers to the remuneration for directors in the most recent year (including directors' salaries, position bonuses, severance payments, various bonuses, incentives, etc.).

Note 3: Refer to the amount of Director's remuneration distributed after being passed by the Board for the Latest year.

Note 4: Refers to the relevant business execution expenses for directors in the most recent year (including travel expenses, special expenses, various allowances, and in-kind provision such as dormitories and vehicles). When providing housing, vehicles, other means of transportation, or personal expenses, the nature and cost of the assets provided, the actual or fair market value-based rent, fuel costs, and other payments should be disclosed. For personal driver provided, please provide explanations on relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration.

Note 5: Refer to salaries, duty allowance, severance pay, bonuses, incentives, traffic allowance, special allowance, subsidies, dormitory, vehicle, and other benefits in kind received by Directors who are also employees (including concurrently holding the position as General Manager, Deputy General Manager, other managers, and employees) for the latest year. When providing housing, vehicles, other means of transportation, or personal expenses, the nature and cost of the assets provided, the actual or fair market value-based rent, fuel costs, and other payments should be disclosed. For personal driver provided, please provide explanations on relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration. Furthermore, salary expenses recognized according to IFRS 2 "Share-based Payment" (including employee stock options, restricted stock awards, and participation in share subscription for the capital increase by cash) shall be included in the remuneration.

Note 6: Refer to remuneration of employees received by Directors who are also employees (including concurrently holding the position as General Manager, Vice General Manager, other managers, and employees) for the Latest year; the amount of employees' remuneration distributed after being passed by the Board for the Latest year shall be disclosed; where it is unable to make such estimations, calculated the amount to be distributed for the year based on the ratio of the actual distribution amount in the preceding year, and otherwise complete Schedule 1-3.

Note 7: The total remuneration paid to the Company's Directors by all companies in the consolidated report (including the Company) shall be disclosed.

Note 8: Regarding the total remuneration paid to the Directors by the Company, the names of Directors are disclosed in the corresponding range of their remuneration.

Note 9: The total remuneration paid to the Company's Directors by all companies in the consolidated report (including the Company) shall be disclosed, and the names of Directors shall be disclosed in the corresponding range of their remuneration.

Note 10: Tax net profit refers to the net profit after tax for the most recent fiscal year of the individual or separate financial report.

Note 11:

- a. The column shall explicitly set out the relevant remuneration amount received by the Company's Directors from investee companies other than subsidiaries or the parent company (please fill in "None" when there is no such amount).
 - b. For relevant remuneration received by the Company's Directors from investee companies other than subsidiaries or the parent company, the remuneration received by the Company's Directors from investee companies other than subsidiaries or the parent company shall be included in column I in the table of remuneration range, and the title of the column shall be altered as "Parent company and all investee companies."
 - c. The remuneration refers to relevant remuneration such as compensation, remuneration (including remuneration of employees, Directors, and supervisors), and business execution expenses received by the Company's Directors due to being directors, supervisors, or managers of investee companies other than subsidiaries or the parent company.
- *The remuneration disclosed in this table is different from the concept of income under the Income Tax Law, so the purpose of this table is for information disclosure and not for taxation.

(3) Remuneration of General Manager and Vice General Managers

(Disclose the Name and the Corresponding Remuneration Separately):

Unit: NT\$/Thousand

Title	Name	Salaries (A) (Note 2)		Severance pay and retirement pension (B)		Bonuses and allowance (C) (Note 3)		Remuneration of Employees (D) (Note 4)				Ratio of the sum of items A, B, C, and D to net profit after tax (%) (Note 8)		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company (Note 9)
		The Company	All Companies in the Financial Statements (Note 5)	The Company	All Companies in the Financial Statements (Note 5)	The Company	All Companies in the Financial Statements (Note 5)	The Company		All Companies in the Financial Statements (Note 5)		The Company	All companies in the financial report	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
CEO	Morrison Liang	2,424	2,424	77	77	7,165	7,165	312	-	312	-	9,978 1.20%	9,978 1.20%	-
Deputy Executive Officer	Liang, Mao-Chung	1,406	1,406	8,397	8,397	3,084	3,084	-	-	-	-	12,887 1.55%	12,887 1.55%	-
General Manager	Liang, Yu-Wen	2,836	3,899	108	108	20,489	20,754	891	-	891	-	24,324 2.96%	25,652 3.09%	-
Deputy General Manager	Wang, Chien-Hung	1,950	1,950	108	108	1,551	1,551	67	-	67	-	3,676 0.44%	3,676 0.44%	-
Chief Operating Officer	Tseng, Wen-Chin	1,788	1,788	95	95	3,997	3,997	174	-	174	-	6,054 0.73%	6,054 0.73%	-
Chief Operating Officer	Lu, Pang-Chao	1,714	1,714	87	87	4,072	4,072	177	-	177	-	6,050 0.73%	6,050 0.73%	-

*Regardless of the title, positions equivalent to General Managers and Vice General Managers (such as president, CEO, and COO) shall be disclosed.

(4) Remuneration Range Table:

Grades of remuneration paid to the Company's General Manager and Vice General Managers	2025	
	The Company (Note 6)	All Companies in the Financial Statements (Note 7)
Below NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Chien Hung Wang	Chien Hung Wang
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Morrison Liang/Wen Chin Tseng/ Lv Bang-Chao	Morrison Liang/Wen Chin Tseng/ Lv Bang-Chao
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Mao Chung Liang	Mao Chung Liang
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Yu Wen Liang	Yu Wen Liang
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—
Above NT\$100,000,000	—	—
Total	—	—

Note 1: Name of the General Manager and Vice General Managers shall be set out separately to disclose the amount of different payments in aggregate.

Note 2: Refer to the salaries, duty allowance, and severance pay of the General Manager and Vice General Managers for the Latest year.

Note 3: Refer to bonuses, incentives, traffic allowance, special allowance, subsidies, dormitory, vehicle, and other benefits in kind received by General Manager and Vice General Managers for the latest year. When providing housing, vehicles, other means of transportation, or personal expenses, the nature and cost of the assets provided, the actual or fair market value-based rent, fuel costs, and other payments should be disclosed. For personal driver provided, please provide explanations on relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration. Furthermore, salary expenses recognized according to IFRS 2 "Share-based Payment" (including employee stock options, restricted stock awards, and participation in share subscription for the capital increase by cash) shall be included in the remuneration.

Note 4: Refer to the amount of employees' remuneration (including shares and cash) of General Manager and Vice General Managers distributed after being passed by the Board for the latest year.

Note 5: The total remuneration paid to the Company's General Manager and Vice General Managers by all companies in the consolidated report (including the Company) shall be disclosed.

Note 6: Regarding the total remuneration paid to the General Manager and Vice General Managers by the Company, the names of General Manager and Vice General Managers are disclosed in the corresponding range of their remuneration.

Note 7: The total remuneration paid to the Company's General Manager and Vice General Managers by all companies in the consolidated report (including the Company) shall be disclosed, and the names of General Manager and Vice General Managers shall be disclosed in the corresponding range of their remuneration.

Note 8: Tax net profit refers to the net profit after tax for the most recent fiscal year of the individual or individual financial report.

Note 9:

- a. The column shall explicitly set out the relevant remuneration amount received by the Company's General Manager and Vice General Managers from investee companies other than subsidiaries or the parent company (please fill in "None" when there is no such amount).
- b. For relevant remuneration received by the Company's General Manager and Vice General Managers from investee companies other than subsidiaries or the parent company, the remuneration received by the Company's General Manager and Vice General Managers from investee companies other than subsidiaries or the parent company shall be included in column I in the table of remuneration range, and the title of the column shall be altered as "Parent company and all investee companies."
- c. The remuneration refers to relevant remuneration such as compensation, remuneration (including remuneration of employees, Directors, and supervisors), and business execution expenses received by the Company's General Manager and Vice General Managers due to being directors, supervisors, or managers of investee companies other than subsidiaries or the parent company.

*The remuneration disclosed in this table is different from the concept of income under the Income Tax Law, so the purpose of this table is for information disclosure and not for taxation.

(5) Names of the managers assigning employee remuneration and the status of assignments:

Title ^(Note 1)		Name ^(Note 1)	Amount in shares	Amount in cash	Total	Ratio of the sum to the net profit after tax (%)
Manager	CEO	Morrison Liang	—	2,082	2,082	0.25%
	Deputy Executive Officer	Mao Chung Liang				
	General Manager	Yu Wen Liang				
	Deputy General Manager	Chien Hung Wang				
	Chief Operating Officer	Wen Chin Tseng				
	Chief Operating Officer	Lv Bang Chao				
	Assistant Manager	Pao Wei Tung				
	Assistant Manager	Wu, Yen-Cheng				
	Assistant Manager	Yen Cheng Wu				
	Chief of Finance	Qiong Yao Zhang				
	Chief Accountant	Chiu Yen Lai				

Note 1: Name and titles shall be set out separately to disclose the profit distribution in aggregate.

Note 2: This section reflects the employee compensation amount (including stocks and cash) for managers approved by the Board of Directors for the most recent fiscal year. If the amount cannot be reasonably estimated, the proposed allocation is calculated based on the prior year's actual distribution ratio. Net profit after tax refers to the net profit after tax for the Latest Year; for those who had adopted IFRSs, net profit after tax refers to the net profit after tax in the individual or standalone financial report for the Latest Year.

Note 3: Applicable scope of managers: According to the requirements under the Letter Tai-Cai-Zheng-San-Zi No. 0920001301 issued by the former Securities and Futures Bureau on 27 March 2003, the scope is as follows:

- (1) Those equivalent to General Manager
- (2) Those equivalent to Vice General Managers
- (3) Those equivalent to assistant managers
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons with rights to sign for management affairs of the Company

(VI) Provide a comparative analysis of the ratio of remuneration paid to the Company's directors, supervisors, general manager, and deputy general managers to after-tax net income for the Company and all entities included in the consolidated financial statements over the past two fiscal years, and explain the policies, criteria, and composition of such remuneration, the procedures for determining remuneration, and its relationship to operating performance:

1. Policies, standards, and composition of remuneration, procedures for determining remuneration, and its correlation with operational performance.

(1) Performance evaluation of directors and managers, as well as remuneration policies, are as follows:

C Sun references market salary standards and industry norms to formulate remuneration schemes for directors and managers. In the process of determining remuneration, the following factors are comprehensively considered to ensure fairness and competitiveness:

- Responsibilities undertaken and time invested
- Achievement of goals and individual performance
- Overall performance in other positions
- Salary standards for equivalent positions in recent years

Moreover, C Sun evaluates the reasonable correlation between individual performance, business outcomes, and future risks, while balancing short-term and long-term business objectives and financial conditions to ensure the rationality and robustness of the remuneration mechanism.

(2) Remuneration Policy

According to Article 31 of the Articles of Association of the Company, if the company makes a profit in any given year, it shall allocate 1% to 9% of the profits as employee remuneration, which will be distributed by the Board of Directors in the form of stocks or cash. The distribution targets include employees of affiliated companies who meet certain criteria.

And at least 45% of the aforementioned remuneration for employees shall be allocated as compensation for grassroots employees.

The Company may allocate up to 2.25% of the aforesaid profits as director remuneration, subject to the resolution of the Board of Directors. The proposal on allocating the remuneration for employees and directors shall be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios.

(3) Manager Remuneration Policy

C Sun's manager remuneration system is closely linked to the Company's operational performance, aiming to enhance operational efficiency and create long-term shareholder value. The remuneration structure includes:

- Fixed Salary: Provides stable remuneration to attract and retain top talent.
- Variable Bonuses: Distributed based on individual performance and corporate operational results to motivate the management team to improve performance.

To ensure that the remuneration system aligns with the Company's operational performance and sustainability strategy, starting from 2023, variable remuneration will be linked to sustainability strategies and goals to promote long-term business operations. Furthermore, when determining the compensation of senior executives, the Compensation Committee collaborates with external professional compensation consultants to ensure that the remuneration is competitive in the market and aligns with market trends.

(4) Duties and Operations of the Remuneration Committee

The Remuneration Committee is responsible for regularly reviewing the performance evaluation standards, remuneration policies, and systems for directors and managers, ensuring they align with the Company's development strategy and market levels. The review of annual performance targets and remuneration allocation content must be confirmed and approved by the Remuneration Committee.

In 2025, the attendance rate of the Remuneration Committee was 91.7%, and the Board of Directors fully adopted the recommendations of the Remuneration Committee without any modifications or rejections. Through the sound operation of the Remuneration Committee, C Sun ensures that the performance evaluation and remuneration decisions for directors and managers comply with reasonable standards, safeguarding the Company's interests and demonstrating transparency and regular review of the remuneration system.

II. Operations of Corporate Governance:

(I) Operations of the Board of Directors:

(1) In the most recent year, the Board held 11 meetings (A), and the attendance records of directors and independent directors are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
Chairman	Morrison Liang	11	0	100	Re-elected on May 27, 2025
Vice Chairman	Mao Chung Liang	4	0	100	-
Director	Hsien Ho Shen	3	1	75	-
Director	Cheng Hsing Chen	4	0	100	-
Independent Director	Ming Chieh Lin	4	0	100	-
Independent Director	Chih Yuan Chu	4	0	100	-
Independent Director	Shu Hsien Lin	11	0	100	Re-elected on May 27, 2025
Director	Yu Yuan Liang	6	0	85.71	Newly appointed on May 27, 2025
Director	Representative: Yan Lu	7	0	100	Newly appointed on May 27, 2025
Independent Director	Cao Zhenghu	7	0	100	Newly appointed on May 27, 2025
Independent Director	Liu Shiyuan	7	0	100	Newly appointed on May 27, 2025
Independent Director	Liao Wanjun	4	1	57.14	Newly appointed on May 27, 2025

Term	19th Term						
Date	May 27, 2025	June 04, 2025	August 05, 2025	September 08, 2025	October 07, 2025	November 07, 2025	December 19, 2025
Morrison Liang	V	V	V	V	V	V	V
Yu Yuan Liang	V	V	V	V	-	V	V
Representative: Yan Lu	V	V	V	V	V	V	V
Cao Zhenghu	V	V	V	V	V	V	V
Liu Shiyuan	V	V	V	V	V	V	V
Liao Wanjun	-	-	V	V	-	V	V
Shu Hsien Lin	V	V	V	V	V	V	V

Other matters required to be recorded:			
I. If any of the following circumstances occurred during Board operations, the meeting date, session, proposal content, opinions of all independent directors, and the Company's handling of such opinions should be described:			
(1) Matters set out in Article 14-3 of the Securities Exchange Act: The Company has established an Audit Committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Law. For explanations on matters set out in Article 14-5 of the Securities Exchange Act, please refer to "Audit Committee Operations" in the Annual Report.			
(2) Other resolutions of the Board of Directors that have been opposed or reserved by independent directors with records or written statements, apart from the above matters: None.			
II. Implementation of directors' abstention from matters involving conflicts of interest:			
Name	Motion content	Reason for abstention due to interests	Voting participation status
Morrison Liang	Proposal for Director Remuneration Allocation	Related to directors' own interests	Not participating in voting
III. Objectives for strengthening the functions of the Board (such as the establishment of the Audit Committee and improvement of information transparency) during the current year and the latest year and the execution evaluation:			
(1) Establish the discussion methods for proposals related to strategic operations.			
(2) The Company is committed to improving information transparency; relevant information is published on the Market Observation Post System (MOPS) to safeguard shareholders' interests.			
(3) The Company has established its Remuneration Committee, responsible for assisting the Board in regular evaluation and examine the policies, systems, standards, and structures of performance evaluation and remuneration of Directors and managers.			
(4) On November 7, 2025, the Company resolved through the Board of Directors to integrate the original "Sustainable Operation Committee" and "Risk Management Committee," renaming it as the "Sustainable Development and Risk Management Committee," and established the "Organizational Guidelines for the Sustainable Development and Risk Management Committee." The Company will continue to strengthen governance resilience, balancing the interests of stakeholders such as employees, shareholders, customers, and suppliers, and fulfill its responsibilities as a corporate citizen.			

Note 1: For directors and supervisors who are legal entities, the names of the legal shareholders and their representatives should be disclosed.

Note 2:

(1) For directors and supervisors who resign before the end of the fiscal year, the resignation date should be noted in the remarks column, and the actual attendance rate (%) should be calculated based on the number of board meetings attended during their tenure.

(2) For any re-election of directors or supervisors before the end of the fiscal year, both the outgoing and incoming directors/supervisors should be listed, with a note in the remarks column indicating whether they are outgoing, newly elected, or re-elected and the date of re-election. The actual attendance rate (%) shall be calculated based on the number of board meetings held during their tenure and the actual attendance record.

(2) Implementation of Board Evaluation:

Evaluation Cycle ^(Note 1)	Evaluation Duration ^(Note 2)	Evaluation Scope ^(Note 3)	Evaluation Method ^(Note 4)	Content of Evaluation ^(Note 5)
Conducted annually	January 1, 2025 to December 31, 2025	Board performance evaluation, performance evaluation on individual directors, performance evaluation on Audit Committee, and performance evaluation on Remuneration Committee	Self-assessment by Board Members	Board Performance Evaluation: 1. Degree of participation in company operations 2. Enhancement of the Board's decision-making quality 3. Composition and structure of the Board 4. Election and continuing education of directors 5. Internal control Performance evaluation on individual directors: 1. Understanding of the Company's goals and tasks 2. Directors' awareness of duties 3. Degree of participation in company operations 4. Management of internal relationships and communication 5. Professionalism and continuing education of directors 6. Internal control Performance evaluation on Audit Committee: 1. Degree of participation in company operations 2. Audit Committee's awareness of duties 3. Enhancement of the Audit Committee's decision-making quality 4. Internal control Performance evaluation on Remuneration Committee: 1. Degree of participation in company operations 2. Remuneration Committee's awareness of duties 3. Enhancement of the Remuneration Committee's decision-making quality 4. Composition of the Remuneration Committee and member selection
Conducted every three years	January 1, 2024 to December 31, 2024	Performance evaluation on Board of Directors	Appointment of external professional institutions for evaluation	1. Board professional competencies 2. Board decision-making effectiveness 3. Oversight of corporate internal controls by the Board 4. Commitment to sustainable operations

2025 Performance Evaluation Report on the Board and Functional Committees

(1) 2025 Performance Evaluation Report on the Board and Directors

Board Evaluation Questionnaire - Composite Score: 4.89

Five dimensions, 18 evaluation items:

Evaluation Item		Composite Score	4.89
A.	Degree of participation in company operations	Average score of 4 items in Section A	4.93
B.	Enhancement of the Board's decision-making quality	Average score of 4 items in Section B	4.50
C.	Composition and structure of the Board	Average score of 3 items in Section C	5.00
D.	Election and continuing education of directors	Average score of 4 items in Section D	5.00
E.	Internal control	Average score of 3 items in Section E	5.00

Director Evaluation Questionnaire - Composite Score: 5.00

Six dimensions, 19 evaluation items:

Evaluation Item		Composite Score	5.00
A.	Understanding of the Company's goals and tasks	Average score of 3 items in Section A	5.00
B.	Directors' awareness of duties	Average score of 3 items in Section B	5.00
C.	Degree of participation in company operations	Average score of 4 items in Section C	5.00
D.	Management of internal relationships and communication	Average score of 3 items in Section D	5.00
E.	Professionalism and continuing education of directors	Average score of 3 items in Section E	5.00
F.	Internal control	Average score of 3 items in Section F	5.00

(2) 2025 Performance Evaluation Report on Functional Committees

Audit Committee Evaluation Questionnaire - Composite Score: 5.00

Four dimensions, 15 evaluation items:

Evaluation Item		Composite Score	5.00
A.	Degree of participation in company operations	Average score of 3 items in Section A	5.00
B.	Audit Committee's awareness of duties	Average score of 4 items in Section B	5.00
C.	Enhancement of the Audit Committee's decision-making quality	Average score of 6 items in Section C	5.00
D.	Internal control	Average score of 2 items in Section D	5.00

Remuneration Committee Evaluation Questionnaire - Composite Score: 5.00

Four dimensions, 15 evaluation items:

Evaluation Item		Composite Score	5.00
A.	Degree of participation in company operations	Average score of 4 items in Section A	5.00
B.	Remuneration Committee's awareness of duties	Average score of 3 items in Section B	5.00
C.	Enhancement of the Remuneration Committee's decision-making quality	Average score of 6 items in Section C	5.00
D.	Composition of Remuneration Committee and member selection	Average score of 2 items in Section D	5.00

Note 1: Refer to the cycle of execution for the Board evaluation, such as executing once a year.

Note 2: Refer to the period involved for the Board evaluation, such as the evaluation on the performance of the Board from January 1, 2025 to December 31, 2025.

Note 3: The scope of evaluation includes performance evaluation on the Board, individual Directors, and functional committees.

Note 4: The method of evaluation includes the performance evaluation conducted by using the internal self-evaluation of the Board, the self-evaluation of Directors, peer evaluation, engaging external professional institutions or experts, or other appropriate methods.

Note 5: The content of evaluation shall at least include the following items:

(1) Performance evaluation on the Board: At least include the level of participation in corporate operations, the quality of the Board's decision-making, composition and structure of the Board, election and continuing education of Directors, and internal control.

(2) Performance evaluation on individual Directors: At last include understanding of the Company's goals and tasks, understanding of the duties of Director, the level of participation in corporate operations, internal relationship management and communication, professional and continuing education of Directors, and internal control.

(3) Performance evaluation on functional committees: The level of participation in corporate operations, the understanding of the duties and functions of the functional committee, quality of the functional committee's decision-making, the composition of the functional committee and election of committee members, and internal control.

(3) Responsibilities of the Board of Directors:

The Board of Directors of the Company shall provide guidance on corporate strategy, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of the Company’s corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with applicable laws and regulations, the Company’s Articles of Incorporation, and the resolutions of shareholders’ meetings. The specific governance objectives are as follows:

(A) The Board of Directors of the Company also places importance on gender equality among its members, and shall include at least one female director.

(B) The Board of Directors of the Company emphasizes operational judgment, business management, and crisis management capabilities. More than two-thirds of the directors shall possess competencies in the relevant core areas.

(C) Independent directors shall not serve more than three consecutive terms in order to maintain their independence.

(D) The number of directors who are employees of the Company, its parent company, subsidiaries, or fellow subsidiaries shall be less than or equal to one-third of the total number of board seats, so as to fulfill the Board’s supervisory function.

(II) Operations of the Audit Committee:

From the beginning of 2025 to the annual report publication date, the Audit Committee held nine meetings (A). The attendance records of independent directors are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Notes 1&2)	Remarks
Independent Director	Ming Chieh Lin	2	0	100%	Former
Independent Director	Chih Yuan Chu	2	0	100%	Former
Independent Director	Shu Hsien Lin	10	0	100%	Re-elected on May 27, 2025
Independent Director	Cao Zhenghu	8	0	100%	Newly appointed on May 27, 2025
Independent Director	Liu Shiyuan	6	1	75%	Newly appointed on May 27, 2025
Independent Director	Liao Wanjun	7	1	88%	Newly appointed on May 27, 2025

Other matters required to be recorded:

I. Where any of the following circumstances occurred in the operations of the Audit Committee, the Company shall set out the date of the Board meeting, the session, the content of the resolution, resolution results of the Audit Committee, and measures adopted by the Company for the opinions of the Audit Committee:

(I) Matters set out in Article 14-5 of the Securities Exchange Act.

Date	Meeting Title	Content
February 25, 2025	2nd Term 15th Audit Committee	1. Proposal to Approve the 2024 Financial Report and Consolidated Financial Statements, as well as Matters Communicated by the CPAs and Corporate Governance Unit. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to Review Overdue Accounts Receivable as of December 31, 2024, Confirming They Are Not Classified as Fund Lending. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 3. Proposal to Approve the 2024 Internal Control System Effectiveness Assessment and Statement. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 4. Proposal to Approve the 2024 Business Report. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 5. Proposal to Approve the 2024 Profit Distribution Plan. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 6. Proposal to Approve the Capitalization of 2024 Retained Earnings and Issuance of New Shares. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 7. Proposal to Acquire Real Estate - World Trade New Capital B1. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 8. Proposal to Acquire Real Estate by Subsidiary Csun Tech (Guangzhou) Ltd. (Dongguan Office) Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 9. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 10. Proposal to Issue Restricted Employee Stock Awards to Employees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.

Date	Meeting Title	Content
May 6, 2025	2nd Term 16th Audit Committee	1. Proposal to approve the Q1 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to review overdue accounts receivable (as of March 31, 2025) of the Company, with the nature not being the loaning of funds. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
August 5, 2025	3rd Term 1st Audit Committee	1. Proposal to approve the Q2 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to review overdue accounts receivable (as of June 30, 2025) of the Company with the nature being not loaning of funds, submitted for deliberation. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 3. World Trade Center Renovation Plan Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 4. Donation Proposal - Feng Chia University Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 5. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
September 8, 2025	3rd Term 2nd Audit Committee	1. Proposal to participate in the land auction of Fengda Section in Xitun District, Taichung City; submitted for review. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
October 7, 2025	3rd Term 3rd Audit Committee	Proposal on the transfer of treasury shares to both managerial and non-managerial personnel of the Company, submitted for deliberation. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
November 7, 2025	3rd Term 4th Audit Committee	1. Proposal to approve the Q3 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to review overdue accounts receivable (as of September 30, 2025) of the Company with the nature being not loaning of funds, submitted for deliberation. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
December 19, 2025	3rd Term 5th Audit Committee	1. Proposal to Approve the 2026 Annual Audit Plan. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to approve the 2026 Annual Plan, submitted for ratification. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 3. Proposal for Endorsements/Guarantees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 4. Proposal for the Assessment of Independence and Competence of Current CPAs. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 5. Proposal to Amend the Definition of the Company's Entry-Level Employees and the "Payroll Operations Cycle" of the Internal Control System. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 6. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.

Date	Meeting Title	Content
January 27, 2026	3rd Term 6th Audit Committee	1. Proposal to Acquire Real Estate - Factory Building Project at No. 12, Jingke 1st Rd., Nantun Dist., Taichung City 408018, Taiwan (R.O.C.). Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to Acquire Real Estate - Dormitory Project at No. 238, Yangguang 3rd Rd., Shanhua Dist., Tainan City 741009, Taiwan (R.O.C.). Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
February 25, 2026	3rd Term 7th Audit Committee	1. Proposal to approve the 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 2. Proposal to Review Overdue Accounts Receivable as of December 31, 2025, Confirming They Are Not Classified as Fund Lending. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 3. Proposal to approve the 2025 internal control system effectiveness assessment and statement. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 4. Proposal to approve the 2025 business report. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 5. Proposal to approve the 2025 profit distribution plan. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 6. Proposal to Approve the Capitalization of 2025 Retained Earnings and Issuance of New Shares. Resolution: Discussed together with the 6th proposal; it is proposed to distribute a dividend of 5.5 NTD per share. As the dividend distribution will primarily be in cash, the capital increase through retained earnings will not be executed this time. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 7. Proposal for the Replacement of CPAs. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution. 8. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.
March 20, 2026	3rd Term 8th Audit Committee	1. Proposal for the Company to participate as a subscriber in the private placement of common shares issued by Contrel Technology Co., Ltd., submitted for review. Resolution: Independent Director Lin Shu-Hsien and Independent Director Tsao Cheng-Hu, having interests in this proposal by virtue of concurrently serving as directors, managerial officers, or in other positions at Contrel Technology Co., Ltd., recused themselves from the discussion and voting of this proposal. Except for the aforesaid members who recused themselves in accordance with the law, the remaining attending members, upon consultation by the Chairperson, approved the proposal without objection and submitted it to the Board of Directors for discussion. (1) Approved the Company's participation as a subscriber in the private placement of common shares issued by Contrel Technology Co., Ltd. (2) Approved the total investment amount of this transaction at NT\$1,017,600 thousand. (3) Authorized the Chairman to handle subsequent matters such as payment and share transfer in accordance with the payment notice. (4) Authorized the Chairman, during the course of execution, to adjust relevant details in light of actual circumstances, in compliance with applicable laws and regulations and in the best interests of the Company
The Company's response to the Audit Committee's opinions: Approved by all directors present without objection.		

(II) Except for the above matter, other resolutions not passed by the Audit Committee but received consent from two-thirds of all Directors: The Company acts in accordance with Article 14-5 of the Securities Exchange Act and there are no such resolutions not passed

by the Audit Committee but received consent from two-thirds of all Directors as mentioned above.

(III) Except for the matters stated above, other Audit Committee resolutions to which independent directors expressed dissenting or qualified opinions that were on record or stated in writing: No such circumstances occurred.

II. For the execution of Independent Director's recusal from resolutions in which they have interests, the name of the Directors, the content of the resolution, the reason for the recusal due to interests, and the participation in voting shall be set out: None.

III. Communication between Independent Directors and Chief Internal Auditor and CPAs (the content shall include significant matters, methods, and results communicated regarding the Company's finance and business conditions)

- (I) Communication Policy between Independent Directors and the Chief Internal Auditor
- 1. The independent directors and the chief internal auditor hold at least five communication meetings each year to conduct thorough discussions on such matters as the principal findings of the Company's internal and external audit reviews. Minutes of such meetings are prepared, and the communication results are reported to the Board of Directors.
 - 2. The Company's Audit Committee is composed entirely of independent directors. The chief internal auditor reports to the Audit Committee at least five times a year on the execution of audit activities, including the implementation of operational audits, internal operating matters, training of audit personnel, major findings identified in internal and external audit reviews, and the status of corrective actions taken. In the event of any material abnormality, a meeting may be convened at any time.

(II) Summary of the communications between the independent directors and the chief internal auditor in previous years:

Date	Matter of communication	Recommendations and correction
February 25, 2025	1. 2024 Internal Audit Implementation Report. 2. 2024 Statement of Internal Control System. 3. Report on the audit results of the 2024 audit report.	None
May 6, 2025	1. 2025 Q1 Internal Audit Implementation Report. 2. Report on the review results of the Q1 2025 review report.	None
August 5, 2025	1. 2025 Q2 Internal Audit Implementation Report. 2. Report on the review results of the Q2 2025 review report.	None
November 7, 2025	1. 2025 Q3 Internal Audit Implementation Report. 2. Report on the review results of the Q3 2025 review report.	
December 19, 2025	1. Internal Audit Implementation Report. 2. 2026 Annual Audit Plan.	
February 25, 2026	1. 2025 Internal Audit Implementation Report. 2. 2025 Statement of Internal Control System. 3. Report on the audit results of the 2025 audit report.	

- (III) Communication Policy between Independent Directors and CPAs
- 1. The Company's Audit Committee is composed entirely of independent directors. The CPAs report to the independent directors at least four times a year on the Compa-

ny's financial condition, the financial status of its domestic and overseas subsidiaries, the overall operational status, and the results of audits on internal controls. They also maintain full communication regarding whether there are any material adjusting entries and whether any amendments to applicable laws and regulations have affected the accounting treatment of items in the financial statements.

(IV) Summary of the communications between the independent directors and the CPAs in previous years:

Date	Matters Communicated	Suggestions and Comments
February 25, 2025	2024 parent company only financial statements and consolidated financial statements.	The 2024 financial reports were approved by the Audit Committee, submitted to the Board of Directors for approval, and duly announced and filed with the competent authority within the prescribed timeframe.
May 6, 2025	Consolidated financial statements for the first quarter of 2025.	The financial reports for the first quarter of 2025 were approved by the Audit Committee, submitted to the Board of Directors for approval, and duly announced and filed with the competent authority within the prescribed timeframe.
August 5, 2025	Consolidated financial statements for the second quarter of 2025.	The financial reports for the second quarter of 2025 were approved by the Audit Committee, submitted to the Board of Directors for approval, and duly announced and filed with the competent authority within the prescribed timeframe.
November 7, 2025	Consolidated financial statements for the third quarter of 2025.	The financial reports for the third quarter of 2025 were approved by the Audit Committee, submitted to the Board of Directors for approval, and duly announced and filed with the competent authority within the prescribed timeframe.
February 25, 2026	2025 parent company only financial statements and consolidated financial statements.	The 2025 financial reports were approved by the Audit Committee, submitted to the Board of Directors for approval, and duly announced and filed with the competent authority within the prescribed timeframe.

Note 1: For independent directors who resigned before the end of the fiscal year, the resignation date should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance.

Note 2: For independent directors who were re-elected before the end of the fiscal year, both outgoing and incoming independent directors should be listed, with remarks indicating whether they are outgoing, incoming, or re-elected, along with the re-election date. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held and the number of its actual attendance during its term of office.

- Responsibilities of the Audit Committee:
- Pursuant to the laws and regulations of the Republic of China, the Audit Committee shall be composed of all independent directors.
- The primary purpose of the operation of this Committee is to supervise the following matters:
- (A) The fair presentation of the Company's financial statements.
 - (B) The appointment (or dismissal), independence, and performance of the certifying CPAs.
 - (C) The effective implementation of the Company's internal control system.
 - (D) The Company's compliance with relevant laws and regulations.
 - (E) The control of existing or potential risks of the Company.

(III) Corporate Governance Practices and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations:

Evaluation Item		Status of operation (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Its Causes
		Yes	No	Summary Description	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?		V		The Company has established "Procedures for Transactions with Related Parties," "Regulations Governing the Supervision of Operation and Management of Subsidiaries," and other internal control measures. It has set up a risk control and firewall system with its affiliates, and the audit unit annually examines its Implementation Status according to the audit plan.	No material deviations
II. Equity structure and shareholders' interests of the company	(I) Has the Company established an internal operating procedure to process shareholders' recommendations, suspicions, disputes, and litigations and implemented such processing based on the procedure?	V		The Company has established its "Procedures for Processing Significant Information" to forbid internal parties of the Company from using undisclosed information in trading securities; the Procedures are available on the Company's corporate website; the Company organizes promotional programs according to the requirements each year.	No material deviations
	(II) Does the Company possess the list of its major shareholders and the ultimate controlling parties of the major shareholders?	V		The Company announces the shareholdings of internal parties each month and keeps abreast of the changes at all times to be aware of major shareholders who have actual control over the Company and the ultimate controllers of major shareholders.	
	(III) Has the Company established and executed the risk control and firewall system with its affiliates?	V		The Company has established "Procedures for Transactions with Related Parties," "Regulations Governing the Supervision of Operation and Management of Subsidiaries," and other internal control measures. It has set up a risk control and firewall system with its affiliates, and the audit unit annually examines its Implementation Status according to the audit plan.	
	(IV) Has the Company established its internal regulations to forbid internal parties from using undisclosed information in trading securities?	V		The Company has established its "Procedures for Processing Significant Information" to forbid internal parties of the Company from using undisclosed information in trading securities; the Procedures are available on the Company's corporate website; the Company organizes promotional programs according to the requirements each year.	
III. Composition and responsibilities of the Board	(I) Has the Board developed a diversification policy for its composition and substantial management objectives and implemented it?	V		The Company has established its "Corporate Governance Best Practice Principles," and Directors possess the knowledge, skills, and attributes required for the execution of their duties; there are Independent Directors in place, and each Independent Director possesses expertise from different industrial backgrounds, so as to fully realize the diversification of the Board.	No material deviations
	(II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee established according to the law?	V		Except for establishing the Remuneration Committee according to the law, the Company has established its Corporate Sustainability Committee comprised of its operating team; the execution status and results are available on the Company's corporate website.	
	(III) Has the Company established the regulations for the performance evaluation of the board of directors and its evaluation methods, regularly carried out the regular performance evaluation each year, reported to the Board regarding the results of the performance evaluation, and used the results as a reference for the remuneration and nomination for re-appointment of the individual Directors.	V		The Company has established the Regulations for the Performance Evaluation and Remuneration Payment of the Board of Directors to regularly carry out performance evaluations of the Board every year. After the end of each year, the Company conducts performance evaluations by means of self-assessment questionnaires covering aspects such as the Company's objectives, Directors' duties and responsibilities, and continuing education. The evaluation process is completed after the end of the evaluated year and prior to the next convened Board meeting, and the scoring results are reported to the Board in order to enhance the operational functions of the Board. The Regulations for the Performance Evaluation of the Board of Directors and the evaluation results have been disclosed on the Company's website. In addition, the 2025 (114th year of the ROC) performance evaluation results of the Board and Functional Committees were reported to the Board on February 25, 2026 (115th year of the ROC). The implementation of the Board performance evaluation for the Company shall be conducted at least once every three years by an external professional independent institution or a team of external experts and scholars. The Company commissioned the "Taiwan Corporate Integrity Governance Association" to perform the Board effectiveness evaluation (conducted in 2024, assessing the performance for 2024). The association assigned three executive members to perform the evaluation. Both the organization and the executing experts have no business dealings with the Company, ensuring independence, and they issued a declaration of independence. The "Taiwan Corporate Integrity Governance Association" conducted the Board effectiveness evaluation across four key dimensions: Board professional competence, Board	

Evaluation Item		Status of operation (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Its Causes
		Yes	No	Summary Description	
III. Composition and responsibilities of the Board	(IV) Has the Company regularly evaluated the independence of CPAs?	V		decision-making effectiveness, the Board's emphasis on and oversight of internal controls, and the Board's attitude toward sustainable operations. The assessment was performed by obtaining the Company's internal regulations and records, evaluation questionnaires, and conducting individual interviews with directors. The Board effectiveness evaluation report was issued on December 17, 2024, and presented to the Board. The Audit Committee and the Board of Directors evaluate the independence and competency of the current accountants every year; before reviewing the accountants, in addition to requiring the certified accountants to provide a "Declaration of Detached Independence" and "Audit Quality Indicators (AQIs)", they shall also comply with standards, and 13 AQI indicators are evaluated. It is confirmed that the accountant's confirmation has no other financial interests and business relationships with the Company except for fees for accountant's confirmation signature and financial and tax cases. The accountant's family members do not violate the independence requirements. It is also confirmed that the accountant and the firm have audit experience and experience with reference to the AQI indicator information. The number of training hours is better than the industry average. In addition, in the past three years, we will continue to introduce digital audit work to improve audit quality. After being reviewed and confirmed by the Company's accounting department to meet independence and suitability, it will be submitted to the Audit Committee for review and submitted to the Board of Directors for resolution; 2025 accountant review and evaluation form has been submitted to the Audit Committee and the Board of Directors for approval on December 19, 2025. The Company's important standard items for assessing the independence requirements of accountants, operations and suitability inspections are listed as follows: • The accountant himself, his spouse, and minor children do not have any investment or financial interest-sharing relationship with the Company. • The accountant himself, his spouse, and minor children do not have any funds or loans from the Company. • Accountants or audit service team members do not promote or broker stocks or other securities issued by the Company. • The accountant has no disciplinary record from the Accountant Disciplinary Committee in the past two years. • The accountant or any audit service team member does not currently hold the position of director or manager of the Company or has a significant impact on the audit case or has held a position with significant influence on the audit case within the past two years. • The accountant or any member of the audit service team does not have a spouse, direct blood relative, direct marriage relative, or second blood relative within the collateral line of blood with the Company's directors, managers, or personnel with positions that have a significant impact on the audit case. • The accountant is not currently employed by the client or the person under investigation to hold regular work, receive a fixed salary, or serve as a director or supervisor. • When the accountants provide auditing, review, compilation, or special examination services and issue an audit opinion, it is important for them to maintain not only substantive independence but also formal independence.	No material deviations
IV. Has the listed company allocated an appropriate number of persons in charge of corporate governance who are appropriate for such positions and designated a Chief of Corporate Governance to be responsible for affairs related to corporate governance (including but not limited to providing data required for the execution of businesses to Directors and supervisors, assisting Directors and supervisors in legal compliance, handling matters related to meetings of the Board and shareholders' meeting according to the law, and preparing meeting minutes for meetings of the Board and shareholders' meeting)?		V		The Corporate Sustainability Committee of the Company is responsible for promoting matters related to corporate governance, and the Chief of Finance is responsible for supervising matters related to corporate governance. The Corporate Sustainability Committee of the Company is responsible for handling matters related to meetings of the Board and shareholders' meeting according to the law, preparing meeting minutes for meetings of the Board and shareholders' meeting, carrying out company registration and alteration registration, and arranging continuing education programs for Directors.	No material deviations
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and duly responded to significant issues of corporate social responsibility concerned by stakeholders.		V		The Company has established a spokesman system, maintained smooth communication channels with stakeholders, and disclosed contact information of relevant operating personnel, and set out a stakeholder section on the Company's website to duly respond to relevant issues (including CSR) concerned by stakeholders.	No material deviations

Evaluation Item		Status of operation (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Its Causes
		Yes	No	Summary Description	
VI. Has the Company appointed a professional stock affairs agency to process affairs related to shareholders' meetings?		V		The Company has appointed its professional stock affairs agency, the Shareholder Services Department of President Securities Corporation, to process matters related to shareholders' meetings and stock affairs.	No material deviations
VII. Open information	(I) Has the Company established its website to disclose information on its financial operations and corporate governance?	V		The Company has disclosed information related to financial operations and corporate governance on its website. https://www.csun.com.tw/investor-relations	No material deviations
	(II) Has the company adopted other methods for information disclosure (such as building an English website, appointing dedicated personnel to be responsible for the information collection and disclosure, implementing a spokesman system, and uploading the course of investor conferences on the Company's website)?	V		The Company has regularly and unscheduledly declared its financial and business information on Market Observation Post System (MOPS) and disclosed the latest news on its products and business on the Company's website: www.csun.com.tw	
	(III) Has the Company published and declared its annual financial report within two months after the end of a fiscal year and published and declared its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?	V		The Company published and declared its annual financial report within two months after the end of a fiscal year and published and declared its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline.	
VIII. Is there any other significant information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employees' interests, care for employees, investor relations, supplier relations, rights of stakeholders, Directors and supervisors' continuing education records, the execution of risk management policies and risk evaluation standards, the execution of customer policies, and the purchase of responsibility insurance for Directors and supervisors)?		V		Employees' interests and care for employees The Company has established its Employee Benefits Committee to promote various subsidy activities, ensuring employees' interests. Investor relations The dedicated department of the Company is responsible for publishing and disclosing information related to finance and business on MOPS and the Company's website, in the hope of achieving open information and transparency. Supplier relations The Company has established its "Procedures for the Management of Suppliers" to review the business conducts between suppliers and the Company, to avoid harming the reputation and interests of both parties. When necessary, both parties would sign a "non-disclosure agreement" (NDA) after completing the review of the supplier and before the commencement of the cooperation to protect the rights and obligations of both parties. Rights of stakeholders The Company has established a stakeholder section to provide a communication channel for protecting the legal interests of both parties. Execution of policies on risk management and the risk measuring standards. The Company established internal rules and regulations according to the laws and performed risk management and evaluations. Execution of customer policies The Company generally maintains close contact with customers. It has set up a professional customer service team and comprehensive after-sales service system to provide comprehensive premium services, in the hope of assisting customers in improving their competitiveness and creating higher added values. Purchase of responsibility insurance for Directors and supervisors The Company had purchased the directors and supervisors' responsibility insurance for all Directors to reduce and spread the risk of significant harm to the Company and shareholders due to errors or mistakes made by Directors; the Company has published the status of the purchase of insurance policy on MOPS.	No material deviations
IX. According to the results of the Corporate Governance Evaluation by the Corporate Governance Center of TWSE for the Latest Year, explain the improvements, and propose the matters to be improved first and measures regarding any conditions not improved: Adhering to the concept of sustainable operations, the Company aims to realize sustainable corporate operations, establish long-term partnerships with customers and social communities, and fulfill its responsibilities as a corporate citizen; the Company established its Corporate Sustainability Committee in 2017, responsible for promoting matter related to CSR and ethical management and reporting to the Board regarding the execution and results each year. ➤ Matters improved: 1. Continual optimization of the new official website: The Company optimized the user interface, provided abundant and public corporate data that caters to the demand of users, and provided instant and direct contact windows for consultation. 2. The Company has set up the CSR section to allow investors, customers, suppliers, and stakeholders to understand the promotion and execution of the Company's CSR. ➤ Matters to be improved first and measures regarding any conditions not improved: 1. The Company continued to optimize the arrangements on its new website, allowing the Company's website to align with the demands of investors and relevant stakeholders. 2. The Company continued to optimize the CSR section on the Company's website, allowing investors, customers, suppliers, and stakeholders to understand the promotion and execution of the Company's CSR.					

(IV) Disclosure on Composition, Responsibilities, and Operations of Remuneration or Nomination Committee (if established):

(1) Information on the Members of the Remuneration Committee:

Identity (Note 1)	Criteria	Professional qualification and experience (Note 2)	Independence status (Note 3)	Number of Other Public Companies in Which the Director is A Member of the Remuneration Committee
	Name			
Independent Director (2nd Term Convener)	Ming Chieh Lin (Note 4)	The Company's Remuneration Committee is composed of all Independent Directors. For details regarding the professional qualifications and experience of the members, please refer to section 'III. 2. (1) Information on Directors and Supervisors' of this annual report.	All members of the Remuneration Committee comply with the following descriptions: 1. Comply with relevant requirements under Article 14-6 of the Securities and Exchange Act and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) promulgated by the Financial Supervisory Commission.	1
Independent Director	Chih Yuan Chu (Note 4)			-
Independent Director (3rd Term Convener)	Shu Hsien Lin (Note 5)			-
Independent Director	Cao Zhenghu (Note 6)		2. The independent director (whether directly or through third parties), their spouse, and minor children hold no shares in the Company.	-
Independent Director	Liu Shiyuan (Note 6)		3. No remuneration has been received within the past two years for providing commercial, legal, financial, or accounting services to the Company or its affiliates.	-
Independent Director	Liao Wanjun (Note 6)			-

Note: None of the following circumstances occurred two years prior to the election and during the term of office:

- (1) An employee of the Company or its affiliates.
- (2) A director or supervisor of the Company or its affiliates.
- (3) A natural person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or that ranks among the top ten in shareholdings.
- (4) A manager as specified in (1) nor a spouse or a direct blood relative within the second degree or third degree of kinship as specified in (2) or (3).
- (5) A director, supervisor, or employee that directly holds 5% or more of the Company's total issued shares, or that ranks among the top five shareholders, or that appoints representatives to serve as directors to the Company under Article 27 of the Company Act.
- (6) A director, supervisor, or employee of another company with its majority of director seats or voting shares controlled by the same individual.
- (7) A director, supervisor, or employee of another company or institution who is, or the person's spouse is, holding the position as the Chairman, President, or equivalent positions of the Company.
- (8) A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
- (9) A professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, manager, or spouse thereof that provides auditing service for the Company or its affiliates, or provides relevant commercial, legal, financial, or accounting services with a cumulative remuneration of less than NT\$0.5 million in the latest two years. However, members of the Company's Remuneration Committee are exempt from this restriction.

Note 1: Please specify the seniority, qualification and experience, and independence status related to members of the Remuneration Committee; for Independent Directors, make notes to refer to relevant content under Schedule 1 Information of Directors and Supervisors (I) on page []. For the identity, please fill in Independent Director or others (please make a remark for the convener).

Note 2: Qualification and experience: Describe qualificationson and experience of members of the Remuneration Committee.

Note 3: Compliance with the independence status: Describe the independence status of the Remuneration Committee's members, including but not limited to

whether the member, its spouse, or its relative within the second degree of kinship is a Director, supervisor, or employee of the Company or its affiliates, the share-holding of the member, its spouse, or its relative within the second degree of kinship (or in other's name), whether the member, its spouse, or its relative within the second degree of kinship is a director, supervisor, or employee of a company with a particular relationship with the Company (please refer to subparagraphs 5 to 8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange), and the amount of compensation obtained from the provision of business, legal, financial, or accounting services to the Company or its affiliates for the past two years.

Note 4: Term of Office ended on May 27, 2025: Lin, Ming-Chieh, Chu, Chih-Yuan

Note 5: Re-elected on May 27, 2025: Lin,Shu-Hsien

Note 6: Newly appointed on May 27, 2025: Tsao, Cheng-Hu, Liu, Shih-Yuan, Liao, Wan-Chun

(2) Duties of the Remuneration Committee

The Committee shall exert the duty of care of a good administrator and duly fulfill the following functions and submit their recommendations to the Board for discussion.

- A. Establish the policy, system, standards, and structure for the performance evaluation and remuneration of Directors, Independent Directors, and managers, and perform regular examinations.
- B. Regularly evaluate and establish the remuneration of Directors, Independent Directors, and managers.

(3) Information on the Operations of the Remuneration Committee

- The Company's Remuneration Committee comprises four persons.
- Current term of office: From May 27, 2025 to May 26, 2028. There were six Remuneration Committee meetings (A) held in the most recent year. The qualifications and attendance of the Remuneration Committee members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
5th Term Convener	Ming Chieh Lin	2	0	100%	Former
Member	Chih Yuan Chu	2	0	100%	Former
6th Term Convener	Shu Hsien Lin	6	0	100%	Re-elected on May 27, 2025
Member	Cao Zhenghu	4	0	100%	Newly appointed on May 27, 2025
Member	Liu Shiyuan	3	1	75%	Newly appointed on May 27, 2025
Member	Liao Wanjun	3	1	75%	Newly appointed on May 27, 2025

Other matters required to be recorded:

- I. Where the Board refused to adopt or amend the recommendations from the Remuneration Committee, the Company shall set out the date of the Board meeting, the session, the content of the resolution, resolution results of the Board, and measures adopted by the Company for the opinions of the Remuneration Committee (Where the remuneration approved by the Board is superior to the recommendations from the Remuneration Committee, the differences and reasons should be specified): None.
- II. For matters resolved by the Remuneration Committee, where any member expressed opposing or qualified opinions with records or written declarations, the Company shall set out the date of the Remuneration Committee meeting, the session, the content of the resolution, opinions of all members, and measures adopted by the Company for the opinions of the members: None.

Date	Meeting title	Content
February 25, 2025	12th Meeting of the 5th Term Remuneration Committee	1. Proposal for the Total Amount and Content of Directors’ and Employees’ Compensation for 2024. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal to Approve the Transfer of Treasury Shares to Managers and Non-Managers. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
May 6, 2025	13th Meeting of the 5th Term Remuneration Committee	1. Proposed salary adjustment plan for the Company's 2025 fiscal year, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
August 5, 2025	1st time of the 6th Term Remuneration Committee	1. The retirement case of Deputy Executive Officer Mr. Liang, Mao-Chung. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposed compensation and reward plan for the Company's managers in 2025, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 3. Proposal on the transfer of treasury shares to both managerial and non-managerial personnel of the Company, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
October 7, 2025	2nd Meeting of the 6th Term Remuneration Committee	1. Proposed compensation and reward plan for the Company's managers in 2025, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal on the transfer of treasury shares to both managerial and non-managerial personnel of the Company, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
December 19, 2025	3rd Meeting of the 6th Term Remuneration Committee	1. Proposal on the 2025 performance evaluation results and year-end total compensation for the Company's managers, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal on the transfer of treasury shares to both managerial and non-managerial personnel of the Company, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
February 25, 2026	4th Meeting of the 6th Term Remuneration Committee	1. Manager Appointment Case (1) CEO (2) Executive Vice President. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal for the Total Amount and Content of Directors’ and Employees’ Compensation for 2025. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 3. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.

Note:

(1) For Remuneration Committee members who resigned before the end of the fiscal year, the resignation date should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Remuneration Committee meetings held during their tenure and their actual attendance.

(2) For Remuneration Committee members who were re-elected before the end of the fiscal year, both outgoing and incoming members should be listed, with remarks indicating whether they are outgoing, incoming, or re-elected, along with the re-election date. The actual attendance (%) shall be calculated based on the number of meetings of the Remuneration Committee held during the term of office and the actual attendance.

(V) Implementation of Sustainable Development Initiatives and Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations

Promotion Item	Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations						
	Yes	No	Summary Description							
I. Has the Company established a governance structure to promote sustainable development and established a dedicated (part-time) unit to promote sustainable development, for which the senior management is authorized by the Board to handle such matters, and the Board is responsible for supervising?	V		The Company regards the Board of Directors as the highest decision-making body for sustainable development issues. In 2025, a functional committee named the "Sustainable Development and Risk Management Committee" was formed, with General Manager, Liang, Yu Wen, serving as the convener and chairperson. This committee is responsible for coordinating and promoting matters related to sustainable development and risk management. Underneath it, 11 subgroups have been established: Product Innovation, Customer Care, Business Management, Social Care, Sustainable Environment, Sustainable Supply Chain, Operational and Strategic Risk, Financial Risk, Compliance Risk, Information Security Risk, and Environmental Risk, effectively integrating resources to implement sustainability strategies across all departments. The Sustainable Development and Risk Management Committee formulates corresponding strategies and work guidelines for sustainability issues related to the company's operations and stakeholders' concerns, while also tracking execution results. The Committee reports to the Board at least annually on sustainability strategies and project implementation results. The Board regularly reviews progress reports from management on key issues, evaluates strategy feasibility, provides recommendations, and tracks implementation progress while urging management to assess and adjust plans as needed. In 2025, sustainability-related proposals were discussed in 4 out of 11 Board meetings, accounting for 36% of all Board meetings. Discussion topics include: (I) Proposal for the Election of Members of the Risk Management Committee. (II) Report on the Operations of the Risk Management Committee. (III) Proposal to Establish the "Organizational Guidelines for the Sustainable Development and Risk Management Committee." (IV) Operations of the Sustainable Development and Risk Management Committee. - Corporate Social Responsibility Implementation Status Report. - Progress Report on Greenhouse Gas Inventory and Verification Timeline	No material deviations						
II. Has the Company carried out risk assessments on environmental, social, and corporate governance issues related to the operations of the Company and established relevant risk management policies or strategies? ^(Note 2)	V		The Company's Sustainability Report discloses information covering sustainability performance from January 2025 to December 2025 at major operational sites, including the Linkou Headquarters, Taipei Plant, and Taichung Plant. The Sustainable Development Committee identifies material topics based on industry characteristics, internal focus areas, GRI Standards, SASB Standards, domestic and international sustainability trends, industry benchmarks, and peer information, using an intersection approach to determine common topics within the industry. Through intersection analysis, eight material topics have been identified: Product Innovation, Corporate Governance, Customer Service/Product Quality & Safety, Ethical Business Practices, Occupational Safety & Health, Talent Attraction & Retention, Talent Development & Training, and Climate Change Response. <table><tr><th>Key issues</th><th>Risk Assessment Item Description</th><th>Description</th></tr><tr><td>Governance</td><td>Governance</td><td> - The Audit Committee, composed of Independent Directors, assists in strengthening the supervisory functions of the Board of Directors and enhancing governance performance, ensuring its effective supervisory operation. - The Remuneration Committee is responsible for formulating the performance evaluation standards for directors and managers, and regularly evaluating the achievement of their performance objectives, which serves as the basis for determining individual remuneration. The Remuneration Committee also ensures that the remuneration of directors and managers aligns with their contributions and performance. - The Risk Management Committee, composed of two Independent Directors and the General Manager, assists the company in establishing a sound risk management system, promoting stable operations and sustainable development. - Establish an independent audit unit to oversee the company's various operational activities through an internal audit mechanism. - Establish a governance evaluation team to strengthen governance-related systems and practices, analyze and improve governance evaluation indicators, and enhance the quality of governance. </td></tr></table>	Key issues	Risk Assessment Item Description	Description	Governance	Governance	- The Audit Committee, composed of Independent Directors, assists in strengthening the supervisory functions of the Board of Directors and enhancing governance performance, ensuring its effective supervisory operation. - The Remuneration Committee is responsible for formulating the performance evaluation standards for directors and managers, and regularly evaluating the achievement of their performance objectives, which serves as the basis for determining individual remuneration. The Remuneration Committee also ensures that the remuneration of directors and managers aligns with their contributions and performance. - The Risk Management Committee, composed of two Independent Directors and the General Manager, assists the company in establishing a sound risk management system, promoting stable operations and sustainable development. - Establish an independent audit unit to oversee the company's various operational activities through an internal audit mechanism. - Establish a governance evaluation team to strengthen governance-related systems and practices, analyze and improve governance evaluation indicators, and enhance the quality of governance.	No material deviations
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Enhance the promotion and training on the company's values and ethical standards to increase employees' awareness of professional ethics and prevent negative events arising from ethical issues. • Establish a complaint handling process to promptly address employee complaints and issues, ensuring fair and effective resolution. • Organize ethics training and legal regulations training to enhance employees' understanding and compliance with professional ethics and legal regulations, preventing and reducing the occurrence of negative events. </td></tr><tr><td></td><td>Occupational Safety and Health</td><td> • Conduct monthly health risk prediction, risk management, and health environment initiatives with contracted medical staff to care for employee well-being. • Maintain inspection systems for occupational safety patrols at all northern and central plant areas, with at least two inspections per week. • Implement environmental, safety, and health policies: comply with legal requirements, enforce training programs, effectively utilize resources, prevent accidents, continuously drive improvements, and ensure full employee participation. </td></tr></tbody></table>	Key issues	Risk Assessment Item Description	Description	Governance	Ethical Corporate Management	• The commitment to adhere to the highest ethical standards should be reflected in all business activities, including but not limited to relationships with employees, customers, suppliers, competitors, the government, and the public (including shareholders). • Establish internal organizations, structures, and responsibilities, and implement mutual supervision and checks and balances mechanisms for business activities within the scope of business that carry higher risks of unethical behaviors. • Conduct diverse ethical corporate management advocacy for senior executives of each department to enhance employees' and management levels' awareness of insider trading regulations and ethical policies.	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By 2035, reduce Scope 3 emissions by 37.5%; Achieve net-zero emissions by 2050. - Conduct regular key climate opportunity assessments under the TCFD framework, establishing response measures and management targets. - In 2025, integrate ISO 14067 product carbon footprint inventories into three advanced packaging flagship models. - Upgrade equipment and optimize production/assembly processes to reduce energy waste. - Incentivize employee proposals for energy-saving R&D and low-carbon product/service development. </td></tr><tr><td rowspan="2">Product</td><td>Product Innovation</td><td> - Reward Innovative Research: Encourage full participation in research and development, establish PAC/YSK proposal improvement incentives and patent application reward systems, and offer additional bonuses to motivate innovation. In 2024, a total bonus of 618,000 yuan was awarded for PAC/YSK proposal improvements. - A patent application reward of NT\$509,000. 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Form the G2C+ Alliance, integrate the resources of alliance companies, establish a supply chain and service system, and provide customers with one-stop services. </td></tr><tr><td>Customer Service/ Product Quality & Safety</td><td> - Regularly provide professional training for employees to ensure they possess good communication skills and professional knowledge. - Respond promptly to customer needs, provide 24-hour customer service support, or expedite problem resolution to reduce customer waiting time. - Establish clear service standards to ensure all customers receive consistent and high-quality service. - Understand customer preferences through data analysis and provide timely care and suggestions. - Customize solutions based on customer needs to provide personalized services that make customers feel unique. </td></tr></tbody></table>	Key issues	Risk Assessment Item Description	Description	Environment	Climate Change Response	- Gradually advance consolidated GHG inventory across the Group and establish GHG reduction targets. - Evaluate the costs of purchasing green electricity and increase the proportion of renewable energy usage year by year. - Apply for SBTi - CDP score obtained: B-. - By 2030, reduce Scope 1 and Scope 2 emissions by 42%. 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III. Environmental Issues	(I) Has the Company established an appropriate environmental management system based on the features of the industry in which it operates?	V		The Company maintains an Environmental Management System (EMS) certified under ISO 14001 through third-party verification and conducts annual greenhouse gas inventories following ISO 14064-1 and GHGP standards to track emission reduction progress, with results disclosed in the Sustainability Report and on the Company's website. (https://csun.com.tw/energy-and-greenhouse-gas/)	No material deviations											

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III. Environmental Issues	(II) Does the Company commit to improving the energy use efficiency and using renewable supplies with low impacts on the environmental loads?	V		1. The Company adopts energy-saving measures in equipment design, such as selecting smaller power transmission components for lighter machinery or high-efficiency power supply units with superior heat exchangers. 2. Consumables recycling and reuse initiatives include promoting paper recycling and reusing consumables. 3. Proper waste management includes promoting waste classification and reduction. The Company categorizes and recycles resources, entrusting licensed vendors for waste disposal. 4. Collaborating with domestic sustainability leaders, the Company engages in energy-saving and carbon reduction R&D projects to enhance manufacturing technologies. Taking the current product "thermal recovery energy-saving equipment " as an example, each equipment can reduce 1.58 tonnes of carbon dioxide equivalent. 5. The Company substituted the wooden pallets with the plastic pallets to reduce the volume of wooden trash; the rate of repetitive use of plastic pallets is also better.						No material deviations																											
	(III) Has the Company evaluated the potential risks and opportunities of climate change of the Company and adopted countermeasures related to climate change issues?	V		To understand early the potential impacts of climate change on its operations and implement effective climate management strategies, C Sun has adopted the Task Force on Climate-related Financial Disclosures (TCFD) management since 2023. Following the four core frameworks of governance, strategy, risk management, and metrics/targets, the Company enhances the identification and response to climate risks and opportunities, formulates governance strategies and objectives, and integrates them into the operational management processes to continuously grasp and respond to the impacts of climate change inside and outside the organization. Facing climate change, the Company actively promotes and reforms its GHG reduction management measures, including the improvement plan for energy-saving efficiencies, such as: 1. C Sun actively promotes various energy reduction measures, such as gradually replacing company vehicles with hybrid cars to reduce fuel consumption. In 2025, 16 company vehicles were replaced with hybrid models, and until October of this year, fuel consumption decreased by approximately 3.81% compared to last year. 2. Through the implementation of ISO 50001, an 'EMS monitoring system' for energy monitoring indicators was established, which facilitated the planning of a 'chiller energy-saving frequency conversion action plan' and actually achieved 'air conditioning energy-saving benefits.' Take the current example of two 85KW chillers, with an annual electricity consumption of 2,550 kWh/day × 365 = 2,550 × 365 = 930,750 kWh/year. After installing the frequency converter (saving 20%), it can save approximately 930,750 × 20% = 186,150 kWh/year, which can reduce carbon emissions by approximately 88.2351 tCO2e. 3. After the implementation of ISO 50001, combined with the EMS system setup (monitoring, energy consumption visualization, anomaly alerts) and equipment improvements (frequency conversion, air compression system integration, air conditioning optimization, lighting replacement), energy savings of approximately 10%–25% per year can be achieved.						No material deviations																											
	(IV) Has the Company calculated the emission of GHGs, water consumption, and the total weight of wastes for the past two years and established management policies related to energy-saving and carbon dioxide reduction, GHG reduction, and water consumption or other waste reduction?	V		Greenhouse Gas Emissions The Company has conducted a greenhouse gas inventory based on the Greenhouse Gas Protocol starting in 2023, using the "Operational Control Approach" to assess direct greenhouse gas emission sources within the operational boundaries (including all factory premises of the Company) related to operations (Scope 1), energy indirect greenhouse gas emission sources (Scope 2), and other indirect greenhouse gas emission sources (Scope 3), categories 3-6 / C1~C15 items. The greenhouse gas inventory conducted according to the Greenhouse Gas Protocol for the years 2023 and 2024 has not yet been verified by a third party. The greenhouse gas inventory data according to the Greenhouse Gas Protocol for 2025 is preliminary because the electricity emission factor was not announced when the annual report was submitted. Updated data will be disclosed in the Sustainability Report after obtaining the third-party verification statement. 2024 GHG emissions: <table><tr><th colspan="2">Factory premises</th><th colspan="2">C Sun headquarters</th><th colspan="2">Taichung Plant</th><th colspan="2">Linkou Factory</th><th>Total</th></tr><tr><td colspan="2">Total Emission (tCO2e)</td><td>50,902.6137</td><td>Proportion</td><td>36,508.7563</td><td>Proportion</td><td>1,914.8260</td><td>Proportion</td><td>89,345.8036</td></tr><tr><td>S1</td><td>Direct emissions</td><td>3.3290</td><td>0.01%</td><td>292.7171</td><td>0.80%</td><td>194.0214</td><td>10.13%</td><td>490.0675</td></tr></table>						Factory premises		C Sun headquarters		Taichung Plant		Linkou Factory		Total	Total Emission (tCO2e)		50,902.6137	Proportion	36,508.7563	Proportion	1,914.8260	Proportion	89,345.8036	S1	Direct emissions	3.3290	0.01%	292.7171	0.80%	194.0214	10.13%	490.0675	No material deviations
Factory premises		C Sun headquarters		Taichung Plant		Linkou Factory		Total																													
Total Emission (tCO2e)		50,902.6137	Proportion	36,508.7563	Proportion	1,914.8260	Proportion	89,345.8036																													
S1	Direct emissions	3.3290	0.01%	292.7171	0.80%	194.0214	10.13%	490.0675																													

Promotion Item		Implementation Status (Note 1)							Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations
		Yes	No	Summary Description					
III. Environmental Issues	(IV)Has the Company calculated the emission of GHGs, water consumption, and the total weight of wastes for the past two years and established management policies related to energy-saving and carbon dioxide reduction, GHG reduction, and water consumption or other waste reduction?	Y							No material deviations

Promotion Item		Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, with Explanations
		Yes	No	Summary Description	
IV. Social Issues	(I) Has the Company established relevant management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		Human Rights Protection for Employees To fulfill corporate social responsibilities, protect the fundamental human rights of all employees and stakeholders, and prevent any human rights violations, C Sun complies with domestic and international labor laws and gender equality regulations while establishing human rights protection policies, labor policies and related implementation measures. C Sun adheres to internationally recognized human rights standards, including the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights," and "International Labour Organization" conventions, to establish C Sun's human rights policy. This policy applies to all employees of The Company to safeguard employee rights. C Sun uses the Board of Directors as the highest level of human rights governance framework, with a cross-departmental human rights task force formed under the Sustainable Development subgroup of the "Sustainable Development and Risk Management Committee." The Company legally convenes labor-management meetings, providing multiple communication channels for open and direct dialogue between employees and management. At the same time, The Company promotes policies, welfare measures, and various activities, ensuring employees can fully express their opinions and receive timely responses and assistance. Human rights policies are also promoted during irregular new employee training sessions and monthly company-wide meetings. C Sun's Human Rights Policy and Commitments Healthy and Safe Workplace: C Sun places great importance on workplace safety and health, aiming to build a safe and healthy work environment and achieve zero occupational accidents. The Company regularly reviews employees' health and safety risks and implements improvement plans based on the results of such assessments. Employee-Initiated Clubs and Associations: The Company respects employees' rights. Employees may freely form and participate in various clubs and associations in accordance with the law, and the Company actively encourages employees to join such groups. Labor-Management Consultation: C Sun has established procedures for open and direct communication between employees and management and provides employees with multiple communication channels. Through these channels, the Company communicates its policies, systems, employee welfare measures, and various activities, while also allowing employees to fully express their opinions and receive timely responses and assistance. Diversity, Inclusion, and Equal Opportunity: C Sun provides a gender-equal and diverse working environment for employees and upholds the principles of openness and fairness. The Company does not discriminate on the basis of gender, race, physical or mental disability, or any other status. It is committed to fairness in hiring, compensation and benefits, training, performance evaluation, and promotion, and provides effective grievance mechanisms. No Child Labor: C Sun complies with local laws and regulations regarding minimum working age and does not employ child labor. Maternity Care: Implement maternity protection plans and establish maternity protection measures. Compliance with Minimum Wage and Reasonable Working Hours: Provide employees with wages and benefits that meet or even exceed the minimum requirements stipulated by local laws and regulations.	No material deviations

Promotion Item		Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, with Explanations
		Yes	No	Summary Description	
IV. Social Issues	(I) Has the Company established relevant management policies and procedures according to relevant regulations and the International Bill of Human Rights?		V	2025 Achievements Healthy and Safe Workplace: C Sun held four occupational safety and health committee meetings in 2025 to review and improve employee health and safety risks, aiming to create a zero-accident work environment. Employee-Initiated Clubs and Associations: C Sun respects employees' freedom of association and has established clubs such as a charity club, badminton club, and yoga club to provide employees with diverse learning and recreational opportunities. Labor-Management Consultation: In 2025, the North Central Plant held six labor-management meetings, strengthening effective communication between employees and management and advocating for company policies, benefits, and activities. Diversity, Inclusion, and Equal Opportunity: C Sun is committed to providing a gender-equal and diverse work environment and emphasizes fairness in hiring, compensation, and promotion mechanisms. The Company has joined the Family-Friendly Workplace Alliance to foster a family-friendly workplace. By bringing family education into the workplace and organizing lectures on diverse topics, employees are able to learn conveniently at work while balancing both work and family needs, thereby helping them achieve a better work-life balance. No Child Labor: The company did not employ child labor in 2025 and complies with local laws, opposing all forms of child labor. Maternity Care: Adjusting workload and job Content to reduce pregnancy burden, arranging contracted nurses for regular care, and encouraging employees to proactively seek consultation. Compliance with Minimum Wage and Reasonable Working Hours: In 2025, the company's wages for all employees exceeded the minimum wage standard set by the Labor Standards Act and provided reasonable working hours. Human Rights Due Diligence The Company's Sustainability Development and Risk Management Committee is responsible for overseeing the formulation of policies, risk assessment, implementation tracking, and information disclosure related to human rights due diligence, so as to ensure that human rights issues are embedded in the Company's corporate governance and operational decision-making. The Company's human rights due diligence scope covers all employees of the Company, as well as tier-1 suppliers and business partners. By referencing international guidelines and the GRI key issues identification process, the following major human rights issues were identified in 2025 and 2026:For the Company's employees, this includes health and safety, wages and working hours, work discrimination, and privacy protection; for first-tier suppliers, this includes health and safety, wages and working hours, and work discrimination. The execution steps for the Company's human rights due diligence include: Firstly, identify and assess the negative human rights impacts on operations and the supply chain through GRI key issues identification, employee surveys, and supplier sustainability self-assessment questionnaires, while integrating public information and internal audit results. Evaluate based on the severity and likelihood of risks to determine the probability and impact level, prioritizing high-risk issues. Secondly, adopt termination, prevention, and risk mitigation measures for negative human rights impacts, as well as for expected cash shortfall. Then, track the implementation Situation and effectiveness. Finally, conduct information disclosure and communication. For Tier 1 suppliers, in addition to conducting investigations on the aforementioned human rights impacts, the Company also requires them to sign the "Supplier Social Responsibilities and Integrity Commitment." Moreover, a strict dynamic monitoring is implemented: existing suppliers must execute a sustainability self-assessment questionnaire at least once a year. In execution, the Company has currently launched internal employee surveys and simultaneously collected supplier sustainability self-assessment questionnaire results. Subsequently, risk identification will be conducted based on the survey results, and corresponding mitigation and for expected cash shortfall measures will be taken for each risk issue.	No material deviations

Promotion Item		Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, with Explanations
		Yes	No	Summary Description	
IV. Social Issues	(II) Has the Company established and implemented reasonable employees benefit measures (including remuneration, leave, and other benefits) and appropriately reflected the operating performances or results on employees' remuneration?	V		Operating performance and remuneration for employees - Operational performance is reflected through quarterly performance bonuses and year-end bonuses: The Company implements a performance bonus system based on quarterly EPS and key indicators, allowing employees to share profits to effectively motivate staff. The Company allocates employee bonuses based on a comprehensive evaluation of individual performance assessments, departmental operational performance, and overall corporate operational results. The continuation evaluation adopts both quantitative and qualitative indicators, covering financial performance, operational management, ESG indicators, and behavioral performance. Weights are assigned based on job nature to ensure the objectivity and consistency of the evaluation. - Implementation of employee bonus shareholding, treasury shares, and stock option warrant system: - Subscription: When the Company conducts a cash increase in capital, 10%-15% of shares is reserved for employees to subscribe. - Dividends: Distributed in accordance with Article 31 of the Company's Articles of Association. When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions. To ensure the well-being of junior employees and reasonably allocate the operational results, no less than 45% of the employee remuneration shall be appropriated as remuneration for junior employees. However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios. Detailed implementation of employee welfare measures can be found in Section IV of this annual report "Operations Overview – Labor Relations."	No material deviations
	(III) Does the Company provide a safe and healthy working environment for employees and regularly organize safety and health education?	V		To ensure the personal safety and health of our employees in the workplace, the Company has established a comprehensive Occupational Safety and Health (OSH) Management System in accordance with relevant laws and regulations. We are committed to the continuous improvement of our work environment and safety management mechanisms to provide a safe, healthy, and supportive workplace. - Occupational Safety and Health Management System In compliance with the Occupational Safety and Health Act, the Company's management oversees the execution of all safety measures. Key initiatives include: - Establishment of Dedicated Units and Personnel: Certified OSH personnel are appointed to manage site safety, risk assessments, and accident prevention. The Company has implemented and maintains ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management) certifications to enhance performance through systematic management. - Occupational Safety and Health Committee: Meetings are held quarterly to review safety performance and discuss improvement measures. - Workplace Safety Management Measures To mitigate potential risks, the Company implements the following safety protocols: - Operational Safety Management: Standardized procedures are in place for all operational tasks. - Workplace Safety Inspections: Regular site patrols are conducted to identify deficiencies, which are then formally tracked until fully rectified. - Machinery and Equipment Safety: All machinery is equipped with necessary safety guards, and routine maintenance is performed to ensure equipment integrity. - Employee Health and Safety Protection - Health Check-ups: The Company organizes annual health examinations for all employees, provides subsidies for check-up items, and offers specialized health screenings for personnel in specific high-risk roles. - Medical Consultancy: On-site professional nurses and physicians provide regular occupational health management and medical consultations. - Environmental Monitoring: Work environment monitoring is conducted semi-annually to ensure compliance with official health and safety standards.	No material deviations

Promotion Item		Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations
		Yes	No	Summary Description	
IV. Social Issues				4. Safety Promotion: The Company organizes regular disaster prevention seminars and monthly occupational safety awareness campaigns. 5. Emergency Medical Equipment: In collaboration with Lee Way Electronics (a Taiwan Secom subsidiary), Automated External Defibrillators (AEDs) are installed. These are portable devices designed for non-medical personnel to assist in cases of sudden cardiac arrest. 6. Injury Management: Every work-related injury is documented, categorized, and statistically analyzed. Results are reviewed at quarterly cross-plant executive and administrative meetings to formulate preventive strategies and ensure a secure environment. Detailed implementation can be found in Section IV of this annual report "Business Overview – Workplace Environment and Personal Safety Protection Measures (3)." 	
	(IV) Has the Company established effective career and ability development and training plans for employees?	V		To allow employees to possess professional literacy and development advantages, the Company organizes internal training courses and sends employees to external parties for professional training from time to time.	No material deviations.
	(V) Has the Company complied with relevant regulations and international standards for issues related to customer privacy, marketing, and labeling of its products and services, and established relevant policies and complaint procedures to protect the interests of consumers or customers?	V		The business philosophy that the Company posted on its website starts with: "innovative and improved products and services of C Sun provide satisfaction for customers"; the quality policy of the Company is: "adhering to quality, customer satisfaction, professionalism and practices, and sustainability"; our Articles of rules specify that the after-sales customer complaint procedures are handled in our quality handbook. In addition, based on the "procedures for customer satisfaction survey," the Company executes annual customer satisfaction surveys for feedback to grasp customers' satisfaction in terms of products, technologies, quality, delivery terms, and services and make further improvements.	No material deviations.
	(VI) Has the Company established its management policies for supplier management and required suppliers to comply with requirements related to environmental protection, occupational safety and health, or labor human rights?	V		What is the implementation status? The Company has established its "environmental protection management requirements," stating requirements for suppliers in terms of environmental protection as well as safety and health, improving its social and environmental responsibilities; the Company and its suppliers are jointly committed to green environmental protection technologies. For any violation, the Company may immediately terminate its cooperation with the supplier.	No material deviations.
V. Has the Company prepared its sustainability report or other reports for the disclosure of non-financial information with reference to report preparation standards or guidelines internationally accepted? Has the abovementioned report received the assurance or guarantee opinions from a certifying institution?		V		The Sustainability Report issued by the Company primarily follows the Global Reporting Initiative (GRI) the GRI Standards 2021 released by the Global Reporting Initiative (GRI) in 2021, the Sustainable Accounting Standards Board (SASB) for "Industrial Machinery and Products," the "Operating Procedures for the Preparation and Submission of Sustainability Reports by Listed Companies," and the "Climate-Related Information for Listed Companies," while referencing the "Task Force on Climate-related Financial Disclosures (TCFD)" framework for compilation. The report data and metrics are consolidated by the Sustainable Development Committee, submitted to the Board for review, and approved by the Board prior to publication. The Company engaged PricewaterhouseCoopers (PwC) Taiwan to perform independent limited assurance in accordance with Republic of China Assurance Standard 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" on selected indicators, with the assurance report attached in the appendix. Additionally, for the quality management system (ISO 9001), occupational health and safety management system (ISO 45001), environmental management system (ISO 14001), and greenhouse gas inventory (ISO 14064-1), internal audits are conducted annually, and external institutions perform greenhouse gas inventories to ensure data accuracy. The Sustainability Report is publicly available on the Company's website: https://www.csun.com.tw/esg/	No material deviations.
VI. Where the Company has established its Sustainable Development Best Principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operations and the deviation from the Principles established: The Company has formulated the "Corporate Social Responsibility Code," "Corporate Social Responsibility Best Practice Principles for Listed Companies," and "Sustainability Information Management Procedures," with no material discrepancies. These documents are available for download on the Company's website or the Market Observation Post System. For CSR implementation details, please refer to this annual report or the Company's website. The Company manages economic, environmental, and social risks and impacts under these codes and continuously improves accordingly. No discrepancies have been observed in implementation to date.					
VII. Other material information facilitating understanding of sustainability implementation: For details on sustainability operations, please refer to the Company's website or Sustainability Report.					

(VI) Climate-related Information of TWSE/TPEX Listed Companies

(1) Implementation Status of Climate-related Information

Item	Implementation Status
1. Clarify the supervision and governance of the Board of Directors and the management level on climate-related risks and opportunities.	1. According to the World Economic Forum’s (WEF) 2023 Global Risks Report, "failure of climate change mitigation and adaptation" and "natural disasters and extreme weather events" remain significant long-term risks, with escalating threats from climate extremes. To address climate change’s potential impacts and implement effective management strategies, C Sun adopted the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2023. Aligned with the four pillars of governance, strategy, risk management, and metrics/targets, C Sun enhances its identification and response to climate risks and opportunities, establishes governance strategies and objectives, and integrates them into operational processes to continuously monitor and mitigate climate-related impacts. Board of Directors The Board of Directors serves as the supreme unit of C Sun's climate governance. Its main responsibilities include advancing and supervising the strategic directions of climate-related topics, discussing the opportunity trend of current climate risks on an irregular basis, and determining the specific strategies, goals for key climate risks, thus maintaining the sustainable operation of the Company steadily. The General Manager serves as the chairperson of Sustainable Operation Committee under the Board of Directors, and shall report the sustainable operation progress and implementation results of the Company to the Board of Directors. Sustainable Operation Committee The Sustainable Development Committee serves as C Sun's dedicated unit for sustainable development and climate governance. Responsible for identifying key climate-related risks and opportunities pertinent to C Sun's operations, the committee is convened regularly by the General Manager to collaborate with departments on climate response strategies, target setting, and management plans. Execution outcomes are reported to the Board, facilitating internal communication and integration. The Sustainability Development and Risk Management Committee formulates corresponding strategies and action guidelines for sustainability issues relevant to the Company’s operations and of concern to stakeholders, while also tracking the effectiveness of their implementation. The Committee reports to the Board of Directors on sustainability strategies and the execution results of related projects at least once a year. The Board of Directors regularly hears reports from the management on the progress of the implementation of material issues. Based on the content of such reports, the Board evaluates the feasibility of the strategies or provides other suggested directions, and also tracks implementation progress and urges the management to assess and adjust relevant plans where necessary. Of the 12 Board meetings held in 2025, 4 meetings included sustainability-related proposals, accounting for 33% of the total number of Board meetings.

Item	Implementation Status																	
1. Clarify the supervision and governance of the Board of Directors and the management level on climate-related risks and opportunities.	The matters discussed included: 1. Proposal for the election of members of the Risk Management Committee. 2. Report on the operation of the Risk Management Committee. 3. Proposal for the adoption of the Organizational Charter of the Sustainability Development and Risk Management Committee. 4. Operational status of the Sustainability Development and Risk Management Committee: (1) Report on the implementation of corporate social responsibility. (2) Report on the progress of greenhouse gas inventory and assurance.																	
2. Clarify how the identified climate-related risks and opportunities affect the business, policies and finance (short, medium and long-term) of the corporate.	2. Under the assessment of the long-term development of transition risks, the Company is exposed to market risks, technology risks, and policy and regulatory risks. These risks mainly arise from the global advancement of net-zero targets, which may drive customers’ demand for carbon reduction and require the Company to develop low-carbon technologies or products in response to future changes in market demand. In addition, transition risks associated with low-carbon policies and regulations, including the implementation of new carbon emission schemes such as domestic carbon fees and cap-and-trade mechanisms, as well as the impact of carbon border adjustment mechanisms imposed by export destination countries, may create uncertainties in raw material costs, product selling costs, and market pricing. In aligning its business strategies with financial planning, the Company regards the short term (1–5 years) as the preparation period for operational transformation. During this stage, in addition to continuing to strengthen supply chain diversification, contingency plans, and backup work locations in cooperation with the supply chain, the Company will also establish dual-sourcing or regionally flexible dispatch plans, identify high-risk suppliers and equipment, develop low-carbon products, and regularly assess changes in the market and regulatory environment. The Company will also set carbon reduction targets, such as SBTi targets and net-zero commitments, in order to respond to new market demands arising during the medium term (5–15 years), which is regarded as the transitional period toward the net-zero era. As for the long term (15–30 years), the Company will take national net-zero targets as a reference and gradually formulate improvement plans such as emission reduction initiatives. <table><tr><th>Matrix of Strategies for Material Climate-Related Risks and Opportunities Risk/Opportunity Factor</th><th>Definition</th><th>Time Horizon</th><th>Financial Impact</th><th>Response Measures</th><th>Metrics and Targets</th></tr><tr><td>[Opportunity] Products and Services</td><td>Development or expansion of low-carbon products or services</td><td>Medium term (5–15 years)</td><td>1. Increase product profit margins 2. Increase operating revenue</td><td>1. Energy saving 2. Targeted marketing 3. Participation in trade exhibitions</td><td>1. Obtain ISO 14067 certification for products. 2. Achieve an improvement of more than 10% in oven energy efficiency. 3. Participate in various trade exhibitions and showcase low-carbon products and heat-recovery energy-saving equipment.</td></tr></table>						Matrix of Strategies for Material Climate-Related Risks and Opportunities Risk/Opportunity Factor	Definition	Time Horizon	Financial Impact	Response Measures	Metrics and Targets	[Opportunity] Products and Services	Development or expansion of low-carbon products or services	Medium term (5–15 years)	1. Increase product profit margins 2. Increase operating revenue	1. Energy saving 2. Targeted marketing 3. Participation in trade exhibitions	1. Obtain ISO 14067 certification for products. 2. Achieve an improvement of more than 10% in oven energy efficiency. 3. Participate in various trade exhibitions and showcase low-carbon products and heat-recovery energy-saving equipment.
Matrix of Strategies for Material Climate-Related Risks and Opportunities Risk/Opportunity Factor	Definition	Time Horizon	Financial Impact	Response Measures	Metrics and Targets													
[Opportunity] Products and Services	Development or expansion of low-carbon products or services	Medium term (5–15 years)	1. Increase product profit margins 2. Increase operating revenue	1. Energy saving 2. Targeted marketing 3. Participation in trade exhibitions	1. Obtain ISO 14067 certification for products. 2. Achieve an improvement of more than 10% in oven energy efficiency. 3. Participate in various trade exhibitions and showcase low-carbon products and heat-recovery energy-saving equipment.													

Item	Implementation Status					
2. Clarity how the identified climate-related risks and opportunities affect the business, policies and finance (short, medium and long-term) of the corporate.	Matrix of Strategies for Material Climate-Related Risks and Opportunities Risk/Opportunity Factor	Definition	Time Horizon	Financial Impact	Response Measures	Metrics and Targets
	[Physical Risk] Acute Extreme Weather Risk	Increased severity and frequency of extreme weather events	Short term (within 1–5 years)	1. Increase in operating costs 2. Increase in workforce management and planning expenses 3. Increase in inventory costs arising from delivery delays 4. Decrease in operating revenue 5. Increase in insurance premiums or freight costs, and assets located in high-risk areas may become difficult to insure	1. Supply chain diversification 2. Contingency planning 3. Backup work locations	1. Establish dual-sourcing arrangements or regionally flexible dispatch plans. 2. Identify and label high-risk suppliers and equipment.
	[Transition Risk] Market Risk	Increasing environmental / low-carbon requirements from stakeholders and customers	Medium term (5–15 years)	1. Decrease in operating revenue 2. Increase in costs and expenses	1. Risk assessment and management 2. Continuous improvement 3. Communication and transparency	1. Regularly assess changes in the market and regulatory environment. 2. Establish carbon reduction targets, such as SBTi targets and net-zero commitments. 3. Proactively communicate with stakeholders to build a sound corporate image and trust.
	[Transition Risk] Policy and Regulatory Risk	Financial impacts arising from domestic and international carbon fee / carbon tax mechanisms	Medium term (5–15 years)	1. Increase in direct expenditures 2. Increase in fines or penalty-related costs	1. Maintain sensitivity to policy developments 2. Introduce carbon management mechanisms 3. Keep abreast of customer and market trends	1. Regularly conduct inventories and monitor developments in domestic and international sustainability-related policies and regulations to reduce risks. 2. Introduce an internal carbon pricing mechanism. 3. Invest in green equipment and implement energy-saving improvements.
	[Transition Risk] Technology Risk	Replacement of existing products and services with low-carbon alternatives	Medium term (5–15 years)	1. Increase in R&D costs 2. Increase in management costs	1. Adjust the power mix 2. Conduct comprehensive investigation and analysis of the market, customers, and competitors	1. Introduce IoT-based electricity tracking and energy efficiency analysis modules. 2. Increase equipment heat recovery efficiency to 30% and implement a closed-loop system.

Item	Implementation Status																				
3. Specify the financial influence of extreme climatic events and transformation actions.	3. The increasing severity and frequency of extreme weather events, based on an assessment of historical weather data in recent years, indicate that in the short term the areas in which the Company's operating sites are located may, to varying degrees, be affected by extreme weather events associated with climate change. These acute physical risks include abnormal rainfall (such as torrential rain and water shortages), rising temperatures, typhoons, flooding, and other impacts arising from shortages of natural resources or direct natural disasters. From a financial perspective, the impacts are primarily associated with direct or indirect supply chain disruptions caused by extreme weather events, obstruction of transportation and logistics, and even loss of working hours due to office closures or work suspensions. In addition, expenditures on disaster prevention resources, increased insurance costs, and post-disaster recovery may also have certain financial impacts. At present, the Company has identified one physical risk, namely the indirect impact arising from flood potential. The Company uses the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) to conduct scenario simulations under the Representative Concentration Pathways (RCPs). Through the platform's online simulations of four global warming scenarios under the RCPs, the Company assesses the most severe conditions that its operating sites may encounter in terms of temperature, sea-level rise, and rainfall variation, and compares the impacts under the two extreme climate change pathways, RCP2.6 and RCP8.5. At this stage, no significant acute or chronic risks have been identified. Nevertheless, if areas surrounding the Company's operating sites are affected by torrential rain, flooding, or other natural disasters, the Company may still be affected by transportation disruptions and employee commuting difficulties, which may directly or indirectly result in interruptions to raw material supply and product delivery, as well as increased labor and operating costs. [Disaster Potential Simulation] <table><tr><th>Site</th><th>Extreme Temperature Increase</th><th>Flood Potential</th><th>Abnormal Rainfall</th></tr><tr><td>Linkou Headquarters</td><td>●</td><td>●</td><td>●</td></tr><tr><td>Taipei Plant</td><td>●</td><td>●</td><td>●</td></tr><tr><td>Taichung Plant</td><td>●</td><td>●</td><td>●</td></tr><tr><td>Southern Service Center</td><td>●</td><td>●</td><td>●</td></tr></table> Result Categories: ● No impact; ● Indirect impact; ● Direct impact	Site	Extreme Temperature Increase	Flood Potential	Abnormal Rainfall	Linkou Headquarters	●	●	●	Taipei Plant	●	●	●	Taichung Plant	●	●	●	Southern Service Center	●	●	●
Site	Extreme Temperature Increase	Flood Potential	Abnormal Rainfall																		
Linkou Headquarters	●	●	●																		
Taipei Plant	●	●	●																		
Taichung Plant	●	●	●																		
Southern Service Center	●	●	●																		
4. Specify how the identification, assessment and management procedures of climate-related risks are integrated with the overall risk management systems.	4. The Board of Directors is the highest decision-making body for risk management and control of each company within the Group. In order to strengthen risk assessment and enhance management functions, the Board resolved in 2025 to rename the Sustainability Development Committee as the Sustainability Development and Risk Management Committee, and to establish a Risk Management Task Force responsible for identifying and managing risks associated with the Company's operations, including the physical and transition risks that may arise from climate change, and for leading the planning of relevant response measures. (1) Climate Risk Identification: By integrating international climate and sustainability frameworks into internal operations through staff training, the Company assesses risks posed by climate change, including extreme weather events, climate policy risks, and market volatility. Available scientific tools, data, and climate models are utilized to enhance risk identification (2) Climate Risk Evaluation: The probability and impact severity of risks are analyzed to assess the criticality and potential consequences of climate risks. This process involves evaluating risks under diverse climate scenarios, including extreme events and uncertainties, and determining their potential effects on corporate operations, sales activities, asset management, supply chains, brand reputation, and related domains. (3) Integration into Risk Management Systems: Climate risks are incorporated into all stages of corporate risk management: identification, assessment, control, tracking, and review. Climate risk management is embedded into corporate policies and procedures, complemented by training programs to ensure cross-departmental comprehension and timely engagement in climate risk mitigation efforts.																				

Item	Implementation Status
4. Specify how the identification, assessment and management procedures of climate-related risks are integrated with the overall risk management systems.	(4) Development of Response Measures: Tailored response strategies and actions such as risk transfer, avoidance, or mitigation are developed based on evaluation outcomes.Synergies between climate risk management and other risk control measures are systematically explored to minimize overall risks. (5) Track and Improvement: An internal sustainability ESG taskforce, after receiving external professional training, develops climate risk assessment capabilities. It performs regular evaluations of short-, medium-, and long-term risks and opportunities, with findings reported to executive leadership and functional oversight committees.
5. Where the situational analysis is applied to assess the resilience against climate change risks, the used situations, parameters, assumptions, factors for analysis, and major financial impacts shall be specified.	(1) Scenario Description: Scenarios incorporating abnormal climate phenomena and rising global average temperatures are defined to assess mid- to long-term physical risks impacting operational facilities. (2) Parameters and Assumptions: Parameters are referenced from the carbon reduction targets outlined in Nationally Determined Contributions (NDCs) and the pathways detailed in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). Analytical assumptions are based on a long-term global average temperature rise exceeding 2°C, with Representative Concentration Pathways RCP 4.5 and RCP 8.5 adopted as foundational models for future climate projections. (3) Analysis Factors: Factors influencing operational resilience are identified, including supply chain stability, sales performance, and capital liquidity, which are utilized as evaluation metrics. (4) Key Financial Impacts: Potential financial impacts are assessed through data collection and analysis under various climate scenarios, including direct losses, indirect costs, and shifts in market demand. Potential impacts on financial performance are further assessed. (5) Risk Assessment: Financial impacts are quantified, and resilience levels are further evaluated to address potential risks and challenges under different scenarios.
6. Where there are transformation plans in terms of management of climate-related risks, the plan content, indicators used for identifying and managing entity risks and transformation risks, and targets shall be specified.	6. In order to achieve net zero emissions by 2050, the Company has committed to the Science Based Targets initiative (SBTi) to reduce direct emissions from operations (Scope 1) and indirect emissions from energy use (Scope 2) by 42% by 2030, and to reduce indirect emissions from the value chain (Scope 3) by 37.5% by 2035. The implementation measures include the following: S1. Continue actively transitioning company vehicles to hybrid or battery electric vehicles. In 2025, 16 company vehicles were replaced with hybrid vehicles, and annual fuel consumption decreased by approximately 4.6% compared with the previous year. S2. Plan to install an additional 500 kW of solar panels on the rooftop of the second plant, with the aim of increasing the proportion of green electricity to 15%. S3. Supply chain management: The Company has joined the government's Post-pandemic Upgrade and Transformation Diagnostic and Advisory Program and the Net-Zero Transition Promotion Program for the Manufacturing Sector to assist suppliers in understanding and managing their own carbon emissions. The indicators and targets adopted by the Company for identifying and managing physical risks and transition risks are as follows: 1. Transition risks: Potential impacts arising from the transition to a low-carbon economy. 2. Physical risks: Exposure to the impacts of climate change, including floods and droughts.
7. Where the Internal Carbon Pricing (ICP) is employed as the planning tool, the pricing basis shall be specified.	7. The Company does not utilize carbon pricing tools.

Item	Implementation Status
8. Where climate-related goals are set, the covered activities, GHG emission scope, planned term durations, and yearly emission goal progress shall be specified; where carbon offsets or Renewable E n e r g y Certificates (RECs) are used to achieve the related goals, source and volume of the offset carbon credit or the amount of RECs shall be specified.	(1) To effectively manage climate-related threats and strengthen climate resilience, C Sun has set climate management targets, which are integrated into facility and departmental operations. C Sun completed a greenhouse gas (GHG) inventory in 2022 in accordance with international standards, which will serve as the baseline year for future carbon reduction target setting. C Sun has defined climate-related targets, with annual progress monitored by the Sustainable Development Committee across all operational sites. Climate goals are iteratively refined and reported annually to the Board of Directors to verify their effectiveness and appropriateness. (2) The Company does not use carbon offsets or renewable energy certificates (RECs).
9. Greenhouse gas (GHG) inventories, assurance status, reduction targets, strategies, and specific plans of action (to be completed in sections 1-1 and 1-2).	9. Refer to Tables 1-1 and 1-2.

(2) Greenhouse Gas Inventory and Assurance Status in the Recent Two Years

A. GHG Inventory Information

Clarify the emissions (metric tons CO2e) of GHG in the recent two years, emission intensity (metric tons CO2e/million NTD), and information coverage scope.

1.The parent company only shall commence greenhouse gas inventorying in 2025.

2.Subsidiaries included in the consolidated financial statements shall commence greenhouse gas inventorying in 2026.

The greenhouse gas inventory data for the most recent two years were compiled based on the operational control approach to quantify greenhouse gas emissions within the operational boundary, which includes all plants of the Company, as described below:

Scope of execution		2024		2025	
		Emission (Ton of CO2e)	Intensity Intensity (Ton of CO2e/ million NTD of revenue)	Emission (Ton of CO2e)	Intensity Intensity (Ton of CO2e/ million NTD of revenue)
The Company	Scope 1	490.07	-	498.72	-
	Scope 2	1466.74		1,845.62	
	Scope 3	87388.99		95745.94	
Total		89345.80	32.07	98090.27	29.00

The information coverage scope includes the summarized information of the headquarters, Taipei Plant, Taichung Plant, and South Office.

Note 1: Direct emissions (Scope 1, direct emissions from owned or controlled sources), indirect emissions from the generation of purchased energy (Scope 2, indirect GHG emissions associated with the purchase of electricity, steam and heat), and all other indirect emissions (Scope 3, emissions that are a consequence of the activities of the reporting company, beyond the scope of indirect emissions from the generation of purchased energy, but occur at sources owned or controlled by another company).

Note 2: The information coverage scope of direct emissions and indirect emissions from the generation of purchased energy shall be handled according to the term duration specified in Paragraph 2, Article 10 of the Principles, while the information of other indirect emissions shall be disclosed by themselves.

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

Note 4: The intensity of GHG emissions shall be calculated with per unit of a product/service or revenue, but the data calculated with revenues (unit: million NTD) shall be clarified at least.

B. GHG Assurance Information

Description of the assurance status for the most recent two years as of the publication date of this annual report, including the assurance scope, assurance provider, assurance standard, and assurance opinion:

- 1. The parent company only shall begin obtaining assurance in 2027.
- 2. Subsidiaries included in the consolidated financial statements shall begin obtaining assurance in 2028.

Complete assurance information will be disclosed in the sustainability report.

Note 1: It shall be handled according to the term duration specified in Paragraph 2, Article 10 of the Principles. If the Company fails to obtain the complete GHG assurance opinions on or before the printing day of the annual report, it shall be indicated that "complete assurance information will be disclosed in the sustainability report"; if the Company does not compile the sustainability report, it shall be indicated that "complete assurance information will be disclosed at the MOPS", and will be disclosed at the next year's annual report.

Note 2: Assurance institutions shall be in line with the regulations on sustainability report assurance institutions specified by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX).

Note 3: Please refer to the best practice reference examples on the Corporate Governance Center website of TWSE for the disclosure content.

(3) GHG emission reduction goals, strategies and specific plans of action

Clarify the baseline year and relevant data of GHG emission reduction, reduction goals, strategies, specific plans of action, and reduction goal achievement results.

(1) Baseline year and relevant data of GHG emission reduction:

To effectively manage the threats posed by climate risks and strengthen C Sun’s capability to respond to climate change, C Sun has established climate-related management targets to enhance climate resilience and has incorporated these targets into the operational management of its plants and departments. Since 2023, C Sun has conducted greenhouse gas inventories for the parent company only in accordance with the Greenhouse Gas Protocol and will use 2023 as the base year for setting future carbon reduction targets.

At present, C Sun has established corresponding greenhouse gas reduction targets. In order

to achieve net zero emissions by 2050, the Company has committed to the Science Based Targets initiative (SBTi) to reduce direct emissions from operations (Scope 1) and indirect emissions from energy use (Scope 2) by 42% by 2030, and to reduce indirect emissions from the value chain (Scope 3) by 37.5% by 2035.

The Sustainability Development and Risk Management Committee oversees the annual achievement status of each operating site, makes rolling adjustments to climate targets, and reports to the Board of Directors on an annual basis, so as to review and confirm the effectiveness and appropriateness of such targets year by year.

Scope of execution		2024		2025	
		Emission (Ton of CO2e)	Intensity (Ton of CO2e/ million NTD of revenue)	Emission (Ton of CO2e)	Intensity (Ton of CO2e/ million NTD of revenue)
The Company	Scope 1	490.07	-	498.72	-
	Scope 2	1466.74		1,845.62	
	Scope 3	87388.99		95745.94	
Total (Scopes 1–3)		89345.80	32.07	98090.27	29.00

The 2025 Year carbon emissions intensity significantly decreased compared to the previous year.

*Note 1:The information coverage scope includes the summarized information of the headquarters, Taipei Plant, Taichung Plant, and South Office.

*Note 2: 1Information for 2025 is pending assurance body review. Detailed and assured information will be disclosed in the current year’s Sustainability Report.

(2)Action plans:

- 1. Conduct regular key climate opportunity assessments under the TCFD framework, establishing response measures and management targets.
- 2. Gradually expand GHG inventory scope and integrate ISO 14067 product carbon footprint standards into advanced packaging flagship Products.
- 3. Upgrade equipment and optimize production/assembly processes to reduce energy waste.
- 4. Incentivize employee proposals for energy-saving R&D and low-carbon product/service development.

Note 1: Comply with timelines specified in Article 10, Paragraph 2 of the regulatory guidelines.

Note 2: The baseline year shall be the year completing the inventory within the consolidated financial statement boundary. For example, according to the rules in Paragraph 2, Article 10 of the Principles, companies with the capital sum over 10 billion NTD shall complete the inventory of 2024 consolidated financial statement in 2025, therefore, the baseline year is 2024. In case that the Company completes the inventory of the consolidated financial statement in advance, the earlier year of completion shall be the base year. Furthermore, the data of baseline year shall be calculated as the value of one-single-year-data or the mean of several years of data.

(VII) Performance of Ethical Management and Its Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Its Cause:

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Its Causes
		Yes	No	Summary Description	
I. Establishment of ethical management policies and programs	(I) Has the Company established its ethical management policies that are passed by the Board, and expressively declared its ethical management policies and measures in its rules and documents for external parties, and the commitments made by the Board and the senior management to actively implement the operating policies?	V		To implement corporate ethical conduct and Ethical Corporate Management for the healthy development of corporate culture, C Sun, having obtained approval from the Board of Directors, has established its "Ethical Corporate Management Principles" and "Regulations for the Whistleblowing of Illegal and Unethical Behaviors." These documents set out preventive measures for unethical behaviors, such as providing and accepting bribes, providing illegal political donations, providing or accepting unreasonable gifts, social engagement, or other unjust interests, or infringement on business secrets and intellectual property rights. During joint monthly meetings at the factory premises, the employees are briefed to provide C Sun colleagues with clearer directions and guidelines to follow regarding ethical integrity.	No material deviations
	(II) (Has the Company established an evaluation system for the risk of unethical behaviors, regularly analyzed and evaluated operating activities with higher risks of unethical behaviors within its scope of business, and established an unethical behavior preventive plan that at least covers the preventive measures for behaviors set out in paragraph 2 under Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?)	V		The Company's "Ethical Corporate Management Principles" set out preventive measures for unethical behaviors, such as providing and accepting bribes, providing illegal political donations, providing or accepting unreasonable gifts, social engagement, or other unjust interests, or infringement on business secrets and intellectual property rights.	No material deviations
	(III) Has the Company stated the operating procedures, behavioral guidelines, punishments for violations, and the complaint system in its unethical behavior preventive plan, duly implemented the plan, and regularly examined and amended the abovementioned plan?	V		Except for "Ethical Corporate Management Principles," the Company also established its "Procedures for the Acquisition or Disposal of Assets," "Procedures for Endorsement and Guarantee," "Procedures for Loans to Others" and "Procedures for Transactions with Related Parties."	No material deviations
II. Implementation of Ethical Corporate Management	(I) Has the Company evaluated business counterparties' ethical records and included clauses related to ethical management in contracts with business counterparties?	V		The Company engages in business activities in a fair and transparent manner. Before engaging in business activities, the Company duly evaluates the counterparties to avoid conducting transactions with unethical counterparties. Furthermore, when entering into business contracts with business counterparties, the department of legal affairs would review the contract terms to avoid conducting transactions with those with records of unethical behaviors.	No material deviations

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Causes																			
		Yes	No	Summary Description																				
II. Implementation of Ethical Corporate Management	(II) Has the Company established a dedicated department supervised by the Board to be in charge of corporate ethical management?Has the dedicated department regularly (at least once a year) reported to the Board regarding the ethical management policies, unethical behavior preventive plan, and the execution of supervision?	V		The Company has established the Sustainable Development and Risk Management Committee, which reports its implementation status to the Board annually. The Committee establishes corporate integrity and ethical standards, maintains ethical governance, implements operational and financial management, safeguards corporate interests, protects shareholder rights, adheres to business conduct and moral codes, and ensures the Company's sustainable growth. The committee is responsible for promoting various corporate social responsibility (CSR) initiatives, coordinating and formulating company-wide CSR goals and sustainability direction policies, and reporting the implementation status to the Board. The most recent report was submitted to the Board on November 7, 2025. 1. On July 31, 2025, The Company invited Director Li Shanzhi from the Taichung City Legal Affairs Bureau to share a course on "Fraud Prevention," helping colleagues grasp the latest fraud information to protect themselves and their families. Deepen the concept of Ethical Corporate Management through courses, enhance fraud prevention and detection capabilities, strengthen employee vigilance, and build a safe and transparent workplace environment, fostering a lawful, honest, and trustworthy corporate culture. This course had 99 participants and 198 training hours. 2. When newly hired employees join the Company, they all sign a commitment to integrity and honesty, emphasizing the importance of the Company's Ethical Corporate Management. A total of 101 commitments were signed in 2025.	No material deviations																			
	(III) Has the Company established policies to prevent conflicts of interest and provide appropriate communication channels, and implemented such policies?	V		For internal parties, the Company's relevant rules and regulations and working procedures for employees and the Company are published on the Company's internal website, and the Company sends letters to notify all our fellow colleagues upon any amendment. For external parties, the Company establishes a stakeholder section on its corporate website (URL: https://www.csun.com.tw/investor-relations/stakeholders).	No material deviations																			
	(IV)Has the Company established effective accounting systems and internal control systems to implement ethical management, with the internal audit department being responsible for devising relevant audit plans based on the evaluation results of the risk of involvement in unethical behaviors, and examining, accordingly, the compliance with the unethical behavior preventive plan, or engaged CPAs to carry out the audit?	V		The Company has established its internal control system, provisions for implementing internal audits, accounting system, and management regulations that operate normally. The Company also fully realizes the requirements of ethical management. The internal auditors of the Company perform audits according to the audit plan and prepare audit reports, and regularly report to the Board regarding the audit results.	No material deviations																			
	(V) Has the Company regularly held internal and external educational training on ethical management?	V		The Company regularly organizes educational training related to ethical management and has disclosed the procedures and regulations of relevant specifications on the Company's internal website for employees to inquire about at all times. The Company regularly promotes employees' steadfast commitment to adhering to ethical corporate management guidelines during joint monthly meetings at the factory premises to ensure their implementation. The promotion situation is as follows: <table><tr><th>Date</th><th>Name of the educational training program</th><th>Target audience</th><th>Participants</th><th>Number of hours</th></tr><tr><td>2025/5/28</td><td>Violation of professional ethics complaint channel</td><td>All employees</td><td>156</td><td>78</td></tr><tr><td>2025/9/25</td><td>Zero tolerance for corruption</td><td>All employees</td><td>207</td><td>104</td></tr><tr><td>2025/9/25</td><td>Insider Trading Promotion</td><td>All employees</td><td>207</td><td>104</td></tr></table>	Date	Name of the educational training program	Target audience	Participants	Number of hours	2025/5/28	Violation of professional ethics complaint channel	All employees	156	78	2025/9/25	Zero tolerance for corruption	All employees	207	104	2025/9/25	Insider Trading Promotion	All employees	207	104
Date	Name of the educational training program	Target audience	Participants	Number of hours																				
2025/5/28	Violation of professional ethics complaint channel	All employees	156	78																				
2025/9/25	Zero tolerance for corruption	All employees	207	104																				
2025/9/25	Insider Trading Promotion	All employees	207	104																				

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Causes
		Yes	No	Summary Description	
III. Operations of the Company's whistleblowing system	(I) Has the Company established concrete whistleblowing and incentive system, established convenient whistleblowing channels, and appointed appropriate dedicated handling personnel for the targets being reported?	V		Regarding behaviors violating laws and regulations or code of ethics, the Company has established the "Regulations for the Whistleblowing of Illegal and Unethical Behaviors," whistleblowing and complaint channels (such as e-mail, employees' opinion mailbox, and relevant punishment measures) and carries out examination and amendments from time to time to provide channels to achieve effective and abundant opinion communications, so as to rapidly and effectively communicate and resolve issues upon occurrence. The Company also assigns appropriate dedicated personnel to handle the reported targets.	No material deviations
	(II) Has the Company established standard operating procedures for investigating the matters being reported and relevant confidentiality systems?	V		The Company has established whistleblowing regulations and a whistleblowing mailbox. We keep the identity of the whistleblower and the content of the whistleblowing confidential.	No material deviations
	(III) Has the Company adopted measures to protect whistleblowers from being mistreated due to whistleblowing?	V		The Company has adopted measures to protect whistleblowers from being mistreated due to whistleblowing.	No material deviations
IV. Improve information disclosure	(I) Has the Company disclosed the content of its Ethical Management Principles and the results of its implementation on the Company's website and MOPS?	V		The Ethical Management Principles of the Company have been uploaded to MOPS and disclosed on the Company's website. https://www.csun.com.tw/category	No material deviations
				3. The Company has established its "Operations for the Management of Preventing Insider Transactions," which stated that Directors, supervisors, managers, and employees may not leak the Company's undisclosed significant internal information acknowledged by them, and may not leak the Company's undisclosed significant internal information acknowledged by them due to the execution of businesses to others. 4. The CPA's firm of the Company is PwC Taiwan. The CPAs are not Directors of the Company and possess expertise and independence. The Company reviews the independence of CPAs on a yearly basis. The CPAs regularly perform audits on major cyclic and internal control and provide recommendations on matters related to internal control and accounting of the Company.	

(VIII) Disclosure of Access Methods for Corporate Governance Codes and Related Regulations (if established):

The Company made disclosures on the investor sector of the Company's corporate website.

(IX) Other key information helpful for understanding the operation of the corporate governance may also be disclosed:

C Sun is committed to the transparency and immediacy of its operating information, and in turns generate maximum investment interest for shareholders, which has always been the essential operating concept of C Sun; the Company' corporate governance status is as follows:

- 1. The Board includes four Independent Directors with years of industrial experiences.
- 2. The professional Independent Directors regularly participate in the decision-making system (one to two meetings of the Board are convened every three months).
- 3. The Company regularly engages CPAs to perform audits on the operating system in Taiwan and China.
- 4. The CPAs regularly participate in the meeting of the Board and play the part of supervision and consultation.
- 5. The Company has established an investor section on its website and made regular updates, allowing all shareholders to acquire real-time information of the Company via a uniform and fair channel.
- 6. The Company has established a professional Director consultation system.

(X) Implementation of the internal control system:

(1) Statement of Internal Control:

C Sun MFG. Ltd.
Statement of Internal Control System
Date: February 25, 2026

Based on the results of the self-examination on the internal control system for 2025, the Company hereby stated as follows:

I. The Company acknowledges that establishing, implementing, and maintaining the internal control system is the responsibility of the Company's Board and managers. The purpose of which is to provide reasonable assurance on the achievements of objectives such as effects and efficiency of operations (including profits, performance, and protection of assets' safety), reliability, timeliness, transparency of reporting, and compliance with relevant regu-

lations and laws.

II. An internal control system has inherent limitations. Regardless of the comprehensive design, an effective internal control system may merely provide reasonable assurance on achieving the three objectives mentioned above. Moreover, the effectiveness of an internal control system is subject to changes in the environment and circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company adopts immediate remedial actions in response to any identified deficiencies.

III. The Company established the determination items for the effectiveness of its internal control system based on the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Regulations") to determine whether the design and execution of its internal control system are effective. The determination items for the internal control system adopted by the "Regulations" divide the internal control system into five key components based on the course of management and control: 1. control environment; 2. risk evaluation and response; 3. control operations; 4. information and communications; and 5. supervision. Each component consists of a number of items. For the items mentioned above, please see the requirements under the "Regulations."

IV. The Company adopted the abovementioned determination items for the internal control system to evaluate the effectiveness of the internal control system's design and execution.

V. Based on the examination results above, the Company considered that the design and execution of the internal control system (including supervision and management of subsidiaries) as at December 31, 2025 are effective (including knowing of the level of achievement regarding the objectives of operations' effects and efficiency, reliable, timely, transparent reporting, and compliance with relevant regulations and laws), and the internal control system is able to provide reasonable assurance on the achievement of the above objectives.

VI. The Statement is a major part of the Company's annual report and prospectus that is disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.

VII. The Statement was approved by the Company's Board of Directors on February 25, 2026. It is hereby stated that out of seven attending directors, none opposed, and the rest agreed on the content of the Statement.

C Sun MFG. Ltd.
Chairman: Morrison Liang
General Manager: Yu Wen Liang



(2) Where CPAs were engaged to conduct a project audit on the internal control system, the audit report shall be disclosed: None.

(XI) Key Resolutions of Shareholders’ Meetings and Board of Directors During the Recent Fiscal Year and Up to the Annual Report Publication Date:

(1) Significant Resolution of the Board:

Date	Meeting title	Content
January 10, 2025	17th Meeting of the 18th Board of Directors	Proposal to Lift Non-Compete Restrictions on the Company’s Managers.
February 25, 2025	18th Meeting of the 18th Board of Directors	1. Proposal to Approve the 2024 Financial Report and Consolidated Financial Statements, as well as Matters Communicated by the CPAs and Corporate Governance Unit. 2. Proposal to Review Overdue Accounts Receivable as of December 31, 2023, Confirming They Are Not Classified as Fund Lending. 3. Proposal to Approve the 2024 Internal Control System Effectiveness Assessment and Statement. 4. Proposal to Approve the 2024 Business Report. 5. Proposal to Approve the 2024 Profit Distribution Plan. 6. Proposal to Approve the Capitalization of 2023 Retained Earnings and Issuance of New Shares. 7. Proposal to Acquire Real Estate. 8. Proposal to Acquire Real Estate by Subsidiary Csun Technology (Guangzhou) Co., Ltd. 9. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 10. Proposal for Investment. 11. Proposal to Approve the Total Amount of Directors’ and Employees’ Compensation for 2024. 12. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. 13. Proposal to Issue Restricted Employee Stock Awards to Employees. 14. Proposal to Elect Directors and Independent Directors for the 19th Term. 15. Proposal to Approve the 2024 Shareholders’ Meeting Date, Venue, Agenda, and Deadline for Shareholder Proposals.
April 8, 2025	19th Meeting of the 18th Board of Directors	1. Propose to submit for approval the candidate list of Directors (Independent Directors) for nomination and review by the Board of Directors, respectfully seeking consent. 2. Proposal to Lift Non-Compete Restrictions on Directors. 3. Propose for adoption of establishing issues related to 2024 cash dividend distribution base day.
April 16, 2025	20th Meeting of the 18th Board of Directors	1. Proposal for the Company's First Share Buyback in 2025. 2. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution.
May 6, 2025	21st Meeting of the 18th Board of Directors	1. Proposal to approve the Q1 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to review overdue accounts receivable (as of March 31, 2025) of the Company with the nature being not loaning of funds. 3. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 4. Proposed salary adjustment plan for the Company's 2025 fiscal year, submitted for deliberation.
May 27, 2025	First time of the 19th Term Board of Directors	One person each has been elected as the new Chairman and Vice Chairman.
June 4, 2025	2nd Term of the 19th Term Board of Directors	Proposal for the Election of Members of the Remuneration Committee.

Date	Meeting title	Content
August 5, 2025	3rd Meeting of the 19th Term	1. Proposal to approve the Q2 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to review overdue accounts receivable (as of June 30, 2025) of the Company with the nature being not loaning of funds, submitted for deliberation. 3. Report on 2025 sustainability report implementation results for ratification. 4. Election of Members of the Risk Management Committee. 5. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 6. World Trade Center Renovation Plan (1) 12F (2) B1 7. Manager Appointment Case (1) CEO (2) Chief Sustainability Officer, Deputy Chief Sustainability Officer (3) Chief Operating Officer (4) Chief of Staff. 8. Appointment of Internal Audit Supervisor. 9. Donation Proposal -- Feng Chia University. 10. The retirement case of Deputy Executive Officer Mr. Mao Chung Liang. 11. Proposal for the 2025 Manager Compensation Plan. 12. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees. 13. Proposal to participate in the land auction of Fengda Section in Xitun District, Taichung City, submitted for deliberation.
September 8, 2025	4th Meeting of the 19th Term	1. Proposal to participate in the land auction of Fengda Section in Xitun District, Taichung City, submitted for deliberation.
October 7, 2025	5th Meeting of the 19th Term	1. Proposal for the 2025 Manager Compensation Plan. 2. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution.
November 7, 2025	6th Meeting of the 19th Term	1. Proposal to approve the Q3 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to review overdue accounts receivable (as of September 30, 2025) of the Company with the nature being not loaning of funds, submitted for deliberation. 3. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 4. Proposal to Establish the "Organizational Guidelines for the Sustainable Development and Risk Management Committee" of The Company. 5. Proposal to issue domestic 2nd Term unsecured convertible bonds and domestic 3rd Term unsecured convertible bonds, submitted for discussion.
December 19, 2025	7th Meeting of the 19th Term	1. Proposal to Approve the 2026 Annual Audit Plan. 2. 2026 Annual Plan. 3. Proposal for Endorsements/Guarantees--first put, then tax. 4. Proposal for the Assessment of Independence and Competence of Current CPAs. 5. Proposal to Amend the Definition of the Company's Entry-Level Employees and the "Payroll Operations Cycle" of the Internal Control System. 6. Suzhou Top Creation Machines Co., Ltd. — Wujiang Plant Construction Budget Proposal. 7. Proposal for Investment(1) The case of Dunpin Innovation No. 5 Xinglin Co., Ltd.. 8. Proposal on the 2025 performance evaluation results and year-end total compensation for the Company's managers, submitted for deliberation. 9. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees.

Date	Meeting title	Content
January 27, 2026	8th Meeting of the 19th Term	1. Proposal to Acquire Real Estate - Taichung Nantun District Jingke 1st Road No. 12 Plant. 2. Proposal to Acquire Real Estate - Tainan Shanhua District Sunshine 3rd Road No. 238 Dormitory.
February 25, 2026	9th Meeting of the 19th Term	1. Proposal to approve the 2025 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to review overdue accounts receivable (as of December 31, 2025) of the Company with the nature being not loaning of funds, submitted for deliberation. 3. Proposal to approve the 2025 internal control system effectiveness assessment and statement. 4. Proposal to approve the 2025 business report. 5. Proposal to approve the 2025 profit distribution plan. 6. Proposal to Approve the Capitalization of 2025 Retained Earnings and Issuance of New Shares. 7. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 8. Proposal for the Replacement of CPAs. 9. Proposal for Investment: Proposal for Establishing a Japanese Subsidiary of Navigation Technology Co., Ltd. 10. Manager Appointment Case (1) CEO (2) Executive Vice President. 11. Proposal for the Total Amount of Directors' and Employees' Compensation for 2025. 12. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees. 13. Proposal to Approve the 2026 Shareholders' Meeting Date, Venue, Agenda, and Deadline for Shareholder Proposals.
March 20, 2026	10th Meeting of the 19th Term	1. The Company intends to participate as an investor in the private placement of common shares of Contrel Technology Co., Ltd.

(2) Content of Significant Resolutions at the Annual Shareholders' Meeting on May 27, 2025 and Implementation Status:

Significant Resolutions:

- I. Passed the 2024 final accounting books and statements.
- II. Passed the 2024 earning distribution.
- III. Amend the Company's "Articles of Association".
- IV. Passed the issuance of restricted employee stock awards to employees.
- V. Proposal to Elect Directors and Independent Directors for the 19th Term
- VI. Proposal to Lift Non-Compete Restrictions on Directors

Implementation Status:

At the Board meeting on April 8, 2025, June 3, 2025 was designated as the ex-dividend/ rights date. A cash dividend of NT\$5 per share was distributed to shareholders on June 20, 2025, with no discrepancies from the resolution passed at the Annual Shareholders' Meeting.

(XII) Records or Written Statements of Dissenting Opinions from Directors/Supervisors Regarding Key Board Resolutions During the Recent Fiscal Year and Up to the Annual Report Publication Date: None.

III. Information on Audit Fees for CPAs:

Unit: NT\$/Thousand

Name of CPA Firm	CPA Name	Audit Period	Audit Fees	Non-audit Fees	Total	Remarks
PwC Taiwan	Dian Yi Li Wei Hao Wu	January 1, 2025 to December 31, 2025	2,500	330	2,830	Consolidated and individual financial statements, translation of English financial reports, transfer pricing

Please specify the service content of non-audit fees: (i.e., taxation certification, assurance, or other financial consultation services)

Note: For any changes in the CPAs or CPA firm, the audit period shall be stated, explanations for such changes shall be set forth in the remark column, and the information such as the audit fees and non-audit fees paid shall be disclosed in order. Service content shall be specified for non-audit fees.

- (I) Where the Non-Audit Fees Paid to the CPAs, CPA's Firm, and Its Affiliates Accounted for One-Fourth of the Audit Fees and Above, the Audit and Non-Audit Fees and the Content of the Non-Audit Services Shall Be Disclosed: Not applicable.
- (II) When Changing the Accounting Firm and the Audit Fees Paid for the Year in which the Change Took Place Are Lower than Those Paid for the Year Preceding the Change, the Decrease in the Amount of the Audit Fees, the Ratio, and the Reason Shall be Disclosed: Not applicable.
- (III) When the Audit Fees Decreased by 10% and Above as Compared with the Preceding Year, the Decrease in the Amount of the Audit Fees, the Ratio, and the Reason Shall be Disclosed: Not applicable.

IV. Information on Audit Fees for CPAs:

(I) Regarding the Former CPA:

Date of replacement	February 25, 2026 (Note)		
Reasons for Replacement and Description	Internal rotation within the firm		
The description pertains to the termination or non-acceptance of appointment by the client or the accountant.	Participant	CPA	Client
	Situation		
	Proactively terminating appointment	N/A	N/A
	No longer accept (continue) the appointment	N/A	N/A
Opinions and reasons for audit reports other than unqualified opinions issued in the latest two years.	Unqualified opinions were issued for the latest two years.		

Are there any dissenting opinions with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or procedures of inspection
			Others
	No	V	
	Description		
Other Disclosure Matters (Reveal items specified in Item 4 to Item 7, Subparagraph 1, Paragraph 6, Article 10 of these guidelines)	N/A		

(II) Regarding the Successor CPA:

Name of CPA Firm	PwC Taiwan
CPA Name	Wei Hao Wu
	Tsai Yen Chiang
Date of appointment	February 25, 2026 (Note)
Consultation matters and results regarding the accounting treatment methods or accounting principles for specific transactions and the potential opinions to be issued on financial reports prior to appointment.	N/A
The written opinions of the successor CPA on matters of disagreement with the former CPA.	N/A

Note: This is the date on which the Board of Directors of the Company formally approved the appointment proposal.

(III) The response from the former CPA regarding Item 3, Subparagraphs 1 and 2, Article 10, of these guidelines: None.

V. When the Chairman, General Manager, Managers Responsible for Financial or Accounting Affairs of the Company Had Taken Office in the CPAs' Firm or its Affiliates, Names, Titles, and the Period Taken Office in the CPA's Firm or Its Affiliates shall be Disclosed: None.

VI. Changes in Share Transfers and Pledges for Directors, Supervisors, Managers, and Shareholders Holding Over 10% Equity During the Recent Fiscal Year and Up to the Annual Report Publication Date

Refer to the "Aggregate Shareholdings of Directors, Supervisors, Managers, and Major Shareholders" on the Market Observation Post System.

VII. Information on Relationships Among Top 10 Shareholders (e.g., Relatives, Spouses, or Second-Degree Kinship):

March 24, 2026 (book closure day)
Unit: shares; %

Name(NOTE 1)	Shares held by the shareholders		Shares held by spouse and minor children		Shareholding in the name of others		Title, name, or relationship of shareholders with top ten shareholdings who are related parties or spouses or family members within the second degree of kinship. (Note 3)		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name	Relationship	
Gallant Precision Machining Co., Ltd. Representative: Chen, Cheng-Hsing	19,957,082	12.73%	—	—	—	—	—	—	—
	15,760	0.01%	—	—	—	—	—	—	—
Hai-Xing Investment Co., Ltd. Representative: Hsiu Hung Fu Liang	17,827,743	11.37%	—	—	—	—	Morrison Liang, Mao Chung Liang	Siblings (sister and brother)	—
	742,714	0.47%	—	—	—	—	Siblings (sister and brother)	Siblings (sister and brother)	—
Pin-zhi Investment Co., Ltd. Representative: Bi Ju Liang	12,400,560	7.91%	—	—	—	—	Morrison Liang	Parent and child	—
	1,348,393	0.86%	—	—	—	—	Morrison Liang	Parent and child	—
Mao Chung Liang	6,875,949	4.39%	1,137,260	0.73%	—	—	Morrison Liang	Brothers	—
							Hai-Xing Investment Co., Ltd.	Siblings (sister and brother)	—

Name(NOTE 1)	Shares held by the shareholders		Shares held by spouse and minor children		Shareholding in the name of others		Title, name, or relationship of shareholders with top ten shareholdings who are related parties or spouses or family members within the second degree of kinship. (Note 3)		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name	Relationship	
Morrison Liang	4,577,866	2.92%	346,222	0.22%	—	—	Mao Chung Liang	Brothers	—
							Hai-Xing Investment Co., Ltd.	Siblings (brother and sister)	—
							Pin-zhi Investment Co., Ltd.	Parent and child	—
Treasury Share Special Account of C Sun	4,399,143	2.81%	—	—	—	—	—	—	—
Norges Bank Investment Account Custodied by Citibank	3,598,000	2.30%	—	—	—	—	—	—	—
SPDR Portfolio Emerging Market ETF Special Account under the Custody of Stanrd Chartered	3,428,139	2.19%	—	—	—	—	—	—	—
Investment Account of Goldman Sachs International Custodied by HSBC Bank	2,976,098	1.90%	—	—	—	—	—	—	—
Jin Tu Jian	2,800,155	1.79%	—	—	—	—	—	—	—
Zhen Sheng Co., Ltd. Representative: Bi Zhen Liang	2,556,237	1.63%	—	—	—	—	Mao Chung Liang	Parent and child	—
	—	—	—	—	—	—	Mao Chung Liang	Parent and child	—

Note 1: Shareholders with top ten shareholdings shall be fully stated, and the title of the corporate shareholder and the name of the representative for the corporate shareholders shall be separately stated.

Note 2: The calculation of shareholdings refers to the ratio of shares held by the shareholders themselves, their spouses, minors, and in the name of others.

Note 3: The shareholders above include corporates and natural persons, the relationships among such shareholders shall be disclosed according to the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIII.Shareholdings of the Company, the Company's Directors, Supervisors, Managers, and Companies Directly or Indirectly Controlled by the Company in the Same Investee Companies, and the Consolidated Shareholding in Aggregation:

Shareholding in Aggregation

December 31, 2025
Unit: shares; %

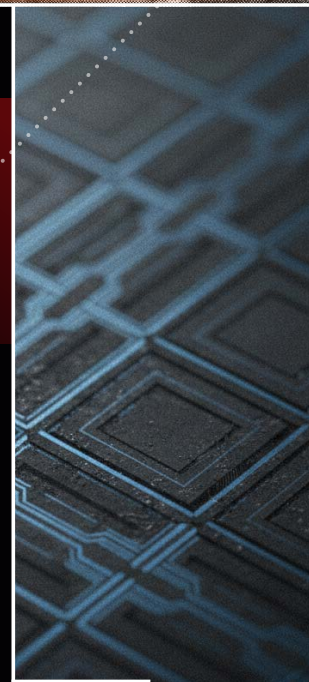
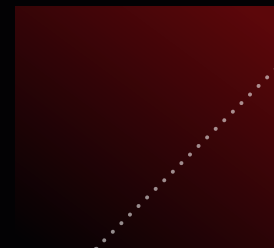
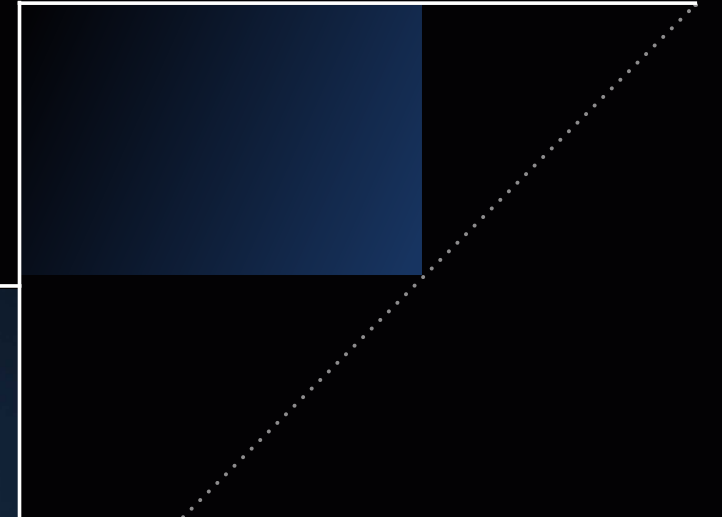
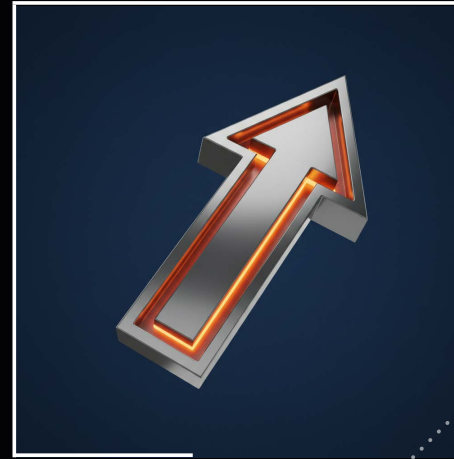
Investee companies (Note 1)	Investments of the Company		Investments of directors, supervisors, managers, and companies directly or indirectly controlled by the Company		Investments in aggregation	
	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares	Shareholding (%)
C SUN(B.V.I.) LTD.	-	100.00%	-	-	-	100.00%
C SUN Technology (Guangzhou) Co., Ltd. (Note 2)	-	100.00%	-	-	-	100.00%
Suzhou Top Creation Machines Co., Ltd. (Note 2)	-	77.47%	-	-	-	77.47%
K SUN (SAMOA) LTD.	-	100.00%	-	-	-	100.00%
Hong Teng Industrial Co., Ltd.	700,000	70.00%	-	-	700,000	70.00%
Navigation Technology Co., Ltd.	1,000,000	50.00%	-	-	1,000,000	50.00%
CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	10,000	100.00%	-	-	10,000	100.00%
Alpha Joint Ltd.	580,000	100.00%	-	-	580,000	100.00%
Power Ever Enterprises Limited	-	77.47%	-	-	-	77.47%
Good Team International Enterprise Limited	6,000,000	77.47%	-	-	6,000,000	77.47%
Top Creation Machines Co., Ltd.	750,000	77.47%	-	-	750,000	77.47%
Suzhou Top Creation Machines Co., Ltd.	-	77.47%	-	-	-	77.47%
Jiangsu Hi-tech Material Co., Ltd.	-	100.00%	-	-	-	100.00%
Nantong Top Creation Photoelectric Equipment Co., Ltd. (Note 2)	-	77.47%	-	-	-	77.47%
Gallant Precision Machining Co., Ltd.	44,697,827	27.75%	-	-	44,697,827	27.75%
Gallant Micro. Machining Co., Ltd.	2,137,000	7.56%	-	-	2,137,000	7.56%
ViewMove Technologies, Inc.	676,504	21.87%	-	-	676,504	21.87%
Shougu (Shanghai) Photoelectric Co., Ltd.	-	25%	-	-	-	25%

Note 1: Long-term investments accounted for using the equity method of the Company.

Note 2: Companies in China invested by way of investing the establishment of a company in a third region.

3

Chapter III. Capital Raising Activities



I. Capital and Shares of the Company

(I) Equity Capital and Sources:

Source of share capital

March 24, 2026 (book closure day)
Unit: Share

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
April 1978	10,000	300	3,000,000	300,000	3,000,000	Establishment	None	-
May 1984	10,000	600	6,000,000	600,000	6,000,000	Capital increase by cash of NT\$3,000 thousand	None	-
July 1985	10,000	1,500	15,000,000	1,500,000	15,000,000	Capital increase by cash of NT\$9,000 thousand	None	-
October 1994	10	4,000,000	40,000,000	4,000,000	40,000,000	Capital increase by cash of NT\$25,000 thousand	None	-
October 1995	10	6,000,000	60,000,000	6,000,000	60,000,000	Capital increase by cash of NT\$20,000 thousand	None	-
November 1996	10	8,500,000	85,000,000	8,500,000	85,000,000	Capital increase by cash of NT\$25,000 thousand	None	-
July 1997	10	30,000,000	300,000,000	17,300,000	173,000,000	Capital increase by cash of NT\$33,000 thousand Capital increase from earnings of NT\$25,000 thousand Capital increase from capital reserve of NT\$30,000 thousand	None	November 4, 1997 (86) T.C.Z. (I) Letter No. 79879
July 1998	10	30,000,000	300,000,000	25,900,000	259,000,000	Capital increase by cash of NT\$49,260 thousand Capital increase from earnings of NT\$36,740 thousand	None	June 5, 1998 (87) T.C.Z. (I) Letter No. 48830
June 1999	10	30,600,000	306,000,000	30,600,000	306,000,000	Capital increase from earnings of NT\$47,000 thousand	None	June 10, 1999 (88) T.C.Z. (I) Letter No. 53483
May 2000	10	88,600,000	886,000,000	46,700,000	467,000,000	Capital increase by cash of NT\$91,000 thousand Capital increase from earnings of NT\$70,000 thousand	None	May 23, 2000 (89) T.C.Z. (I) Letter No. 42313 & May 16, 2000 (89) T.C.Z. (I) Letter No. 42314
May 2001	10	101,300,000	1,013,000,000	60,280,000	602,800,000	Capital increase from earnings of NT\$135,800 thousand	None	May 25, 2001 (90) T.C.Z. (I) Letter No. 132351

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
June 2002	10	101,300,000	1,013,000,000	76,493,000	764,930,000	Capital increase from earnings of NT\$101,850 thousand Capital increase from capital reserve of NT\$60,280 thousand	None	June 18, 2002 (91) T.C.Z. (I) Letter No. 0910132850
August 2003	10	101,300,000	1,013,000,000	81,395,500	813,955,000	Capital increase from earnings of NT\$33,726.4 thousand Capital increase from capital reserve of NT\$15,298.6 thousand	None	August 28, 2003 (92) T.C.Z. (I) Letter No. 09201253670
July 2004	10	121,300,000	1,213,000,000	89,915,000	899,150,000	Capital increase from earnings of NT\$52,636.8 thousand Capital increase from capital reserve of NT\$32,558.2 thousand	None	July 14, 2004 (93) J.G.Z. (I) Letter No. 0930131353
July 2005	10	121,300,000	1,213,000,000	93,729,908	937,299,080	Consolidated capital increase in consolidated cash of NT\$38,149.08	None	July 21, 2005 (94) J.G.Z. (I) Letter No. 0940125887
September 2005	10	134,700,000	1,347,000,000	102,482,700	1,024,827,000	Capital increase from earnings of NT\$81,271 thousand Capital increase from capital reserve of NT\$6,256.92 thousand	None	September 9, 2005 (94) J.G.Z. (I) Letter No. 0940137840
January 2006	10	134,700,000	1,347,000,000	103,292,700	1,032,927,000	Employee stock option converted to the issuance of new shares of NT\$8,100 thousand	None	January 25, 2006 J.S.S. ZI No. 09501012510
May 2006	10	134,700,000	1,347,000,000	103,627,700	1,036,277,000	Employee stock option converted for the issuance of new shares of NT\$3,350 thousand	None	May 17, 2006 J.S.S. ZI No. 09501089280
August 2006	10	200,000,000	2,000,000,000	115,959,700	1,159,597,000	Capital increase from earnings of NT\$107,670 thousand Capital increase from capital reserve of NT\$14,000 thousand Employee stock option converted for the issuance of new shares of NT\$1,650 thousand	None	August 18, 2006 J.S.S. ZI No. 09501176280

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
November 2006	10	200,000,000	2,000,000,000	116,124,700	1,161,247,000	Employee stock option converted for the issuance of new shares of NT\$1,650 thousand	None	November 13, 2006 J.S.S. ZI No. 09501251590
March 2007	10	200,000,000	2,000,000,000	129,106,561	1,291,065,610	Capital increase from merger cash NT\$129,268.61 thousand; Employee stock option converted for the issuance of new shares of NT\$550 thousand	None	March 6, 2007 J.S.S. ZI No. 09601035250
May 2007	10	200,000,000	2,000,000,000	129,171,561	1,291,715,610	Employee stock option converted for the issuance of new shares of NT\$650 thousand	None	May 9, 2007 J.S.S. ZI No. 09601100380
September 2007	10	200,000,000	2,000,000,000	134,998,361	1,349,983,610	Capital increase from capital reserve of NT\$58,268 thousand	None	September 3, 2007 J.S.S. ZI No. 09601215250
November 2007	10	200,000,000	2,000,000,000	135,123,361	1,351,233,610	Employee stock option converted for the issuance of new shares of NT\$1,250 thousand	None	November 16, 2007 J.S.S. ZI No. 09601280890
March 2008	10	200,000,000	2,000,000,000	135,128,361	1,351,283,610	Employee stock option converted for the issuance of new shares of NT\$50 thousand	None	March 6, 2008 J.S.S. ZI No. 09701055510
July 2008	10	200,000,000	2,000,000,000	135,287,361	1,352,873,610	Employee stock option converted for the issuance of new shares of NT\$1,590 thousand	None	July 2, 2008 J.S.S. ZI No. 09701156110
September 2008	10	200,000,000	2,000,000,000	139,762,861	1,397,628,610	Capital increase from earnings of NT\$44,755 thousand	None	September 24, 2008 J.S.S. ZI No. 09701246900
July 2009	10	200,000,000	2,000,000,000	139,792,861	1,397,928,610	Employee stock option converted for the issuance of new shares of NT\$300 thousand	None	July 13, 2009 J.S.S. ZI No. 09801140360
August 2009	10	200,000,000	2,000,000,000	143,661,610	1,436,616,100	Capital increase from earnings of NT\$38,687 thousand	None	August 20, 2009 J.S.S. ZI No. 09801189850
February 2010	10	200,000,000	2,000,000,000	143,707,610	1,437,076,100	Employee stock option converted for the issuance of new shares of NT\$460 thousand	None	February 5, 2010 J.S.S. ZI No. 09901026100

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
May 2010	10	200,000,000	2,000,000,000	146,711,620	1,467,116,200	Employee stock option converted to the issuance of new shares of NT\$8,450 thousand; shares converted from corporate bonds of NT\$21,590.1 thousand	None	May 7, 2010 J.S.S. ZI No. 09901092890
September 2010	10	200,000,000	2,000,000,000	150,107,558	1,501,075,580	Employee stock option converted to the issuance of new shares of NT\$7,640 thousand; shares converted from corporate bonds of NT\$26,319.38 thousand	None	September 2, 2010 J.S.S. ZI No. 09901199890
November 2010	10	200,000,000	2,000,000,000	151,184,208	1,511,842,080	Employee stock option converted to the issuance of new shares of NT\$4,510 thousand; corporate bond converted to shares of NT\$32,986.5 thousand; canceled treasury shares of NT\$26,730 thousand	None	November 9, 2010 J.S.S. ZI No. 09901251530
March 2011	10	200,000,000	2,000,000,000	152,338,304	1,523,383,040	Employee stock option converted to the issuance of new shares of NT\$4,855 thousand; shares converted from corporate bonds of NT\$6,685.96 thousand	None	March 8, 2011 J.S.S. ZI No. 10001044350
May 2011	10	200,000,000	2,000,000,000	153,056,510	1,530,565,100	Employee stock option converted to the issuance of new shares of NT\$3,185 thousand; shares converted from corporate bonds of NT\$3,997.06 thousand	None	May 13, 2011 J.S.S. ZI No. 10001096720
September 2011	10	200,000,000	2,000,000,000	155,152,820	1,551,528,200	Employee stock option converted to the issuance of new shares of NT\$905 thousand; shares converted from corporate bonds of NT\$20,058.10 thousand	None	September 8, 2011 J.S.S. ZI No. 10001208720

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
November 2011	10	200,000,000	2,000,000,000	156,045,219	1,560,452,190	Employee stock option converted to the issuance of new shares of NT\$2,200 thousand; shares converted from corporate bonds of NT\$6,723.99 thousand	None	November 2, 2011 J.S.S. ZI No. 10001252220
March 2012	10	200,000,000	2,000,000,000	156,129,130	1,561,291,300	Employee stock option converted to the issuance of new shares of NT\$370 thousand; shares converted from corporate bonds of NT\$469.11 thousand	None	March 21, 2012 J.S.S. ZI No. 10101048670
June 2012	10	200,000,000	2,000,000,000	158,224,515	1,582,245,150	Corporate bonds converted into shares of NT\$20,953.85 thousand	None	June 8, 2012 J.S.S. ZI No. 10101105390
October 2012	10	200,000,000	2,000,000,000	158,744,548	1,587,445,480	Corporate bonds converted into shares of NT\$5,200.33 thousand	None	October 31, 2012 J.S.S. ZI No. 10101226550
April 2019	10	200,000,000	2,000,000,000	149,205,548	1,492,055,480	Cancellation of the Company's treasury shares of NT\$95,390 thousand	None	April 23, 2019 J.S.S. ZI No. 10801042370
August 2021	10	200,000,000	2,000,000,000	152,189,659	1,521,896,590	Capital increase from earnings of NT\$29,841 thousand	None	August 30, 2021 J.S.S. ZI No. 11001149340
August 2022	10	200,000,000	2,000,000,000	156,755,348	1,567,553,480	Capital increase from earnings of NT\$45,657 thousand	None	August 2, 2022 J.S.S. ZI No. 11101144060

(II) Capital and Shares

Category of shares	Authorized capital			備註
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	156,755,348 shares	43,244,652 shares	200,000,000 shares	

(III) Summary of Information Related to the Declaration System: Not applicable.

(IV) List of Major Shareholders

List of Major Shareholders

March 24, 2026 (book closure day)

Names of major shareholders	Number of shares held	Shareholding (%)
Gallant Precision Machining Co., Ltd.	19,957,082	12.73%
Hai-Xing Investment Co., Ltd.	17,827,743	11.37%
Pin-zhi Investment Co., Ltd.	12,400,560	7.91%
Mao Chung Liang	6,875,949	4.39%
Morrison Liang	4,577,866	2.92%
Treasury Share Special Account of C Sun	4,399,143	2.81%
Norges Bank Investment Account Custodied by Citibank	3,598,000	2.30%
SPDR Portfolio Emerging Market ETF Special Account under the Custody of Stanrd Chartered	3,428,139	2.19%
Investment Account of Goldman Sachs International Custodied by HSBC Bank	2,976,098	1.90%
Jin Tu Jian	2,800,155	1.79%
Zhen Sheng Co., Ltd.	2,556,237	1.63%

(V) Company dividend policy and implementation:

(1) Dividend Policy:

► Article 31 of the Articles of Association:

When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions.

And at least 45% of the aforementioned remuneration for employees shall be allocated as compensation for grassroots employees.

The Company may allocate up to 2.25% of the aforesaid profits as director remuneration, subject to the resolution of the Board of Directors. The proposal on allocating the remuneration for employees and directors shall be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios.

Where the Company recorded earnings after final annual account:

- Pay tax according to the law,
- Make compensation for accumulated losses,
- Provide 10% as the statutory surplus reserve; however, when the statutory surplus reserve has reached the paid-up capital of the Company, provision is no longer required,
- Provide or reverse special surplus reserve according to the requirements of the laws and regulations regarding the remaining earnings;

The remaining balance shall be combined with the undistributed earnings, and the Board shall prepare the allotment proposal after retaining partial of such balances discretionally subject to the operating status of the Company, and submit the proposal to the shareholders' meeting to determine for the distribution of shareholders' dividends based on the Article 31-1 "Dividend Policy of the Company."

The Company authorizes the Board of Directors to pass a special resolution to distribute all or part of the dividends and bonuses in cash in accordance with the laws, provided that the decision must be reported to the shareholders at shareholders' meetings. In this case, the provisions about the resolution of shareholders' meetings set out in the preceding paragraph shall not apply.

Where the Company distributes statutory surplus reserve and capital reserves in accordance with the laws, in the case of in the form of issuance of new shares, the distribution plan shall be submitted to the shareholders' meeting for resolution; in the case of in cash, the distribution plan shall be passed if more than two-thirds of the Directors attend and more than 50% of the attending Directors approve of the resolution. The resolution shall be reported to the shareholders' meeting.

► Article 31-1 of the Articles of Association: Dividend Policy

The Company, taking into account its operating environment, growth situation, future funding needs, and long-term financial planning, and to meet shareholders' demand for cash, ensures that the cash dividend portion of the shareholder dividend distribution (as outlined in the preceding article) shall not be less than 20%.

Although the Company's Articles of Association do not explicitly specify the ratio for shareholder dividend and bonus distribution, the Company considers its funding needs, long-term financial planning, and the interests of shareholders. Based on these factors, the Company commits to allocating no less than 20% of the current year's net profit after tax for shareholder dividends and bonuses.

(2) Dividend distribution resolved at the meeting of the Board of Directors:

The earning distribution of year 2025 resolved at the meeting of the Board of Directors on February 25, 2026 is tabulated as follows.

C SUN MFG. LTD.
Earning Distribution Table
2025

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings at the beginning of the period		246,414,719
Net profit after tax for the year		830,563,707
Items not adjusted according to the retained earnings under the item of profit or loss:		(20,438,845)
Actuarial profit or loss included in retained earnings	4,179,154	
Disposals of equity instruments at fair value through other comprehensive income	3,114,836	
Changes in affiliates recognized using the equity method	(27,732,835)	
The amount of net profit after tax for the year plus items other than net profit of the period included in the undistributed earnings for the year		810,124,862
Less: Provision of 10% statutory surplus reserve		81,012,486
Earnings available for distribution		975,527,095
Distribution item:		
Shareholders' bonus--cash (Issue of NT\$5 per share)		837,579,628
Undistributed earnings at the beginning of the year		137,947,468

Chairman: Morrison Liang

General Manager: Liang, Yu-Wen

Chief Accountant: Lai, Chiu-Yen

(VI) Impact of Proposed Stock Dividends on Business Performance and Earnings Per Share for the Current Shareholders' Meeting:None.

(VII) Remuneration of Employees and Remuneration of Directors

(1) The ratio or scope of remuneration of employees and Directors set out in the Articles of Association:

When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions.

And at least 45% of the aforementioned remuneration for employees shall be allocated as compensation for grassroots employees.

The Company may allocate up to 2.25% of the aforesaid profits as director remuneration, subject to the resolution of the Board of Directors. The proposal of the distribution of remuneration of employees and remuneration of Directors shall be reported to the shareholders meeting. However, if the Company has accumulated losses, it shall reserve an amount for compensation before allocating the remuneration for employees, directors and supervisors at the aforesaid ratios.

(1) The estimation basis for the estimation regarding the amount of remuneration of employees and Directors, the calculation basis for the number of shares for share distribution as remuneration of employees, and the accounting for differences between the actual distribution amount or the estimation amount:

The Company adopts the basis by deducting the accumulated losses from the profits of the year (i.e., profit before tax and remuneration of employees and remuneration of Directors) and estimates the remuneration of employees and remuneration of Directors according to the scope of ratio set out in the Articles of Association, and includes such remuneration as operating costs or operating expenses. For remuneration of employees distributed in shares, the calculation of the number of shares distributed is based on the closing price of the ordinary shares on the day prior to the discussion of the Board. For any difference between the above estimated amount and the actual distributed amount, the Company processes it as the changes in accounting estimates, and adjusted and accounted for such differences during the year of distribution.

(2) Distribution of remuneration as approved by the Board of Directors:

- Amount of remuneration of employees and remuneration of Directors and supervisors made in cash or share distribution. For any difference with the estimation amount for the year recognizing the expenses, the differences, reasons, and handling status shall be disclosed: From the earnings of 2025, the Company appropriated 8.99% as the remuneration of employees (NT\$99,965,556) and 2.25% as the remuneration of directors (NT\$24,991,389), which was approved by the Board through a resolution on February 25, 2026, and distributed in cash, and there was no difference from the expenses recognized in 2025.
- Amount of remuneration of employees in shares and the ratios of the remuneration to the net profit after tax and to the total sum of remuneration of employees for the period: None.

(4) Actual distribution of the remuneration of employees and Directors for the preceding year (including the number of share and amount distributed and share price), the differences with the recognized remuneration of employees and Directors, and the explanations on the differences, reasons, and handling status:

Item	Actual distribution	Estimation	Differences
Remuneration for employees	8,674,754	8,674,754	0
Remuneration for directors	19,518,196	19,518,196	0
Total	28,192,950	28,192,950	0

(VIII) Share Buyback Status of the Company:

March 24, 2026 (book closure day)

Time of buyback	10th Meeting	11th
Purpose of buyback	Transfer of shares to employees	Transfer of shares to employees
Period of buyback	November 10, 2023 - January 9, 2024	November 4, 2024 - December 16, 2024
Interval of Repurchase Price	33.00~67.00	146.00~331.00
Types and Number of Repurchased Shares	Common shares: 7,513,000	Common shares: 803,000
Sum of Repurchased Shares	426,917,516	184,634,115
Proportion of Repurchased Shares to Predetermined Repurchase Amount	75.13%	80.30%
Number of shares that have been canceled or transferred	Common shares: 3,113,857	Common shares: 803,000
Number of accumulative shares of the Company	4,399,143 shares	0 shares
Ratio of number of accumulative shares to total amount of issued shares Ratio of total amount of issued shares	2.81%	0%

II. Issuance Status of Corporate Bond/Preferred Shares/Global Depositary Receipt:

(I) Issuance Status of Corporate Bonds:

Types of corporate bonds (Note 2)	2nd Term Unsecured Corporate Bonds (Note 5)	3rd Term Unsecured Corporate Bonds (Note 5)
Issue (processing) date	2026/1/9	2026/1/22
Denomination	100,000	100,000
Place of issue and trading (Note 3)	Domestic	Domestic
Issue price	NT\$ 105	NT\$ 123.34
Total amount	Total denomination of NT\$700,000,000 Total Amount: NT\$735,000,000	Total denomination of NT\$1,000,000,000 Total Amount: NT\$1,233,408,370
Interest rate	0%	0%
Deadline	Three-year term; Maturity date: January 9, 2029	Three-year term; Maturity date: January 22, 2029
Guarantor institution	N/A	
Trustee	Taipei Fubon Commercial Bank Co., Ltd.	
Underwriting institution or Underwriter	Fubon Securities Co., Ltd. KGI Securities Co., Ltd. Yuanta Securities Co., Ltd. Capital Securities Corp.	Fubon Securities Co., Ltd. KGI Securities Co., Ltd. Yuanta Securities Co., Ltd.
Visa attorney	Hanchen Law Firm	
CPA	CPA Dian Yi Li, CPA Wei Hao Wu	
Repayment method	Repay in a lump sum in cash based on the bond denomination.	
Unpaid principal	NT\$ 700,000,000	NT\$ 1,000,000,000
Terms of Redemption or Early Repayment	Please refer to Articles 18-19 of The Company's Issuance and Conversion Regulations for Corporate Bonds.	Please refer to Articles 18-19 of The Company's Issuance and Conversion Regulations for Corporate Bonds.
Restrictions(Note 4)	None	
Credit rating agency name, rating date, corporate bond rating result	N/A	
With other rights	The amount of common stock, global depositary receipts, or other securities converted (exchanged or subscribed) up to the annual report publication date.	As of the date of publishing the Annual Report, there has been no conversion Situation.
	Issuance and conversion (exchange) or subscription) method	Please refer to the bond issuance information in the Credit Zone on the Market Observation Post System.
Issuance and conversion, exchange or subscription method, issuance criteria, potential dilution of equity, and impact on existing shareholders' interests		The issuance of unsecured convertible bonds this time is primarily intended to repay bank loans, aiming to support future operational development and moderately improve the financial structure. This will further enhance the Company's operational competitiveness and provide support for overall operational development. This move is expected to have a positive impact on earnings per share in future years, thus not causing profit dilution. In addition, the Company has thoroughly considered its future development prospects and has set issuance criteria on the premise of not harming shareholders' interests. The impact on equity dilution is controllable with no significant risk.
Name of Custodian Institution for the Exchange Target		N/A

Note 1: Issuance Status of Corporate Bonds includes public and private corporate bonds in process. Public corporate bonds in process refer to those that have already taken effect (approved) by the association; private corporate bonds in process refer to those that have already been approved by the resolution of the Board of Directors.

Note 2: The number of fields is adjusted according to the actual number of times handled.

Note 3: For foreign corporate bonds, please fill in.

Note 4: Such as restrictions on the distribution of cash dividends, external investments, or requirements to maintain a certain asset ratio, etc.

Note 5: For private placements, it should be prominently indicated.

Note 6: For convertible bonds, exchangeable bonds, shelf registration and issuance of corporate bonds, or corporate bonds with warrants, information on convertible bonds, exchangeable bonds, the situation of shelf registration and issuance of corporate bonds, and corporate bonds with warrants should be disclosed according to the specified format based on their nature.

(II) Preferred Shares/Global Depositary Receipt: None.

III. Issuance Status of Employee Stock Option Warrants:

- (I) Outstanding Employee Stock Option and Effects on Shareholders' Interests: None.
- (II) Names, Acquisition, and Subscription of Managers Acquired Employee Stock Option and Top Ten Employees in the Amount of Employee Stock Warrant Acquired with Subscription Amounts Reaching NT\$30 Million and Above: None.

IV. Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares Situation

- (I) Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares Completed for the Latest Year and as of the Date of Publishing the Annual Report: None.
- (II) Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares Passed as Resolutions at the Meeting of the Board of Directors for the Latest Year and as of the Date of Publishing the Annual Report: None.

V. Execution of Fund Utilization Plan

As of the date of publishing the Annual Report, the capital utilization plan is the issuance of domestic 2nd Term unsecured convertible bonds and domestic 3rd Term unsecured convertible bonds in 2025. The explanation of the content and the implementation status of the capital utilization plan is as follows:

(1) Plan Details:

- Total amount of funds required for this project: NT\$1,968,408 thousand.
- Source of Funds:
 - Issuance of domestic 2nd Term unsecured convertible bonds with a limit of 7,000 bonds, each with a denomination of NT\$100,000, total issuance denomination NT\$700,000 thousand, coupon rate 0%, issuance period three years, issued at 105% of the denomination, total amount raised NT\$735,000 thousand.
 - Issuance of domestic 3rd Term unsecured convertible bonds with 10,000 bonds, each with a denomination of NT\$100,000, total issuance denomination is NT\$1,000,000 thousand, issuance period is 3 years, coupon rate is 0%, conducted via public offering through competitive bidding. The actual issuance amount is 123.34% of the denomination, with a total amount raised of NT\$1,233,408,370.
- Plan Item, Utilization Progress

Item	Estimated completion date	Total amount of funds required	Planned Fund Utilization Progress
			Q1 2026
Repay bank loans	Q1 2026	1,735,000	1,735,000
Replenish Operating Capital	Q1 2026	233,408	233,408
Total		1,968,408	1,968,408

- The anticipated potential benefits
The total amount of funds planned for utilization by the Company this time is NT\$1,735,000 thousand, all of which is intended to repay the Company's bank loans. The issuance of domestic 2nd Term unsecured convertible bonds and domestic 3rd Term unsecured convertible bonds is expected to have funds available by January 2026. Based on the estimated interest rate for repaying bank loans, it is anticipated that in the year 2026, an interest expense saving of NT\$30,755 thousand can be achieved, and in 2027 and subsequent years, an interest expense saving of NT\$33,550 thousand.
- Remedial measures when insufficient funds are raised due to under-issuance
The Company intends to issue domestic 2nd Term unsecured convertible bonds and domestic 3rd Term unsecured convertible bonds with a total issuance amount limit

of NT\$1,735,000 thousand. If insufficient funds are raised due to under-issuance, the shortfall will be addressed with self-owned funds or other methods. However, if additional funds are raised, they will be used to Replenish Operating Capital.

(2) Implementation Status:

- Implementation Status

Plan Item	Implementation Status	Up to Q1 2026	Reasons for Advancement or Delay in Progress and Improvement Plans
Repay bank loans	Disbursement amount	1,735,000	The Company's fund utilization progress is carried out according to the originally planned schedule, with no situation of advancement or delay in progress.
	Implementation progress	1,735,000	
Replenish Operating Capital	Disbursement amount	100%	
		233,408	
	Implementation progress	233,408	
		100%	
Total	Disbursement amount	100%	
		1,968,408	
	Implementation progress	100%	

- The anticipated potential benefits
The total amount of funds planned for utilization by the Company this time is NT\$1,968,408 thousand, of which NT\$1,735,000 thousand is intended to repay the Company's bank loans. The issuance of domestic 2nd Term unsecured convertible bonds and domestic 3rd Term unsecured convertible bonds is expected to have funds available by January 2026. Based on the estimated interest rate for repaying bank loans, it is anticipated that in the year 2026, an interest expense saving of NT\$30,755 thousand can be achieved, and in 2027 and subsequent years, an interest expense saving of NT\$33,550 thousand.
Additionally, due to the increase in raised funds of NT\$233,408 thousand, it is planned to be used to Replenish Operating Capital in Q1 2026. If the raised funds are used to replace bank financing, based on the Company's current average borrowing interest rate of 1.91%, it is estimated that an interest expense saving of NT\$4,452 thousand can be achieved each subsequent year.

- Up to Q1 2026, the amount of NT\$1,735,000 thousand for repaying bank loans has been fully utilized according to the original plan, and the benefits of interest savings have already manifested, improving the financial structure and enhancing debt repayment capacity. Comparison is as follows:

Item	Q1 2026 (Note 2)	Q4 2025	Difference (%)
Current assets	8,865,027	6,800,510	30.36%
Current liabilities	8,456,659	5,060,637	67.11%
Total liabilities	13,363,110	8,324,548	60.53%
Current ratio (%)	104.83%	134.38%	-21.99%
Debt ratio (%)	60.83%	54.36%	11.90%
Interest expense(Note 1)	21,121	67,236	10.15%
Operating income	2,261,506	6,102,155	29.46%
Earnings per share (NT\$)	3.06	5.5	76.88%

Note 1: In Q1 2026, the Company's interest expense includes the amortized interest costs of the domestic 2nd Term unsecured convertible bonds and domestic 3rd Term unsecured convertible bonds. Excluding this impact, the overall interest expense decreased by 12.74% compared to the previous quarter.

Note 2: The Q1 2026 financial statements have not yet been reviewed by a CPA.

4

Chapter IV. Business Overview



I. Scope of Business

(I) Business Scope:

(1) Description of the business:

- A. Manufacturing of process equipment for AI-related electronic printed circuit board (PCB) industry supply chains, including dehydration, drying, curing, forming, degassing, annealing, test burn-in thermal management, film lamination, pressing, leveling, and related processes. Sales of horizontal/vertical desmear and electroless copper deposition equipment, as well as horizontal wet process equipment for imaging, etching, and photoresist stripping.
- B. Supply of critical equipment and components for AI chip semiconductor advanced packaging (2D, 2.1D, 2.3D, 2.5D, FoPLP, CPO, SoIC 3D) and HBM applications, including but not limited to temporary bonding machines, wafer film laminators, hybrid bonding process equipment, process ovens, test burn-in furnaces, and UV drying machines. UV surface cleaners.
- C. Quotation, tender, and distribution for products related to the above paragraph for domestic or foreign suppliers.
- D. E604010 Mechanical Installation.
- E. CB01990 Other Machinery Manufacturing (Automation Equipment).
- F. CE01030 Optical Instrument Manufacturing.
- G. CB01010 Machinery Manufacturing.
- H. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing.
- I. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
- J. F401010 International Trade.
- K. I199990 Other Consulting Services.
- L. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Weights of business:

Product category	2024 sales ratio	2025 sales ratio
Semiconductor process equipment	35%	40%
Printed circuit board (PCB) process equipment	50%	50%
Advanced processes and other electronic applications equipment	15%	10%
Total	100%	100%

(3) Current Products (Services):

The fields of application for manufacturing process equipment produced by C Sun MFG. at present primarily include three major industries of advanced semiconductor packaging manufacturing process, PCB and substrate forward-looking advanced manufacturing process, as well as equipment for other manufacturing processes; products developed for the manufacturing process of each industry is described as follows:

1 Application of equipment for advanced semiconductor packing manufacturing process and other related manufacturing processes

- Wafer dry film lamination equipment, temporary bonding machine: Provide precise temperature control and pressure management for ultra-thin wafers, with core value in resolving wafer warpage issues to ensure stability in subsequent processes.
- Hybrid bonding manufacturing process equipment: Achieving micron-level alignment and seamless integration is key to enhancing transmission bandwidth and heat dissipation performance, directly meeting the needs of advanced wafer foundry and testing requirements.
- Diversified professional ovens: encompassing automation, vacuum, and pressure ovens, focusing on underfill curing and degassing (void-free), maximizing the long-term reliability of the package.
- Testing burn-in oven: Construct a high-temperature dynamic environment for performing reliability and lifespan evaluations of chips to ensure shipping quality.
- High-clean/oxygen-free/hot air baking equipment: Provides a Class 100 ultra-low oxygen environment to prevent oxidation of steel gaskets or precision circuits during heat treatment, suitable for micro-contamination sensitive processes.
- FoPLP manufacturing process equipment system: An automated solution with high uniformity and high productivity that assists customers in transitioning from wafer-level to panel-level mass production, optimizing cost structure.
- Surface cleaning plasma processing equipment: Utilizes plasma Technology to remove organic contaminants and activate surfaces, significantly enhancing the adhesion and yield of metal wire bonding and connections.

② Application of equipment for Printed Circuit Board (PCB) manufacturing process and IC package substrate manufacturing process

- Equipment for light resistance (dry and wet film) manufacturing process: auto/manual lamination system, vacuum lamination system, wet film coating system, peeler (Dry film/ABF).
- Equipment for light curing/exposure manufacturing process: UV dryer, manual, semi-auto, and auto exposure equipment for inner and outer layer/dry and wet film/solder mask manufacturing process, and new generation exposure machine.
- Equipment for heat curing manufacturing process: hot air baking equipment, continual drying equipment, plate leveler, pre-heat equipment, and oven economizer.
- Equipment for wet manufacturing process: Equipment for wet manufacturing process: electroplating pretreatment field, equipment for horizontal desmear and electroless copper process, horizontal immersion tin equipment.
- Others: Surface modification equipment, and consumables.

③ Equipment for forward-looking manufacturing process and other manufacturing processes

- Flat Panel Display (FPD): TFT process, Other FPD (Touch Panel/TN/STN), Mini LED, MicroLED process, and auto system integration software.
- Other Electronic Assembly Industry and Printing and Coating Industry: UV drying system, hot air baking equipment, consumables, high-frequency element manufacturing process equipment, equipment related to AR/VR manufacturing process, equipment related to LEO manufacturing process, equipment related to Lens manufacturing process.

wafer deep etching systems, and high-end semiconductor thermal-related process equipment and lamination process equipment related to HBM.

In response to the evolving demands of HPC, AI server motherboards, and network communication PCBs, including the need for improved yield rates and the rising labor costs in mainland China, C Sun is actively developing highly automated, high-precision, high-resolution, and energy-efficient photolithography process equipment, including solder mask exposure machines, alignment machines, vacuum lamination machines, lamination preheating machines, laminators, flexible PCB roll-to-roll (R/R) exposure machines, and flexible PCB lamination machines.

(4) New Products (Services) to be Developed:

C Sun focuses on the technological development and future trends of the AI industry supply chain, extending its core expertise in the lamination process for printed circuit boards (PCBs) to continuously advance in wafer vacuum lamination systems for advanced packaging processes, 3D packaging process equipment for SoIC hybrid bonding, next-generation 2.5D packaging-related equipment such as FoPLP and CPO process equipment, semiconductor

wafer deep etching systems, and high-end semiconductor thermal-related process equipment and lamination process equipment related to HBM.

In response to the evolving demands of HPC, AI server motherboards, and network communication PCBs, including the need for improved yield rates and the rising labor costs in mainland China, C Sun is actively developing highly automated, high-precision, high-resolution, and energy-efficient photolithography process equipment, including solder mask exposure machines, alignment machines, vacuum lamination machines, lamination preheating machines, laminators, flexible PCB roll-to-roll (R/R) exposure machines, and flexible PCB lamination machines.

(II) Industry Overview:

(1) Industry current status and development:

Over the past decades, the development of semiconductor manufacturing process has allowed the line width of transistors to shorten from tens of microns to nano-level. However, the further development of manufacturing process is restricted by increase of design and manufacturing costs, reduction of critical margin, and other challenges. At the same time, number of I/O pins and speed of interconnection between wafers are limited with the increase of intensity of transistors in the wafer. As a result, simple manufacturing process scaling fails to achieve the efficiency improvement as expected by Moore's Law, with limited effects observed. To this end, semiconductor industry turns to strategies beyond Moore's Law. Size and number of transistors are no longer the only focus, efficiency, power consumption, chip area, costs and other aspects are taken into consideration. Through 2.5D and 3D heterogeneous integration of the advanced manufacturing process, multiple chips with different functions (such as logic circuits, radio frequency circuits, MEMS, sensors, neural computing units) are integrated into a single package. Such integration will, in addition to extending the economic benefits of Moore's Law, drive the continued development of the semiconductor industry, especially when combined with technologies such as AI applications, IoT and 5G. In the trend of demand for smaller, lighter and thinner electronics, heterogeneous integration technology has become the new normal. With the advent of 5G, IoT and AI, high performance and AI chips have become the hardware architecture of key technologies such as data centers, deep learning training and inference, and the demand has increased significantly to promote the development of important application markets.

According to IDC, the global server market is entering a structural growth phase driven by AI, with large-scale deployment of GPU servers as the main growth driver. The demand for AI infrastructure development has clearly surpassed adverse factors such as overall economic slowdown, geopolitical issues, and tariffs, indicating that Market growth arises from a long-term restructuring of computing power demand rather than short-term business cycles. In 2024, the global server market size is approximately US\$253 billion, reflecting a year-on-year increase of 71.8%, marking the first large-scale deployment of AI servers. In 2025, the market size is expected to further expand to US\$455.4 billion, with an annual growth of 80.0%, driven by investments from hyperscale cloud service providers. The market size in 2026 is projected to reach US\$565.9 billion, with an annual growth rate falling to 24.3%. Although the growth is tending towards normalization, it is still maintaining high-quality growth due to the elevated base period. In the mid-term outlook, IDC estimates that the global server market will have a compound annual growth rate (CAGR) of approximately

28.7% from 2024 to 2029.

Despite the continuous improvement in AI model efficiency, the expansion rate of training and inference demand remains higher than the efficiency improvement rate, significantly alleviating concerns about a slowdown in AI infrastructure investment from the start of 2025. Overall, the AI-driven compute demand will continue to support the growth of the server market. With Hyperscalers leading and enterprise hybrid deployment models running concurrently, the global server Market is expected to maintain a compound annual growth rate (CAGR) close to 30% until 2029.

However, Taiwan's key customers continue to lead the industry in advanced packaging technologies, driving semiconductor innovation to meet the demand for high-performance chips in artificial intelligence (AI), high-performance computing (HPC), 5G, and the Internet of Things (IoT). As traditional System-on-Chip (SoC) architectures face bottlenecks in inter-chip transmission efficiency and computational performance, Taiwan's key customers are actively advancing various advanced packaging technologies. By integrating process innovations and heterogeneous integration, they enable efficient combination of chips with diverse functions, enhancing system flexibility, scalability, and inter-chip transmission efficiency to address Market needs for high performance and low-power solutions.

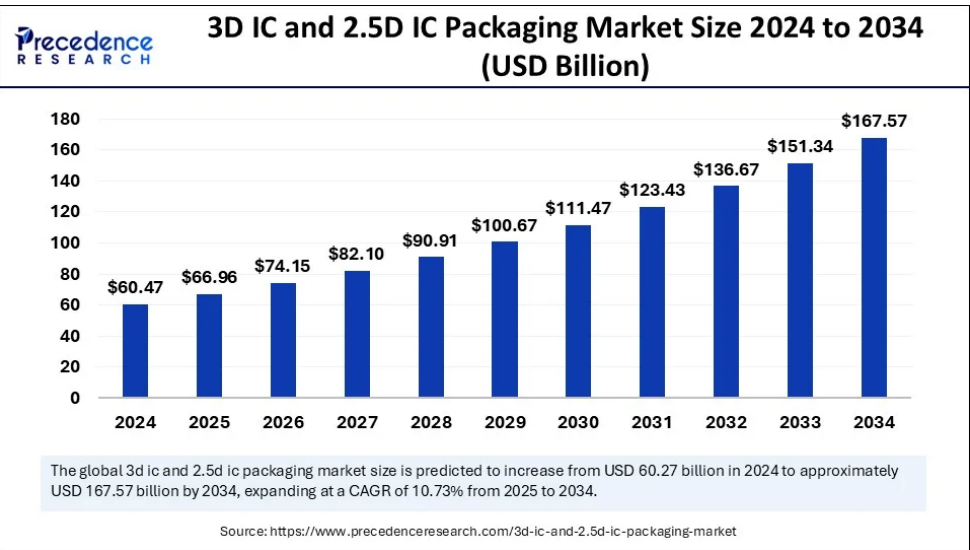
Under the growing adoption of AI training and inference applications, Taiwan's key customers' advanced packaging technologies—such as CoWoS (Chip on Wafer on Substrate), SoIC (System on Integrated Chips), and future FoPLP (Fan-out Panel Level Packaging)—have become preferred solutions for AI chips. Additionally, leading OSAT providers in the global market are actively incorporating their own advanced packaging process technologies. CoWoS significantly improves data transmission efficiency through tight integration of High Bandwidth Memory (HBM) with AI chips while maintaining low power consumption, solidifying its role as a critical technology for current AI chips. SoIC further advances 3D stacking technology, enabling ultra-high-density integration of diverse chips to achieve heterogeneous computing architectures with superior performance, laying the foundation for future AI and HPC development.

With the rise of generative AI, the subsequent diverse development of applications like Google Gemini and Anthropic Claude is expected. The rise of generative AI (e.g., ChatGPT) has surged demand for high-performance AI chips, directly driving the application and capacity expansion of CoWoS and SoIC-related packaging technologies. Based on recent earnings calls from Taiwan's key customers, to meet robust AI chip demand, these customers have substantially increased investments in advanced packaging and plan to build new production lines to boost CoWoS capacity, ensuring alignment with the AI industry's requirements

for high-performance chips. Additionally, customers are advancing collaborative design between N3, N2 process nodes and advanced packaging to optimize chip performance and power efficiency.

Currently, major clients in Taiwan have announced plans to expand their CoWoS production lines, ensuring that AI chip design companies and cloud service providers have access to sufficient advanced packaging capacity. The explosive demand in the AI server market has driven key customers to invest billions of US dollars in expanding advanced packaging capacity, with plans to further increase CoWoS (Chip on Wafer on Substrate) production by 2026 to support major AI chip clients such as NVIDIA, AMD, and Broadcom. To meet the urgent market demand for CoWoS capacity, key customers are actively collaborating with supply chain partners to ensure stable supplies of advanced packaging materials and equipment.

In 2025, the arms race-like deployment of AI servers by CSPs and strong market demand have propelled explosive growth in the HPC chip sector, driving significant transformation in the advanced packaging market. Influenced by U.S. semiconductor export controls, the clarification of U.S. tariffs, new facility constructions, substantial resource investment in OSATs (outsourced semiconductor assembly and test providers), and industry alliances, supply chain dynamics are actively being reshaped. The advanced packaging market for 3D IC and 2.5D IC is projected to grow at a compound annual growth rate (CAGR) of 11% from 2024 to 2034, reaching US\$167.57 billion by 2034 (as shown in the figure below). In this technology race, industry leaders are reinforcing their moats through cross-industry integration. Leading foundry and IDM giants like TSMC, Intel, and Samsung Electronics leverage their front-end process advantages to actively steer the development of advanced heterogeneous integration technologies, aiming to bind high-end customers through proprietary technologies such as CoWoS and Foveros. Meanwhile, ASE Technology Holding, Amkor, and Powertech Technology Inc. (PTI) continue to deepen their technological expertise in the back-end assembly and testing sector, maintaining their market leadership.

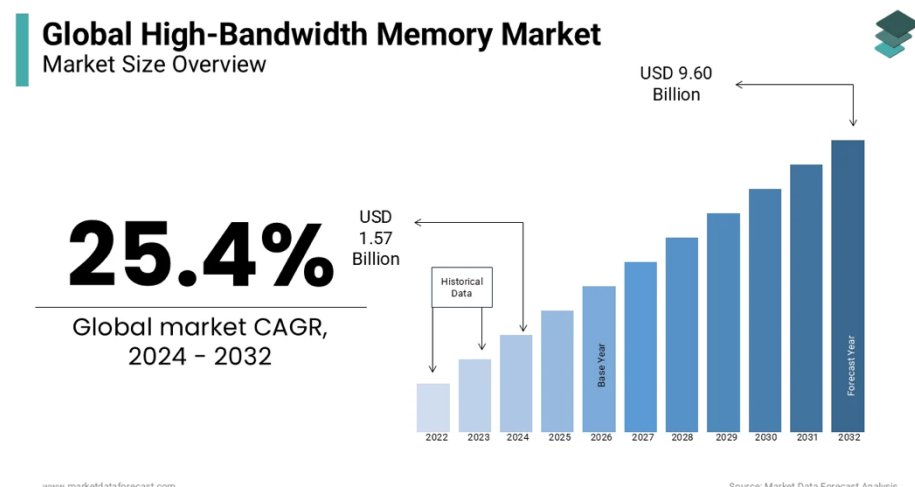


Major customers leverage their comprehensive wafer manufacturing and advanced packaging solutions to define the Foundry 2.0 concept, offering clients a one-stop service that fully meets the demands of the AI, high-performance computing, and data center markets, from advanced process technology to advanced packaging. With advancements in heterogeneous chip integration, key customers' technologies such as CoWoS, SoIC (System on Integrated Chips), InFO (Integrated Fan-Out), and WMCM will evolve further, providing robust hardware support for AI, HPC, and 5G markets. Additionally, key customers are actively developing derivative 2.5D/3D packaging technologies like FoPLP (Fan-out Panel Level Packaging) and CPO (Co-Packaged Optics), collaborating with global AI chip designers to innovate high-performance computing architectures.

Looking ahead, as key customers and OSAT-led industry players optimize advanced packaging technologies and expand capacity, their strategic positions in the global AI chip supply chain will strengthen. Over the coming years, key customers are expected to continue scaling CoWoS and SoIC production to meet massive demand for high-performance AI chips, solidifying their central role in the AI era.

Furthermore, as AI chips increasingly require High Bandwidth Memory (HBM) and advanced semiconductor packaging technologies, we, as equipment suppliers for memory manufacturing, face unprecedented opportunities. HBM technology has become critical for AI data centers due to its ability to deliver higher data transfer rates and lower power consumption in compact form factors. Simultaneously, advanced packaging innovations, such as Micron's recent collaboration with TSMC on HBM4e products - utilizing TSMC's advanced logic foundry processes to customize base chips for specific clients - enhance performance and functionality. This customization enables Micron to integrate additional cache and logic into HBM4e, significantly boosting data processing capabilities for AI, HPC, and related applications. With Micron collaborating with multiple customers to develop HBM4e, the demand for customized memory solutions will continue to rise, further solidifying Micron and TSMC's competitive advantages in the high-bandwidth memory (HBM) market.

In addition to benefiting end users, such technological advancement offers us with great opportunities. As an equipment supplier, we can take the opportunity to develop and sell manufacturing equipment that supports these advanced technologies. From precision 3D stacking thermal process-related equipment and packaging process lamination equipment, these needs are driving the search for innovative semiconductor manufacturing solutions. According to Market Data Forecast, the global high bandwidth memory (HBM) market size is projected to have a market value of US\$1.25 billion in 2023, reach US\$1.57 billion in 2024, and grow to US\$9.6 billion by 2032, with a compound annual growth rate (CAGR) of 25.4% during the forecast period.



Since semiconductor manufacturing giants such as Micron and TSMC continuously deepens their cooperation, their cooperation potential attracts the attention of our Company, as a leading global supplier of semiconductor equipment. By cooperating with them to support the development of their advanced processes and packaging technologies, our technologies are ensured to be in line with the latest manufacturing standards, and the foundation for further innovation is thus laid. In the age of intelligence, there are higher requirements for semiconductor technologies imposed by all terminal applications from PCs, smart phones to AI data centers, while the development of advanced packaging technologies such as CoWoS and SolC is the key to meeting these demands. As these technologies continue to advance and the scope of application expands, the expected high growth of our process equipment capacity in the future will bring unprecedented development opportunities for the Company. Our equipment for lamination, bonding, hybrid bonding manufacturing process and a wide range of ovens for forward-looking manufacturing processes not only support current technical demands, but also provide a solid foundation for the rapid development of AI applications in the future. With the surge in demand for CoWoS and SolC manufacturing processes and HBM manufacturing processes, especially in cloud computing, data centers, and deep learning, the demands of chip design companies for high-performance and high-bandwidth memory products will further drive the expansion of the market scale of our devices.

(2) Macroeconomic and Industry Development Trends:

Taiwan's Semiconductor Industry in the AI Era: Updates on Global Economic and Industry Trends With U.S. tariff liberation day making the outcomes of tariff negotiations more transparent for various countries, the global economy and trade policies are entering a new phase of adjustment. The Trump administration is expected to continue its "America First" policies, potentially tightening technology restrictions and tariffs against China while accelerating global supply chain restructuring. Additionally, tax cuts and infrastructure in-

vestment plans may drive U.S. economic growth but could also fuel inflationary pressures and widen fiscal deficits. These shifts will directly impact Taiwan's semiconductor industry, particularly as the U.S.-China tech war intensifies, forcing Taiwanese enterprises to navigate increasingly complex market conditions and opportunities.

Specifically, the Trump administration may implement the following policies affecting the global semiconductor and AI industries:

- Strengthening semiconductor and AI technology embargoes against China:
 - The U.S. Department of Commerce may expand export controls on AI chips and high-end computing equipment to China, including stricter technology transfer restrictions and additional scrutiny over shipments by U.S. firms like NVIDIA, AMD, and Intel to Chinese entities.
 - Efforts to contain China's semiconductor industry could block ASML, TSMC, and others from supplying cutting-edge process technologies (3nm and below) to China. This will further push China toward semiconductor self-sufficiency while increasing its short-term reliance on chips from Taiwan, Japan, and South Korea.
- Tariff negotiations promote U.S. domestic semiconductor manufacturing and supply chain reshoring:
 - The Trump administration's tariff negotiations have indicated that his government, in addition to expanding subsidies under the CHIPS Act, aims to attract TSMC, Samsung, and Intel to build more U.S.-based fabs.
 - Additional tariffs on imported semiconductors and electronics may raise costs for Taiwanese exporters targeting the U.S. market.
- Driving large-scale tax cuts and infrastructure investments in the U.S. tech sector:
 - Corporate tax reductions are expected to incentivize tech giants like Amazon, Google, Microsoft, and Meta to increase AI capital expenditures (CapEx), further boosting demand for AI servers and semiconductors.
 - New infrastructure initiatives in 5G/6G, cloud data centers, military tech, and low-earth orbit (LEO) satellites could spur demand for high-performance computing (HPC) and AI chips.

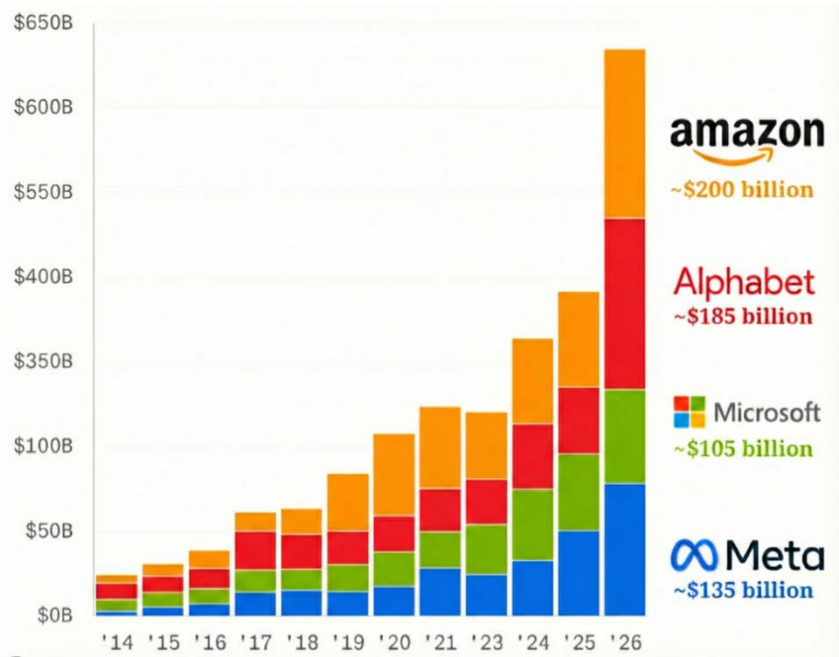
Overall, Trump's policies may deepen fragmentation in the global tech industry. Escalating U.S.-China tech competition will compel firms to reconfigure supply chains, while U.S.-led AI advancements could accelerate growth in Taiwan's semiconductor sector.

Industry outlook:

The "re-industrialization" transformation of AI infrastructure and the gigawatt (GW) competition

- Paradigm Shift: From Software Services to the "AI Factory" Heavy Assets Race 2025 to 2026 marks a historic turning point for the AI industry, transitioning from a "model training race" to an "energy and infrastructure race." As defined by NVIDIA CEO Jensen Huang, data centers are no longer merely storage and computational units, but rather "AI factories" with heavy industry characteristics. Under this paradigm shift, the unit of measurement for computing power has officially leaped from "megawatts (MW)" to "gigawatts (GW)," representing not only an exponential increase in computing scale but also establishing the capability to acquire energy as the core moat for technology giants over the next decade.
- The historic expansion of capital expenditures: a \$650 billion ticket. To support this transformation, the four major American technology giants—Alphabet, Meta, Amazon, and Microsoft—are engaging in an unprecedented scale of capital arms race. The market estimates that the total capital expenditure for these four companies in 2026 will reach US\$650 billion, an amount that surpasses the annual GDP of many countries, highlighting the high cost barrier of building AI infrastructure.
 - Amazon demonstrates the strongest expansion ambition, projecting spending to reach US\$200 billion in 2026, far exceeding market expectations, with a focus on vertical integration in chips, robotics, and low-orbit satellites.
 - Alphabet plans to double its spending from US\$91.45 billion in 2025 to US\$185 billion in 2026, reflecting its aggressive expansion in energy assets.
 - Meta is also keeping pace, with capital expenditures expected to jump from US\$72.22 billion to US\$135 billion, focusing on long-term computing power reserves.
 - Microsoft will maintain a high investment of US\$105 billion in FY2026, continuing to deepen its infrastructure collaboration with OpenAI.

Despite the massive cash burn causing short-term market concerns about an "AI bubble" and "return on investment (ROI)," from a long-term strategic perspective, this is a necessary evil to maintain technological sovereignty in the gigawatt era.



- "Gigawatt-Level" Strategic Layout: Energy is Computing Power, Computing Power is National Power. Against the backdrop of NVIDIA's Blackwell architecture significantly enhancing energy efficiency, a power capacity of 1 GW approximately corresponds to a computing power cluster of 500,000 high-end GPUs. Therefore, whoever can first secure a stable supply of GW-level electricity will gain an overwhelming advantage in model training and inference. The strategies of major CSPs have shown significant differentiation and upgrades:
 - Distributed Clusters and Physicalization (OpenAI & Oracle): The "Stargate" project between the two parties has entered the substantive execution phase, aiming to complete a 10 GW infrastructure deployment by the end of 2026. This will be achieved by utilizing gigawatt-level sites distributed across Texas and other locations to avoid single grid bottlenecks.
 - Extreme Density and Speed (xAI): Implementing a rapid iteration strategy, the Memphis "Colossus" data center aims to achieve 2 GW of ultra-high-density computing power at a single site and addresses real-time power supply issues by constructing its own gas power plant.
 - Vertical Integration of the Energy Supply Chain (Google): Google directly takes control of a 10.8 GW energy project pipeline through the acquisition of Intersect Power and is constructing a 1 GW hub in India. This indicates that its strategy has shifted from "purchasing power" to "controlling power" to ensure sustainable expansion under the 2030 net-zero carbon target.
 - Nuclear Power and Hyperscale Planning (Meta): Proposed the most ambitious "Meta

Compute" project, targeting 6 GW of nuclear power supply and envisioning hundreds of gigawatts in long-term scale, attempting to establish a long-term cost advantage through controlling baseload power.

Overall, the competitive dimensions of the AI industry have expanded from simply "chip supply" and "algorithm superiority" to a multifaceted game of "chips + energy + land." Future corporate competition will no longer depend solely on the possession of GPUs, but more on the execution efficiency in converting hundreds of billions of dollars in capital into stable "gigawatt-level computing power." This industrial revolution, defined by NVIDIA's standards and heavily invested in by the four major CSPs, will enter a decisive critical phase in 2026.

Taiwan Semiconductor in 2026 Driven by AI Dual Engines: From Arms Race to Infrastructure Reconstruction

Entering 2026, as generative AI officially transitions from the exploratory phase to large-scale deployment, Taiwan's semiconductor industry is positioned at the absolute core of the global computing revolution. Its growth dynamics have also undergone a structural transformation, evolving from the past dominance by NVIDIA to a new landscape of "NVIDIA universal GPUs" and "CSP self-developed ASICs" racing alongside each other as dual engines. Despite intensifying market competition, NVIDIA maintains its dominance in the AI training market with its Blackwell architecture and the experimental Rubin chip. To ensure supply, it has secured over 60% of TSMC's 2026 CoWoS advanced packaging capacity and is actively promoting the transition of technology to integrate HBM4 into CoWoS-L. This establishes the critical role of Taiwan's supply chain in continuing performance through heterogeneous integration in the post-Moore's Law era.

Meanwhile, cloud giants are initiating a second strong wave of in-house ASIC development to optimize total cost of ownership and reduce reliance on a single supplier, directly injecting new vitality into design service providers such as MediaTek, Alchip, and Global Unichip. Google's TPU v7 and Microsoft's second-generation Maia accelerators have become significant drivers for TSMC's 3nm/4nm processes, with the former supporting large-scale multimodal models and the latter adopting a hybrid "training + inference" strategy. Amazon is aggressively pursuing cost-effectiveness with Trainium 3 and is even beginning to explore alternatives such as panel-level packaging to alleviate bottlenecks. Facing simultaneous order grabs from the three major giants, the capacity shortfall has forced orders to overflow to leading packaging and testing firms such as ASE and Powertech Technology Inc.. This not only confirms TSMC CEO Wei, Che-Chia's upward revision of AI revenue's compound annual

growth rate exceeding 50% but also indicates that the industry's value chain is doubling due to the increase in chip size and packaging complexity.

By 2026, Taiwan's semiconductor industry is no longer reliant on cyclical growth from a single client but has become the cornerstone of global AI infrastructure reconstruction. With the advancement of trillion-dollar infrastructure projects such as the U.S. "Stargate Project," this AI-led structural growth cycle will be more enduring and robust than the previous PC or mobile phone era. Taiwan's advanced process and packaging cluster has become an indispensable strategic high ground in this "chip + energy" war.

Advanced Packaging Innovations: CoWoS and 3D Stacking

Meeting AI demand requires not only increased wafer capacity but also breakthroughs in chip packaging technologies. Current AI accelerators' extreme computational power and energy consumption have rendered traditional packaging a major bottleneck limiting performance. Consequently, Taiwan has achieved a leadership position in advanced packaging technologies, with TSMC's CoWoS (Chip-on-Wafer-on-Substrate) standing as one of the most critical innovations. CoWoS technology enables multiple large dies and High Bandwidth Memory (HBM) stacks to be integrated on a single silicon interposer, allowing NVIDIA's GPUs to be combined with HBM to deliver the ultra-high memory bandwidth required for AI training. This technology has become the standard configuration for high-end AI chips—not only adopted by NVIDIA's latest Hopper (H100) GPUs but also essential for future Blackwell GPUs, while AMD, Google, and other AI accelerator manufacturers extensively

TSMC CoWoS Yearly Capacity Allocation

	CoWoS capacity allocation (%)			TSMC Customer Composition (Wafer)		
Year	2024	2025	2026	2024	2025	2026
NVIDIA	52.1%	51.4%	50.1%	156,240	346,800	541,350
Broadcom	16.9%	16.2%	17.4%	50,824	109,650	187,500
AWS	12.4%	12.7%	11.0%	37,220	85,650	118,800
AMD	10.9%	7.7%	9.2%	32,572	51,900	99,000
Microsoft	0.0%	0.0%	0.8%	0	0	8,700
MediaTek	0.0%	0.0%	1.9%	0	0	20,400
Xilinx	1.2%	1.0%	0.5%	3,451	6,750	5,400
Intel	1.7%	1.0%	0.5%	4,972	6,750	5,400
Others	4.9%	10.0%	4.7%	14,722	67,500	51,000
Total(UTR)	100%	100%	96.1%	-		
Total shipments	-			300,000	675,000	1,037,550
Total capacity	-			300,000	675,000	1,080,000

Data source: Fubon Research

utilize CoWoS.

According to data from Fubon Research (as shown in the figure above), NVIDIA will occupy 50% of the global CoWoS (Chip-on-Wafer-on-Substrate) capacity in 2026, far surpassing other companies. In short, without advanced packaging technologies like CoWoS, the performance of current AI hardware would be severely constrained. Thus, TSMC is aggressively expanding CoWoS capacity to meet the surging demand for AI chips and ensure Taiwan's pivotal role in the AI supply chain. Entering the first quarter of 2026, NVIDIA's dominance in the AI compute arms race has become evident through its absolute lock on TSMC's CoWoS capacity. According to the latest supply chain data, NVIDIA will encompass about 60% of global CoWoS supply this year, and has secured nearly 70% of the capacity in the highest-tier CoWoS-L process. This means that "advanced packaging" has officially surpassed wafer miniaturization to become the ultimate moat defining AI hardware performance and market share.

Faced with this structural demand, TSMC's capacity expansion strategy has shifted from passively catching up to actively reshaping. Although capacity has doubled consecutively over the past two years, the market supply-demand gap has yet to narrow as of early 2026. To this end, research institutions estimate that TSMC will further raise its CoWoS monthly production capacity target to 130,000 to 140,000 wafers by the end of 2026 and accelerate the expansion of new plants in Chiayi and other locations, with an annual capacity exceeding one million wafers. NVIDIA CEO Jensen Huang stated bluntly during a talk in Taipei in early February 2026 that TSMC's output may need to double again in the next decade to address the exponential growth in AI demand.

This momentum has also caused a qualitative change in TSMC's revenue structure. The full-year 2025 financial report shows that revenue contribution from the advanced packaging business has officially surpassed the critical 10% mark, with growth significantly outpacing the company's average level. This marks TSMC's successful transition from a traditional "foundry manufacturer" to a "system-level integration service provider." In the AI value chain, its pricing power and irreplaceability have risen in tandem with the evolution of Moore's Law, solidifying Taiwan's more central strategic position in the global geopolitical and economic landscape of semiconductors.

To accelerate expansion, TSMC has even started outsourcing portions of its 2.5D packaging operations, including entrusting Siliconware Precision Industries (SPIL), a subsidiary of ASE Group, with 2.5D CoWoS packaging. Mass production of AI chips using CoWoS packaging is scheduled to commence in the second quarter of 2025. This unprecedented supply chain collaboration demonstrates Taiwan's semiconductor industry uniting to resolve capacity

bottlenecks and ensure stable AI chip supply.

Beyond 2.5D silicon interposer (CoWoS) technology, the next frontier in semiconductor development is 3D stacking. TSMC's SoIC (System on Integrated Chips) technology employs direct copper-to-copper bonding to vertically stack chips at ultra-high density. This approach allows logic dies to be stacked directly on I/O dies or other computing units, effectively constructing CPUs or AI accelerators in three-dimensional space for significant performance gains.

SoIC employs hybrid bonding technology, currently achieving 6μm interconnect pitch, with plans to reduce it to 3μm by 2027. This supports thousands of interconnects within a chip, offering signal density far exceeding traditional bump bonding. TSMC is actively scaling SoIC capacity to meet market needs. Unlike CoWoS, SoIC's front-end wafer bonding process faces fewer bottlenecks from substrates and tooling limitations. This massive capacity expansion signals TSMC's belief that 3D stacking will become the mainstream packaging solution for AI high-performance computing (HPC) and premium consumer electronics. Through continuous innovation and capacity expansion, TSMC is reinforcing its leadership in the global AI chip and advanced packaging markets, ensuring Taiwan's critical role in future AI supply chains.

Moving forward, the semiconductor industry will gradually enter an era of heterogeneous integration, combining multiple packaging technologies to further enhance AI chip performance. TSMC's technology roadmap envisions integrating SoIC 3D-stacked chiplets onto larger CoWoS interposers, merging 3D stacking with 2.5D technology to create "System on Package (SoP)." Such innovation is vital for AI chips, as slowing Moore's Law shifts performance gains to advanced packaging.

As chip architectures grow more complex, packaging must evolve in tandem. Future advancements may integrate silicon photonics within packages, enabling multi-GPU optical interconnects. This technology not only overcomes traditional electrical signal bandwidth limits but also reduces power consumption, boosting AI training and inference efficiency.

Future packaging could incorporate optical links and other breakthroughs to transcend electrical signal constraints. These technological innovations are almost entirely centered around Taiwan—TSMC and its partners have established a complete 3DIC ecosystem (3D Fabric Alliance), driving the advancement of packaging technology. The partners of the G2C+ Alliance are also among its members.

Taiwan: From Chip Manufacturer to Designer of AI Computing Cores

These developments demonstrate that Taiwan is no longer merely a global chip manufacturing hub but is now taking the lead in AI chip packaging and assembly technologies. Today,

the importance of advanced packaging technologies has become equivalent to the development of advanced process nodes, as packaging innovations directly impact the performance and power consumption of AI chips. Taiwan is making substantial investments to ensure it maintains a leading position in this AI revolution. The trend is clear: to meet the "insatiable demand" for global AI computing, advanced packaging technologies will become the key battleground in future semiconductor industry competition, and Taiwan is steadily advancing toward the core of the AI chip ecosystem.

Next-Generation Server Motherboard and PCB Technologies: Moving Towards the Integration of High-Layer-Count and HDI

The computing demands of AI servers are completely reshaping PCB technology specifications. To support high-performance GPUs and ASICs from NVIDIA, AMD, and others, server motherboards are shifting from traditional designs to high-density interconnect (HDI) and ultra-high-layer-count multilayer boards (HLC MLB). Current AI server applications, such as OAM accelerator modules and UBB universal baseboards, commonly employ board structures with 20 to 30 layers or even more. These applications must use Extreme Low Loss materials and HVLP copper foil to ensure signal integrity. In addition, as the demand for transmission speed increases, the technological roadmap is evolving towards the introduction of Co-Packaged Optics (CPO) and optical interconnect technologies in 2026, which will further drive the technological requirements for advanced packaging substrates.

Taiwan's Semiconductor Ecosystem: Capacity Expansion and the Supply Chain Resilience of "Taiwan + Southeast Asia"

The capacity expansion of Taiwan's PCB industry is no longer confined locally, but has formed a dual-track resilience of "Taiwan R&D, Southeast Asia manufacturing." To address geopolitical risks and tariff challenges, major Taiwanese PCB manufacturers (such as Zhen Ding, Unimicron, Wus Printed Circuit, COMPEQ, etc.) are actively expanding their production capacity to Southeast Asia, with Thailand becoming the most critical emerging manufacturing hub for PCBs. This supply chain realignment not only diversifies risks but also ensures that, amid global trade tensions, Taiwan's supply chain remains stable in providing critical components to global cloud service providers (CSPs).

According to a recent Prismark report, major PCB suppliers are establishing production capacity in Southeast Asia at an unprecedented pace to shorten the cycle from plant construction to revenue contribution from 4-5 quarters.

- Zhen Ding: As an industry leader, its capital expenditure for the first three quarters of 2025 surged by 120.9% to US\$792 million, actively building high-end capacity in Thailand to meet the demand for AI and servers.
- Unimicron: In addition to Taiwan, capacity is also being expanded in Thailand and Vietnam, and investments are being made in Germany to maintain the resilience of the global presence.
- Wus Printed Circuit has benefited from the strong demand for AI servers, with revenue significantly growing by 47.2%, and is actively constructing a plant in Thailand to diversify risks.
- Gold Circuit Electronics Ltd. focuses on high-end server boards, achieving a revenue growth of 55%, with its new plant in Thailand being key to supporting future capacity.

Capacity Expansion and AI-Driven Growth

AI-driven growth is no longer just a vision; it is a concrete data explosion. Goldman Sachs Research estimates that the global AI server PCB and CCL markets will grow rapidly with compound annual growth rates (CAGR) of 140% and 179%, respectively, from 2025 to 2027. The overall Market size is expected to reach US\$27 billion by 2027. This wave of growth is mainly driven by the demand for AI servers (including GPUs and ASICs), high-speed network switches, and satellite communications. To capture this business opportunity, suppliers are actively expanding their capacities for high-end HDI and multilayer boards, particularly focusing on high-margin products for OAM and switch boards.

To capture this "winner-takes-all" Market, Goldman Sachs points out that key players have demonstrated astonishing capital expenditure strength:

- Victory Giant Technology: To secure orders from NVIDIA and Google TPU, its capital expenditure for the first three quarters of 2025 skyrocketed by 377.6% to US\$507 million, demonstrating an extremely aggressive expansion ambition.
- TTM Technologies: As a key supplier in North America, its capital expenditure also grew by 122.4%, primarily for expanding production in Malaysia and the United States.
- Shennan Circuits: Capital expenditure increased by 28.9%, and it is expected to secure a larger share of Google TPU orders after 2027.

Solving Advanced Substrate Bottlenecks: From ABF to Low-CTE Glass Cloth to CoWoS-like Diverse Process Iterations

Although the shortage of ABF substrates has gradually eased with the expansion of capacity, the industry bottleneck is now clearly shifting upstream to advanced materials and higher-level packaging technology nodes. Among them, the most critical limitation comes from the low coefficient of thermal expansion (Low-CTE) glass cloth and core materials used for large-size FCBGA substrates. As package sizes increase and I/O density continues to rise, the limitations of traditional materials in warp control, dimensional stability, and yield are increasingly evident, becoming the core factors constraining the mass production of high-end substrates. To enhance supply chain resilience and surpass the physical limitations of Moore's Law and organic interposers, the industry is accelerating the development of glass core substrates and fine-pitch 2.3D advanced packaging substrate technologies. Glass substrates, with their lower CTE, superior flatness, and dimensional stability, are considered a key solution for supporting future ultra-large package sizes and high I/O densities, particularly suitable for next-generation AI and HPC chips. In terms of advanced packaging capacity, TSMC's CoWoS is still constrained by process and equipment bottlenecks, driving the Market's increasing demand for alternative or supplementary solutions, including the flexible application of heterogeneous integration technologies such as Intel EMIB. Looking beyond 2026, as packaging sizes move towards larger scales (for example, achieving 9x reticle size with the A16 SoIC architecture), the industry will inevitably need to overcome the limitations of existing organic interposers in terms of reticle size and process yield, further driving the commercialization of glass core substrates and fine-pitch 2.3D packaging.

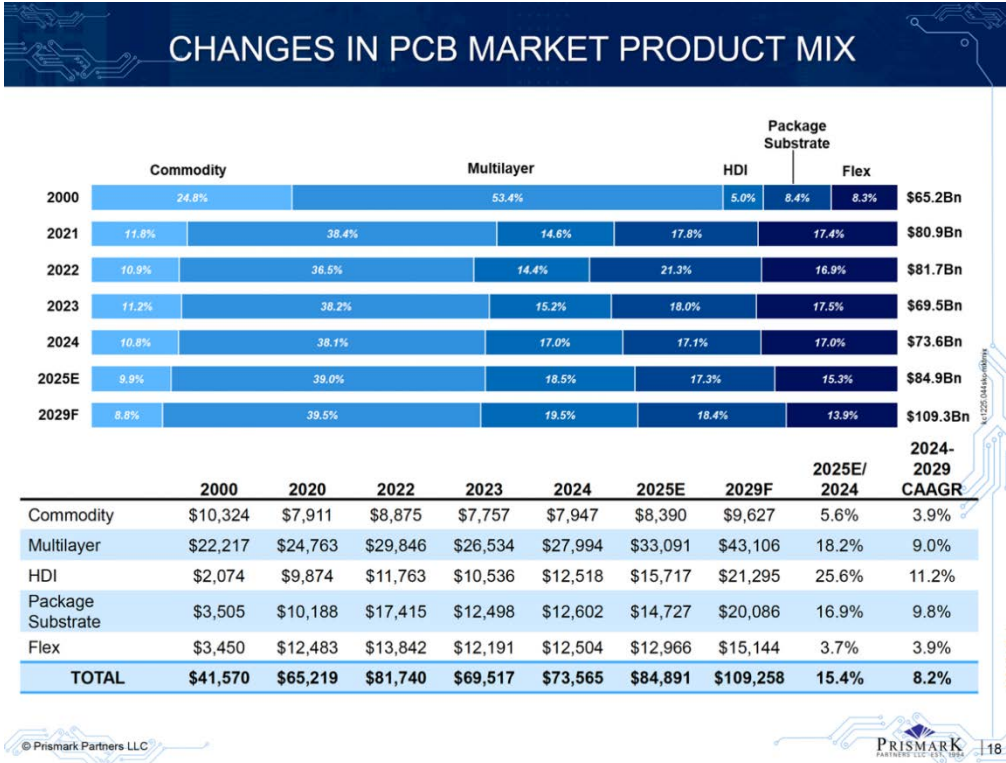
Under this trend, major substrate manufacturers in Taiwan, such as Unimicron, have started deep collaborations with upstream material suppliers to actively certify and co-develop new low-CTE materials and glass substrates. Meanwhile, international substrate manufacturers like Ibiden are also increasing their investments in the high-end ABF and advanced packaging substrate fields. This type of "materials × substrates × packaging" collaborative development capability will become a key change in the value chain of the AI chip packaging competition after 2026.

Taiwan’s Strategic Position:
A Complete Ecosystem from Chip Manufacturing to Advanced Packaging

Taiwan's strategic position in the AI era has extended from mere chip manufacturing to encompass a complete ecosystem including optical packaging (such as TSMC's COUPE tech-

nology) and PCB equipment. TSMC's CoWoS capacity and technology roadmap (such as integrating optical engines into interposers) steer the evolution of packaging technology, while Taiwan's equipment suppliers and PCB manufacturers closely follow, providing the necessary process support. Major PCB suppliers such as Zhen Ding and Unimicron showed strong revenue performance in 2025, indicating Taiwan's increasingly solidified "winner-takes-all" advantage in the global AI hardware supply chain.

Industry Outlook for PCB Demand in AI Applications



The year 2025 marks a turning point for the strong recovery of the electronics industry, with the PCB Market expected to grow by 15.4%, led by AI servers and high-speed network infrastructure. Looking ahead to 2026 and beyond, the influence of AI will spill over from cloud data centers to edge devices (AI PCs, smartphones) and automotive electronics. We can expect:

- Continuous breakthroughs in technology: Rapid transition from traditional multilayer boards to HDI, glass substrates, and silicon photonics technologies.
- Deep collaboration in the supply chain: Hyperscale companies like NVIDIA and Google will take a more active role in defining PCB and material specifications, forming a closer symbiotic relationship with Taiwanese manufacturers.
- Ecological symbiosis: The pursuit of AI computational power will stimulate technological

advancements beyond AI itself (such as low-loss materials and advanced drilling equipment), benefiting the entire electronics supply chain.

In the absence of major geopolitical disruptions, Taiwan combines its exceptional manufacturing capabilities, flexible transnational capacity layout, and rapid response to cutting-edge AI demands, laying a solid foundation for industry leadership in the coming decade. Taiwanese manufacturers will continue to play a central role in R&D and high-end manufacturing, while building a robust supply chain of "Taiwan R&D, global manufacturing" through overseas capacities in Thailand and other locations, laying the foundation for industry leadership in the next decade.

(III) Technology and R&D Overview

R&D Expenses Invested and Technologies or Products Successfully Developed for the Latest Year and as of the Date of Publishing the Annual Report:

Unit: NT\$ Thousand

Year	R&D development expenditure	Technologies or products successfully developed	Cooperating partner
2025	NT\$542,579 thousand (accounted for 8.89% of the operating income)	Large size automatic roller laminator, high-end roller laminator, multi-captivity vacuum laminator, STR roller laminator, development of ABF peeler generation II, semiconductor vacuum OVEN, panel and packaging heat treatment equipment and lamination equipment, semiconductor automation plasma and oven, research and development of smart roller lamination equipment, development of G8.5 PI Prebake equipment, Micro LED coater, vehicle protection film lamination, vehicle pressure degassing machine, semiconductor industry innovation project -- Wafer-grade RDL dielectric process equipment	Japanese equipment manufacturers, domestic PCB, SEMI, FPD leading manufacturers
Q1 2026	NT\$ 164,847 thousand (accounted for 7.29% of the operating income)		

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

- Short-term Plan:
 - A. Marketing Strategy
 - a. Promote equipment for lamination, bonding, hybrid bonding manufacturing process of the 2.5D/3D IC manufacturing process, and various ovens for semiconductors.
 - b. Focus on the existing market and customers, continue to develop high-end products, and assess the forward-looking manufacturing process development projects of potential customers.

- c. Continue to focus on the cross-strait markets and expand into Thailand, Southeast Asia, India, Europe, the US, and Japan.
 - d. Redirect to the new energy field and demands for the focus on environmental change (circular economy).
- B. Production Strategy
 - a. Adopt lean management to continue improving, reducing costs, and stabilizing quality; responding to the economic cycle and the era of meager profit for our R&D resources and materials is our primary task.
 - b. Improve the capacity for manufacturing and managing resources and materials and commit to the management of an optimized inventory.
 - c. Reinforce the design for modular and standard common parts and components and attach attention to environmental protection and waste reduction.
 - d. Improve the capacity for price negotiation and quality control for part and components, materials, and rough machining outsourcing.
 - e. Further complete, modify, and adjust the production and assembly work procedures for products, assembly specification, and manufacturing process inspection specification in favor of the manufacturability and standardization of production, and improve the capacity for the customized functions of products concurrently.
- C. Product Development Strategy
 - Integrate our key core technologies, expand the product portfolio, extend the industrial applications, and cooperate with strategic partners in terms of technology and markets.
- D. Quality Strategy
 - Adopt the PDCA (plan-do-check-act) circular management model to improve from QC to QA based on the ISO-9000 quality system, reinforce customers' satisfaction, and satisfy customers' quality requirements.
- Long-term Plan:
 - A. Marketing Strategy
 - a. Focus on the self-owned brands and G2C+ Alliance.
 - b. Adopt the position as the leading equipment supplier and customers' forward-looking equipment R&D center based on technologies of lamination, bonding, peeling, baking, wet and plasma.
 - c. Expand from the Greater China region market into emerging economies and developed countries.
 - d. Utilizing our advantageous product portfolio and integrated service solutions for

market segregation and cooperate with strategic partners in terms of the market.

B. Production Strategy

- a. Establish and develop a core supplier system. Assist our suppliers in improving their responding abilities for the economic cycle and the abilities of rapid and stable supplies in the China region.
- b. Deepen the R&D capacity in Taiwan and China and focus on core technologies leading the industrial development.
- c. Adjust the effective work division between the production bases in China and Taiwan in accordance with the circumstance and the, facilitate the economic industries, and cooperate with strategic partners in terms of R&D.

C. Product Development Strategy

With the foundation of our core technologies, extend the development of application fields in line with the development of technologies within the technology industry, emerging renewable energy industry, environmental protection and medical industries, and the market demand.

D. Quality Strategy

- a. Aligning with the business growth of the Company, we adhere to quality, expertise, and steadiness. Introduce the QA system step by step to improve the Company's competitive advantages, satisfy customers' demand, and allow the Company to connect to the international standards.
- b. Improve the overall customer-oriented services and create general values for customers.

II. Market and Production/Sales Overview

(I) Market Analysis:

(1) Region of Sales: Taiwan, China, Japan, the US, Korea, Singapore, Malaysia, Vietnam, Thailand, and India.

Distributors: Hong Kong (China), Japan, the US, Korea, Singapore, Vietnam, Thailand, and India.

(2) Market Share

The Company focuses on applying the highly specialized advanced semiconductor packaging manufacturing process equipment to customer's manufacturing process for verification before application in mass production. Our product line includes a range of forward-looking and specialized equipment. Such equipment is designed to meet customer technical requirements, and can assist customers to achieve chip packaging manufacturing processes with smaller scale, higher performance and more efficiency. In this niche market, the Company's equipment is critical, unique, and even exclusive. This reflects our exclusive position in providing solutions to technological innovation and meeting customer needs.

Due to the Company's specialization in specific and highly professional process technologies, traditional market share calculations may not fully capture the market influence and value of its equipment. In this context, the Company prioritizes deepening its technical leadership, expanding its technological impact, and establishing and maintaining long-term partnerships with customers over focusing on market share. Through this approach, the Company provides irreplaceable value to customers in the advanced packaging technology niche market and continues to drive industry progress. The potential market size and value of each sector are elaborated based on market research reports, corresponding to the current production value or revenue of the company's industry sectors.

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

C Sun is the leading supplier in terms of equipment for the manufacturing process of the electronic industries in Taiwan. We apply our integrated five major core technologies in the seven major industries to provide relevant manufacturing process solutions for the primary electronic industries in the Greater China region. The capital expenditure plans of the primary electronic industries serve as the crucial indicator for the market of C Sun's industrial products. Therefore, the following explanation sets the capital expenditure plans of the primary electronic industries as the crucial indicator for the supply and demand of C Sun's products and their growth.

• Semiconductor Market:

The semiconductor industry covers a wide range of businesses, which could primarily be divided into the upstream IP design and IC design industries, midstream IC manufacturing, wafer manufacturing, relevant production process testing equipment, photomask, chemical industries, and downstream IC packaging and testing, relevant production process testing equipment, parts and components (such as substrate and lead frame), IC module, IC channel industries. Companies in the industries perform their own functions. From the completion of product design by IC design company, manufacturing of semi-finished wafer by commissioned professional wafer OEM suppliers or IDM suppliers (integrated semiconductor suppliers that provide one-stop services from IC design, manufacturing, packaging, testing, to the final sales), front-end testing, cutting and packaging subsequently made by professional packaging suppliers, to the back-end testing performed by professional testing suppliers in the end. After being tested, finished goods are sold to system suppliers via the sales channel for the suppliers to carry out assembly production to transform such finished goods into system products and sell to every corner of the world. The semiconductor industry in Taiwan develops early and possesses leading advantages in talents and technologies; therefore, Taiwan owns the most comprehensive semiconductor industry cluster and professional work division worldwide.

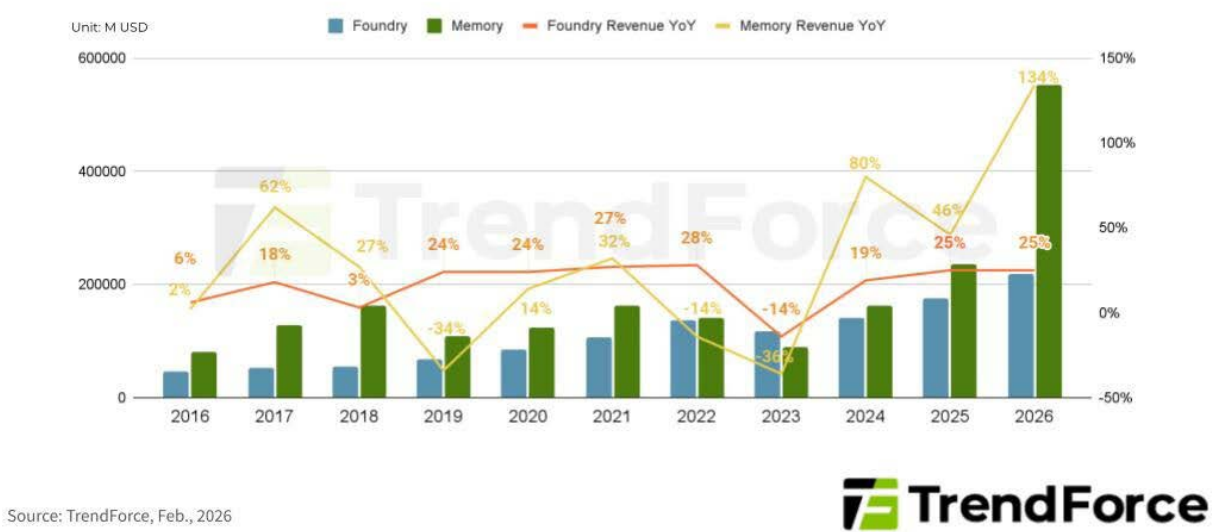
According to the latest reports and data released by World Semiconductor Trade Statistics (WSTS) and the Semiconductor Industry Association (SIA) from the fall of 2025 to early 2026, the outlook for the global semiconductor market has been significantly revised upward. The market established a strong rebound trajectory in 2024, ultimately reaching an annual output value of US\$628 billion, with a year-on-year increase of 19.1%. Entering 2025, the growth momentum not only continues but also strengthens, driven by the massive demand for artificial intelligence (AI) and cloud computing. The total amount of global semiconductor sales in 2025 hits a historic high, reaching US\$791.7 billion, with an annual growth rate of 25.6%, significantly surpassing the original expectation of double-digit growth. Looking ahead to 2026, WSTS anticipates the global semiconductor market will continue to expand, with the annual output value estimated to reach US\$975 billion, potentially challenging the US\$1 trillion milestone, with an expected year-on-year growth rate of approximately 23% to 26%. This wave of growth trend continues to be led by the two major fields of logic chips and memory, particularly under the promotion of AI infrastructure development, where the strong demand for these categories will continue to serve as the core engines of industry growth.

Autumn 2025	Amounts in US\$M			Year on Year Growth in %		
	2024	2025	2026	2024	2025	2026
Americas	195,123	251,926	338,574	45.2	29.1	34.4
Europe	51,250	54,127	60,429	-8.1	5.6	11.6
Japan	46,739	44,835	50,164	0.0	-4.1	11.9
Asia Pacific	337,437	421,354	526,293	16.4	24.9	24.9
Total World - \$M	630,549	772,243	975,460	19.7	22.5	26.3
Discrete Semiconductors	31,026	30,900	33,436	-12.7	-0.4	8.2
Optoelectronics	41,095	42,597	45,020	-4.8	3.7	5.7
Sensors	18,923	20,894	22,713	-4.1	10.4	8.7
Integrated Circuits	539,505	677,852	874,291	25.9	25.6	29.0
Analog	79,588	85,552	91,988	-2.0	7.5	7.5
Micro	78,633	84,839	96,620	3.0	7.9	13.9
Logic	215,768	295,892	390,863	20.8	37.1	32.1
Memory	165,516	211,568	294,821	79.3	27.8	39.4
Total Products - \$M	630,549	772,243	975,460	19.7	22.5	26.3

Date source: WSTS.org

Examining the foundry market in detail, according to the latest report released by market analysis firm TrendForce at the beginning of 2026, the growth momentum of the global foundry market far exceeds expectations. Benefiting from the explosive demand for AI infrastructure development and the extensive investments in AI servers by CSPs (cloud service providers), the market performance in 2025 exceeded initial expectations, leading to an annual output value significantly surpassing original estimates. Looking ahead to 2026, TrendForce forecasts that the global foundry output value will further increase by 25% year-on-year, reaching a historic high of US\$218.7 billion. In terms of market competition landscape,

Global Memory and Wafer Foundry: Market Revenue Trends (2016–2026)



the "the strong become stronger" trend will become more pronounced in the second half of 2025. By the third and fourth quarters of 2025, TSMC's global market share has risen to 70%-72%, firmly maintaining its leading position. This wave of growth is mainly driven by

the strong demand for the NVIDIA Blackwell platform, new Apple iPhones, and CSP self-developed chips for 3nm and 5/4nm advanced processes. In contrast, mature processes are constrained by capacity expansion in China and price competition, resulting in moderate recovery and a clear polarization in the industry's development.

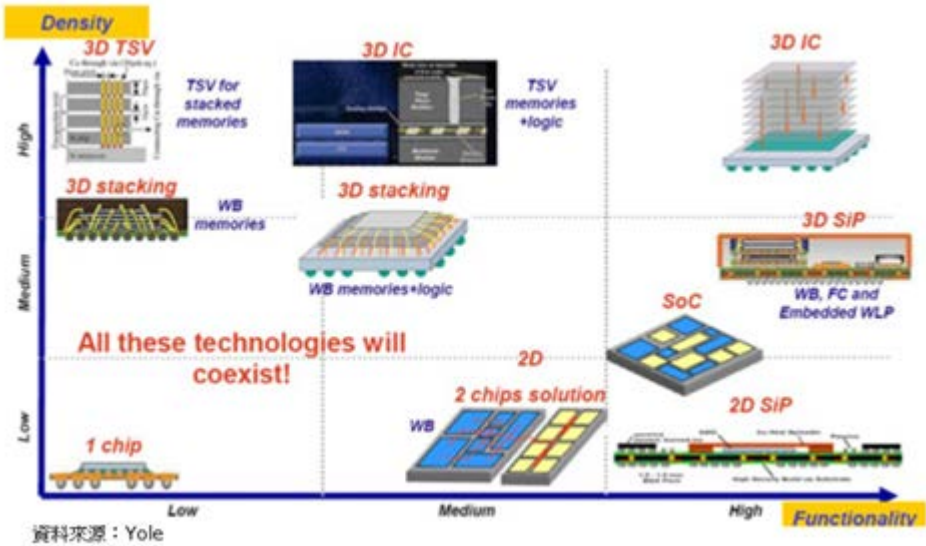
In terms of technology and packaging trends, TSMC not only maintains a lead in front-end advanced processes but also regards its back-end advanced packaging capacity as crucial to the market. With the surge in demand for AI chip computing power, the Market demand for advanced packaging technologies such as 3D/2.5D CoWoS and SoIC has experienced explosive growth, with order visibility extending beyond 2026.

At present, the development for the wafer foundry industry still focuses on process scaling, as the fastest way to improve the efficiency of IC is micromation; better performance is achieved through allocating more circuits in a smaller space. The figure below is the estimation for the changes in the advanced manufacturing process and new manufacturing technologies for the semiconductor industry. In particular, TSMC commenced introducing the 5-nanometer manufacturing process in 2021, and it commenced the mass production of 3-nanometer products in 2022; TSMC's technologies continue to be ahead of other wafer foundries, and it is the major beneficiary for the new wave of technology evolution.



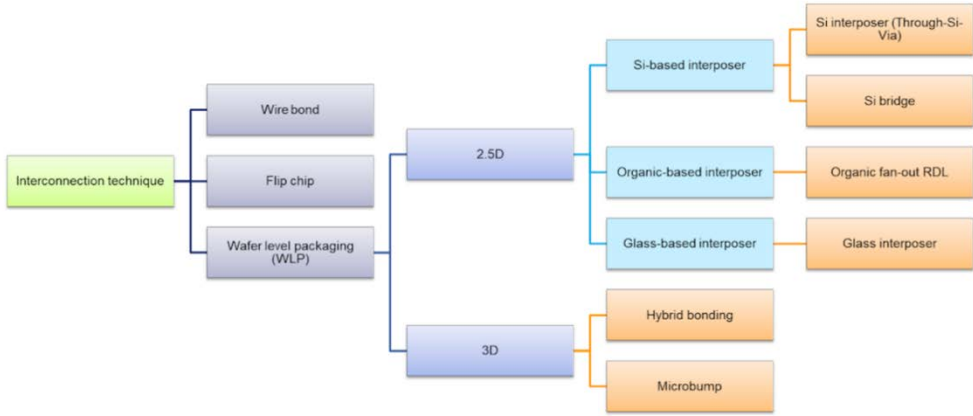
Date source: Industrial Technology Research Institute (ITRI)

Among packaging technologies in different systems, 3D TSV (through-silicon via) packaging technology is the connection technology most likely to allow the advancement of packaging according to Moore's Law; its design concept derives from the multilayer design of a printed circuit board Printed Circuit Board (PCB)(PCB). TSV enables sandwich-style stacking of multiple chips, creating three-dimensional stacked packages with electrical interconnections. This technology has advanced the 2D planar chip configuration to 3D stacking solutions. Foundries and packaging/testing houses are now actively developing 3D IC packaging and testing capabilities.



In the following years, the 3D IC chip-stacking technology would be applied in more and wider ranges of categories, in particular applications that require great calculation capacity and memory capacity (including applications related to multi-core servers and AI). Furthermore, due to the increasing heterogenization of the system's internal composition, 3D IC stacking technology becomes the key. A heterogenized system would comprise various different parts and components (such as memory, image sensor, III-V electronic equipment for analog functions, and RF, processor, and low-power consumption electronic equipment). Appropriate technology would be adopted for the design and process of parts and components, and the 3D IC stacking technology would be utilized to package them into a single unit, so as to improve the operating efficacy of electronic systems and reduce costs and power consumption.

2.5D and 3D packaging technology:



Source: Advanced Semiconductor Packaging 2024-2034

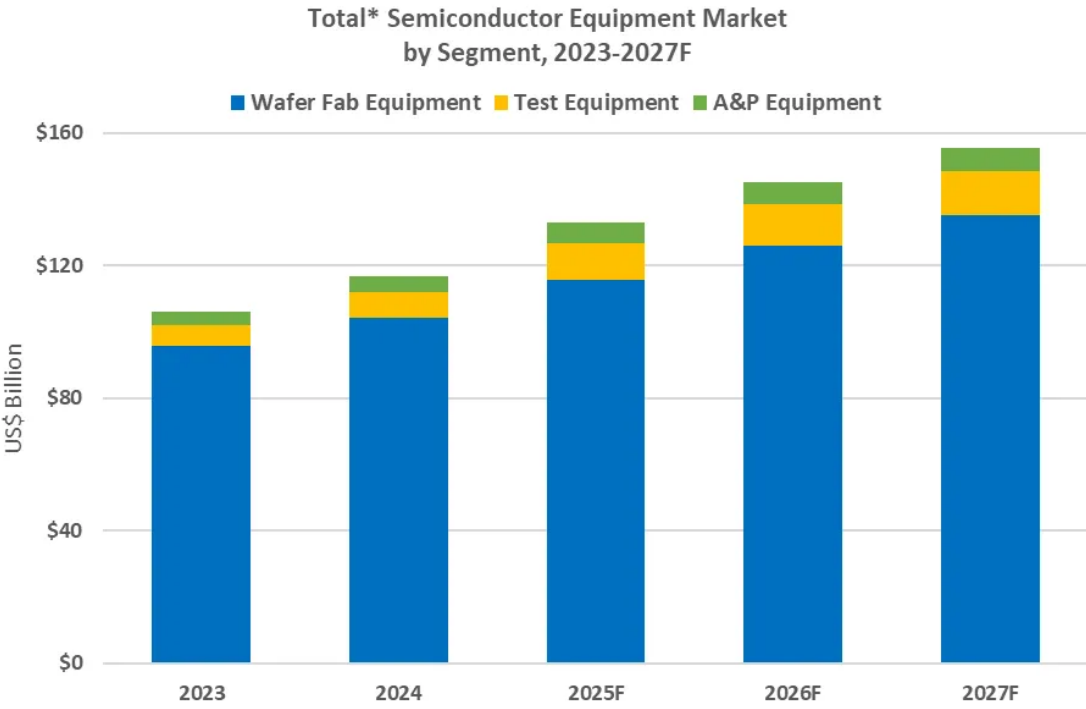
	3D-SIP			3D-SIC	3D-SOC			3D-IC
3D Technology	"PoP"	"Chip last"	"Chip first"	Die stacking	Parallel W2W		Sequential FEOL	
3D-Wiring level	Package I/O	Chip I/O Interposer I/O	Chip I/O	Global	Semi-global	Intermediate	Local	FEOL
Partitioning	Functional unit	subsystem	Embedded die	Die	Chip BEOLWiring Hierarchy		Standard cells	Transistors
Technology	Package-to Package reflow	Multi-die SIP 3D/2.5D stack	FO-WLP Embedded die	3D D2D, D2W 2.5D Si-interposer	Wafer-to-Wafer bonding		Active layer transfer or deposition	
2-tier stack Schematic								
Characteristic	Solder ball Stack	• C4, Cu-pillar Si-Organic • Through- Mold-vias	• Bumpless • Si-RDL • Through- Package-vias	• μbump • Si-to-Si • Through- Silicon-Via	BEOL between 2 FEOL layers		FEOL stack	
Contact Pitch	400⇒350⇒300μm	120⇒80⇒60μm	60 ⇒40 ⇒20μm	40 ⇒20 ⇒10⇒5μm	5μm ⇒ 1 μm	2 μm ⇒ 0.5 μm		
Relative density:	1/100⇒1/77⇒1/55	1/9⇒1/4⇒1/2.3	1/2.3 ⇒ 1 ⇒ 4	1 ⇒ 4 ⇒ 16⇒ 64	64 ⇒ 1600	400 ⇒ 6400	4 10 ⁴ ⇒ 1.6 10 ⁵	> 1.6 10 ⁵

Data source: IMEC

As the global semiconductor industry continues to expand wafer fab equipment capacity, capital expenditures are approaching unprecedented record highs. In the Year-End Total Semiconductor Equipment Forecast released by SEMI, the international semiconductor industry association, in December 2025, it was stated that global semiconductor manufacturing equipment sales in 2025 are expected to increase by 13.7% year-on-year, reaching a historic high of US\$133 billion. This growth momentum is expected to continue into 2026, driven by combined demand from front-end and back-end processes, with the annual sales total projected to reach US\$145 billion (with some forecasts even as high as US\$156 billion). Among them, the demand for AI servers, high-performance computing (HPC), and data centers remains the main driving force, with electronic devices as the core. The demand continues to record explosive growth, firmly making it the major source of the equipment expenditures. In terms of regional markets, mainland China remains the largest equipment market worldwide due to its substantial capacity expansion in mature processes. Meanwhile, Taiwan benefits from TSMC's absolute leadership in advanced processes and advanced packaging (CoWoS, SoIC), driving significant investment from related supply chains and logic chip manufacturers. Taiwan firmly holds its position as the world's second-largest equipment market and continues to widen the gap with third-ranked South Korea, becoming a core hub for global advanced process equipment demand.

In terms of back-end equipment, after previous adjustments, the recovery momentum exceeded expectations. Semiconductor test equipment sales in 2025 experienced an astounding 48.1% growth, reaching US\$11.2 billion; assembly and packaging equipment saw a 19.6% increase, with sales reaching US\$6.4 billion. SEMI predicts that this surge in the back-end sector will continue through 2026, primarily driven by the increasing complexity of AI high-performance computing chips' reliance on heterogeneous integration packaging and

the anticipated demand recovery across automotive, industrial, and consumer electronics end markets. Additionally, back-end process growth must escalate over time to accommodate the continuously rising supply capacity from wafer fabs. From this, it can be deduced that back-end equipment accounts for approximately 11.2% of the overall semiconductor industry's wafer fab equipment (US\$11.2 billion plus US\$6.4 billion versus US\$156 billion).

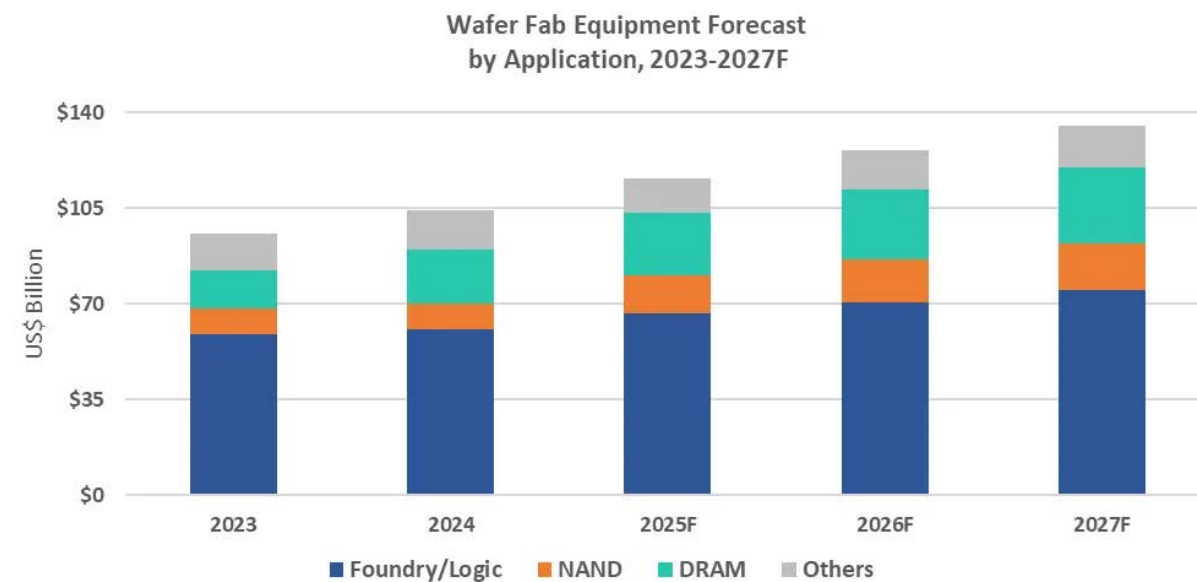


Source: SEMI, 2025 Year-End Semiconductor Equipment Forecast - OEM Perspective
*Total equipment includes new wafer fab, test, assembly, and packaging, but does not include wafer manufacturing equipment.
Totals may not add due to rounding.

By equipment category, wafer fab equipment (WFE), including wafer processing, fab facilities, and photomask equipment, is projected to grow 11.0% in 2025, reaching US\$115.7 billion, higher than originally expected. SEMI attributes this upward revision to the effects of AI computing proliferation, sustained strength in Chinese equipment spending, and massive investments in DRAM and high-bandwidth memory (HBM). Looking ahead to 2026, driven by increased demand for advanced logic (2nm/A16) and memory applications, wafer fab equipment sales are expected to climb further to over US\$125 billion.

By application segment, wafer fab equipment sales for foundry and logic applications in 2025 are expected to maintain steady growth, reaching US\$64.8 billion, primarily driven by the continuous increase in demand for advanced technologies, the introduction of new equipment architectures, and increased purchases for advanced capacity expansion such as 2nm. It is expected to continue growing in 2026, reaching US\$69 billion.

Memory-related capital expenditures will see the most significant growth in 2025, with con-



Source: SEMI, 2025 Year-End Semiconductor Equipment Forecast - OEM Perspective

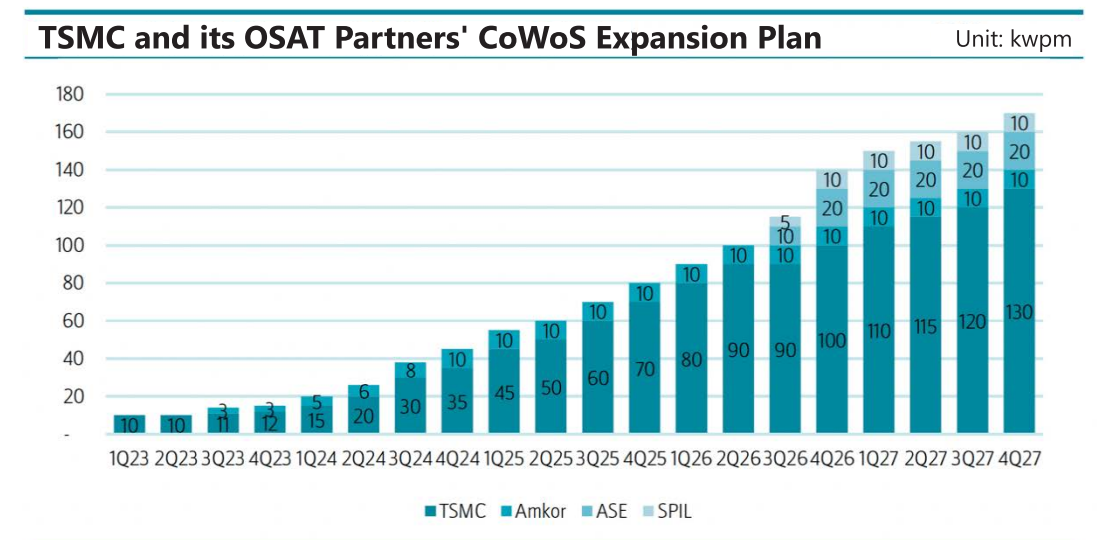
tinued momentum into 2026. Benefiting from advancements in 3D NAND technology stack layers, NAND equipment sales strongly rebound in 2025, significantly growing by 45.4% to US\$14 billion, laying the groundwork for further increases to US\$15.7 billion in 2026. DRAM equipment sales are expected to increase by 15.4% to US\$22.5 billion in 2025, driven by a capacity race for HBM memory required for AI components and a surge in demand for process miniaturization. In 2026, it is projected to grow by another 15.1%, indicating that the memory industry is in the midst of an AI-driven supercycle.

Estimated market size for 2026 (US\$B) and their respective proportions based on the above production and research reports

Total semiconductor output value	975.5	100%	-	-
Semiconductor foundry output value	218.7	22.4%	100%	-
TSMC output value	160.0	16.4%	73.2%	-
Semiconductor equipment capital expenditures	156.0	16.0%	71.6%	100%
Semiconductor packaging and testing equipment capital expenditures	17.6	1.8%	8.0%	11.2%
Advanced semiconductor packaging equipment scale	11.2	1.15%	5.1%	7.2%

In the past two years, CoWoS advanced packaging technology has become a critical bottleneck in enhancing AI chip production capacity. With the explosive growth of AI computing demand, NVIDIA, as the largest customer of TSMC's CoWoS technology, has seen sustained tightness in packaging capacity due to the overwhelming demand for its GPU products. To address this supply-demand imbalance, TSMC announced CoWoS capacity expansion in

2023 and doubled this technology's capacity in 2024. However, market demand continues to outpace supply, prompting TSMC to accelerate advanced packaging capacity expansion to ensure stable AI chip supply.



Data source: TSMC, Amkor, ASE, Fubon Investment Services

According to market research information (as shown in the chart above), TSMC's current CoWoS capacity stands at approximately 70,000 wafers per month (WPM), with expectations to increase annualized capacity to over 100,000 WPM by the end of 2026. Looking further ahead, CoWoS capacity in 2026 could reach 100,000 WPM to support the rapid growth demands of NVIDIA, AMD, Google, and other AI chip clients. Additionally, technological breakthroughs in HBM (high-bandwidth memory) packaging remain critical to capacity. Industry forecasts suggest that the introduction of HBM4 and subsequent versions in 2025–2026 will further drive Taiwanese semiconductor companies' expansion in advanced packaging technologies.

To solidify its market leadership, TSMC announced in 2024 plans to build new advanced packaging plants in Chiayi, Tainan, and other locations, focusing on CoWoS and 3D stacking (SoIC) technologies. The capacity of these new facilities will gradually ramp up during 2025–2026, with mass production expected to commence in 2025. These investments demonstrate TSMC's commitment not only to expanding existing 2.5D CoWoS capacity but also to advancing heterogeneous integration technologies like 3D stacking (SoIC) and silicon photonics, ensuring long-term supply capabilities for future AI and high-performance computing (HPC) market demands.

During TSMC's CoWoS capacity expansion, C Sun Mfg. Ltd., as a key equipment supplier, continues to provide critical process equipment to ensure smooth production line scaling. Furthermore, as OSAT (Outsourced Semiconductor Assembly and Test) providers like

ASE and SPIL expand their CoWoS or 2.5D advanced packaging capacities, C Sun ensures its equipment meets these OSAT manufacturers' process requirements, guaranteeing the successful execution of TSMC's CoWoS packaging expansion plans while maintaining high-quality and high-efficiency packaging technology standards across the supply chain. Advanced packaging technologies such as CoWoS and 3D stacking will play pivotal roles in meeting current and future computing demands, driving the global semiconductor industry toward greater efficiency and integration. As technology advances and market needs grow, these innovations will bring new industrial opportunities and challenges. As a vital link in the CoWoS supply chain, CSUN Industrial ensures stable production line expansion for TSMC and OSAT partners through high-precision equipment, collaborating with Taiwan's semiconductor ecosystem to embrace the challenges and opportunities of the AI era.

- Printed Circuit Board (PCB):

Prospects and Trend Analysis of the PCB Industry in 2025:

Overall Market Outlook and Growth Forecasts:

Market research firm Prismark predicts that the global PCB revenue in 2025 is projected to grow by 15.4% year-on-year. Driven by the rapid development of AI applications and significantly increased demand for servers, the PCB industry is entering a new growth cycle. Under the strong demand for AI servers, which has become a key driver for industrial upgrading, the 2024-2029 CAGR is revised up to 8.2%, and the global PCB revenue is expected to increase to US\$109.26 billion. Among these, the compound annual growth rates (CAGR) for HDI and IC substrates are projected to reach 11.2% and 9.8%, respectively.

Key Drivers for PCB Growth:

- Strong Demand for Cloud Computing and Sovereign AI:

While cloud data center capital expenditures have become more cautious, overall revenue continues to rise, with server shipments expected to grow at a high single-digit rate. The GB200 is anticipated to enter its ramp-up phase in 2026, coupled with soaring demand for in-house developed ASICs by cloud service providers (CSPs), which will drive full capacity utilization in upstream raw material and PCB supply chains. Sovereign computing power demand is also rapidly increasing, expected to reach new heights by 2026. AI infrastructure construction and accelerated terminal replacement are critical drivers for PCB market growth. The revenue for server and storage PCBs is projected to grow at a CAGR of 18.7% between 2024 and 2029, outpacing other PCB categories.

- Advanced Packaging Technology Development:

In the post-Moore's Law era, advanced packaging has become a critical path for inte-

grated circuit development, driving high growth in substrate demand. It is projected that advanced packaging will account for over 50% of the packaging market, with approximately 5% of the quantity. The global packaging substrate market is expected to achieve a CAGR of 9.8% between 2024 and 2029. ABF substrates, suitable for fine-line, high-pin-count, and high-speed ICs, benefit from HPC chip demand and accounted for 17% of the global ABF substrate market share in 2025. Their growth will continue as the AI cloud server scale expands.

- AI Terminal Demand:

AI Terminal Demand: The trend of AI upgrades is expected to accelerate the replacement cycle of end-consumer electronics, such as AI smartphones and AI PCs, which have higher requirements for electrical performance and signal transmission, potentially driving PCB specification upgrades (e.g., increased HDI layer counts, HDI upgrades to substrate-like boards, and improved line width/spacing precision).

- Networking Industry Recovery:

Networking Industry Recovery: With improvements in the macroeconomic environment and specification upgrades, networking application demand is expected to fully recover by 2025. The AI server boom will drive data center construction and higher transmission rate requirements, thereby promoting the development of optical communication industries, benefiting networking IC manufacturers and TW suppliers.

Technical Trends:

- Increased Demand for High-End HDI Boards:

The high-speed digital signal transmission driven by AI computing and the three transformations in the automotive sector points to higher demand for HDI boards, while also raising performance requirements. The incremental demand for high-end HDI is expected to be more significant. Prismark projects a CAGR of 11.2% for the global HDI board market size between 2024 and 2029.

- Expansion of Flexible Printed Circuit (FPC) Applications:

Expansion of Flexible Printed Circuit (FPC) Applications: FPCs are extensively used in battery modules of new energy vehicles and widely applied in Mini-LED lighting and XR devices.

- Packaging Substrates Moving Toward Larger Sizes:

With TSMC's CoWoS packaging continuously increasing in size to support larger AI chips, there will be a growing demand for larger-sized packaging substrates.

- Potential of Glass Substrates:

Potential of Glass Substrates: Glass substrates, which offer advantages in cost and per-

formance, are considered next-generation packaging substrates and are expected to achieve mass production before 2030. Leading companies like Intel are actively investing in R&D and mass production of glass substrates.

The PCB industry in 2026 is projected to continue growing driven by demands from cloud computing, AI, 800G high-speed transmission, automotive intelligence and electrification, and advanced packaging. The applications of high-end HDI boards and FPCs will become more widespread, while demand for packaging substrates will remain strong. Additionally, supply chain de-risking (decoupling) will present significant opportunities for suppliers outside China, particularly those in Southeast Asia. Taiwan and Mainland China PCB manufacturers are expected to benefit from this trend but must remain vigilant against market competition, fluctuations in raw material prices, and challenges posed by new technology developments.

(4) Competitive Advantages:

- A. Advantageous brand: A brand established for 59 years and received honors of 16th, 2019 Annual Taiwan Golden Root Awards, the 5th Outstanding Middle-Standing Enterprise Award, TSMC's 2023 and 2025 Excellent Supplier Award, Zhen Ding's 2023 Excellent Supplier Award, and other awards.
- B. Core technology (five major core technologies).
- C. Careful services and sales channels (seven major application industries and over 3,000 customers).
- D. Premium equipment.
- E. Premium after-sales services and repair capacity.
- F. R&D design capacity with high efficiency.
- G. Highly flexible manufacturing capacity.

(5) Favorable and unfavorable factors for the prospect of development in the long run and countermeasures:

Favorable factors:

- A. Continual import substitution: The sustainability of local semiconductor industry has become an important part of TSMC's corporate social responsibilities, active measures have been employed to guide the local key raw material suppliers to improve quality and technologies, and constantly promote the localization of the supply chain.
- B. Continual capital internalization of the Chinese market: C Sun has spent efforts in the Chinese market for years and achieved a comprehensive layout.
- C. C Sun is a renowned brand for UV, lamination, bonding, and thermal processing, and it continues to extend its core technologies to PCB wet process and plasma, building a

solid business strategic foundation.

- D. Complete accumulation and inheritance of technical experiences and R&D results that are beneficial to the improvement in production efficiency and quality control.
- E. C Sun passed the ISO 9001 evaluation and developed most of its core technologies by itself; well recognition is received for its quality assurance and R&D capacity.
- F. C Sun is a listed company with a stable financial position. In 2019 the second half of the year, a team succession has taken place for a younger management team.
- G. Establishment of the G2C+ Alliance: The one-stop-shopping services could satisfy customers' demand.

Unfavorable Factors and Countermeasures:

- A. The hi-tech production equipment manufacturing industry in Taiwan started late, and the talent attraction and retention are easily affected by the hi-tech industry.

Countermeasures:

The Company is committed to shifting its orientation from mechanical manufacturing to a solutions provider, integrating materials and processes into its product platforms to significantly enhance the added value provided to customers. This transformation has created an urgent need for cross-disciplinary knowledge and technology integration. Through academic-industry collaboration, the Company recruits talent, nurtures employees with dedicated mentorship, and fosters a corporate culture complemented by a lifelong learning environment co-created by colleagues. This will continuously elevate the Company's human capital quality, enabling it to align with the standards of top-tier clients like TSMC and collaborate on world-class stages.

- B. The machinery manufacturing industry is driven by downstream sector extensional demand, with long product lifecycles. Demand for equipment typically arises when downstream clients establish new facilities, expand operations, modify processes, or upgrade product tiers, resulting in significant fluctuations in customer requirements.

Countermeasures:

- a. Adapting to market changes and individual customer needs, the Company continuously develops new technologies and products to create diverse and high-value-added offerings, thereby enhancing competitiveness and stimulating new customer demands.
- b. The sales department is required to proactively and regularly gather industry information from downstream clients, integrate with the G2C+ Alliance, actively participate in regional exhibitions and conferences to enhance brand professionalism, and maintain good relationships with domestic and international related vendors to identify suitable collaboration partners.

C. Effects of materials and currency volatility on the profitability of equipment with a long-term delivery term.

Countermeasures:

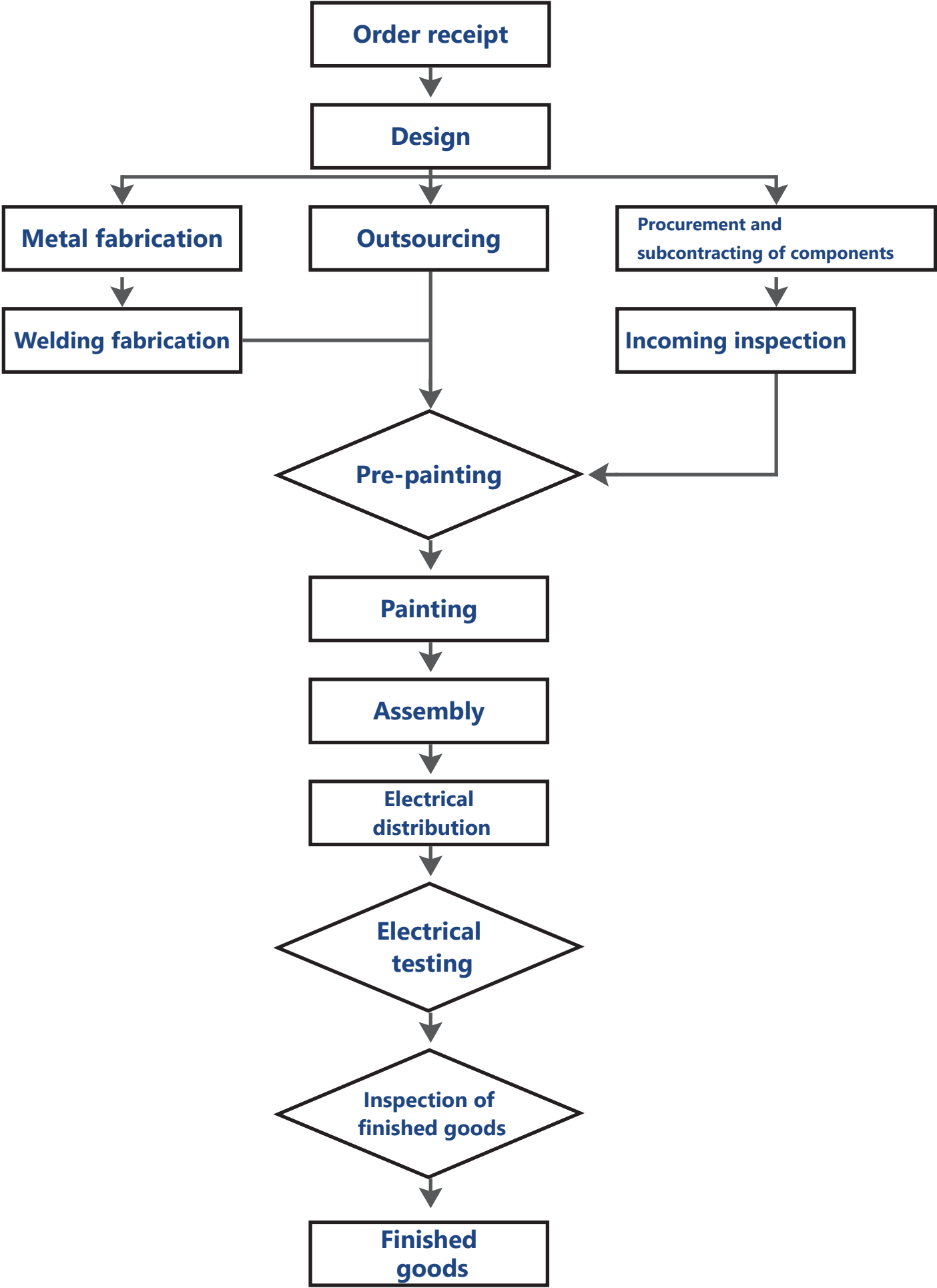
Exchange rate-related measures are detailed in the risk management section of this annual report under "V. Review and Analysis of Financial Position, Operating Results, and Risk Management" and "VI. Risk Management and Assessment - (II) Effects of changes in interest rates and currency rates and inflation on the Company's profit or loss and future countermeasures"

(II) Key Product Applications and Production Processes:

(1) Major use of primary products:

Product category	Major use of products
Thermal process equipment	Semiconductor/PCB/LCD/photovoltaic/LED/Lens/high-frequency elements for the electronic part industry and the baking, curing, drying, modification, purification and positioning of products for the sports shoe industry and the printing and coating industry.
UV process equipment	The drying, curing, image transfer, cleaning, and positioning for products for the electronic part industry, sports shoe industry, and the printing, coating industry and semiconductor packaging.
Vacuum pressure oven	Use in the underfill de void manufacturing process for semiconductor packaging, SMT de void applications.
Dry/wet film manufacturing process equipment	Light resistance and surface protection for electronic element products.
Panel laminator	Applicable to the automated vacuum lamination, leveling, and precision leveling requirements for ABF/RCC & Solder mask in the panel building-up manufacturing process to achieve the requirements of high filling and flatness.
Panel peeler	Applicable to the automated double-sided peeling for Mylar of ABF/RCC & Solder mask after lamination (exposure), replacing the human work and reducing contacts; automated anomaly detection with high stability.
Wafer bonder	Used in advanced packaging processes for bonding carrier and device wafers followed by thinning, or transferring the wafer working surface as required by the process.

(2) Production process of primary products:



(III) Supply Status of Key Raw Materials:

The major raw materials and parts of the Company's products are heaters, edge finders, robots, pneumatic elements, HEPA, ball screws, server motors, and temperature controls secured from domestic and foreign major plants, such as Festo, Burgeon, Yimin, COAGENT CO., LTD., Kondo, Shibao, HIWIN, Mitsubishi, and RKC. Due to our long-term cooperation, we have established stable supply relations for stable and sufficient supplies; the quality and delivery terms are able to maintain at a certain standard.

(IV) Names of Customers/Suppliers Accounting for 10% or More of Total Purchases/Sales in Either of the Past Two Fiscal Years:

- Information on major suppliers for the latest two years: Unit: NT\$/Thousand; %

Item	2024				2025			
	Name	Amount	Ratio to the net purchases for the year (%)	Relationship with the issuer	Name	Amoun	Ratio to the net purchases for the year (%)	Relationship with the issuer
Suppliers accounting for less than 10% of total purchases	Others	2,824,794	100%	-	Others	4,482,281	100%	-
Net purchase amount		2,824,794	100%	-	-	4,482,281	100%	-

Note 1 : Set out namesname of suppliers that accounted for 10% of the total purchases, and above and the purchase amount and ratio. However, when tnamesame of suppliers may not be disclosed based on the contractual agreements or when the business counterparties are individuals who are not related parties, the information may be disclosed by using code numbers.

Note 2 : No suppliers account for 10% or more of the purchase amount.

- Information on major customers of sales for the latest two years: Unit: NT\$/Thousand; %

Item	2024				2025			
	Name	Amount	Ratio to the net purchases for the year (%)	Relationship with the issuer	Name	Amoun	Ratio to the net purchases for the year (%)	Relationship with the issuer
Customers accounting for 10% or more of total sales	Company A	986,956	20%	-	Company A	1,191,564	20%	-
Customers accounting for less than 10% of total sales	Others	3,831,253	80%	-	Others	4,910,591	80%	-
Net sales amount	-	4,818,209	100%	-	-	6,102,155	100%	-

Note 1: Set out the name of suppliers that accounted for 10% of the total sales and above and the sales amount and ratio.However, when the name of suppliers may not be disclosed based on the contractual agreements or when the business counterparties are individuals who are not related parties, the information may be disclosed by using code numbers.

Note 2: Reasons for the increase or decrease in sales amounts for customers accounting for 10% or more of total sales in either of the past two fiscal years: Due to the customer's increased annual expansion demands;

III. Information on Employees for the Past Two Fiscal Years and Up to the Annual Report Publication Date

(I) Structure of employees:

February 28, 2026

Year		2024	2025	Up to February 28, 2026 (current year) February 28, 2026
Number of employees	Administrative staff	313	322	328
	Technical staff	674	738	737
	Total	987	1060	1065
Average age		37.32	37.37	37.37
Average length of service (years)		9.09	8.96	9.11
Education distribution percentage	PhD	4	4	4
	Master	105	115	117
	University or college	663	725	730
	Senior high school	175	174	172
	Under Senior high school	40	42	42

(II) Employee Conduct or Ethical Codes:

To improve the work environment and the measures to protect employees' physical safety, the Company has established its Employees' Working Rule Handbook (comprised of 12 sections) to set out the disciplines and codes, employment and dismissal, salary allowances and bonuses, work hours, breaks and vacations, leave, retirement, attendance, incentives, punishments and assessments, occupational disaster compensation and indemnity, social insurance, welfare measures and safety and health, and labor-capital communications. Additionally, the "Reward and Punishment Management Regulations" has been established as the basis for employee rewards and punishments.

(III) Work Environment and Personal Safety & Health Protection Measures:

Item	Content
Policy, commitment, and significance	C Sun has implemented the ISO 45001 Occupational Health and Safety Management System, adhering to labor safety and health requirements to continuously improve the work environment, prevent workplace safety incidents, reduce occupational disaster risks, and mitigate unlawful workplace harm through hazard identification and assessment of the work environment, personnel composition, and operational activities. This enhances employee retention; failure to properly handle occupational safety accidents may lead to employee attrition and negative media coverage impacting corporate reputation.
Responsible unit	Occupational Safety and Health Committee
Complaint mechanism	HR Department hotline: 886-2-26010706 Complaint email: csunzskhr@csun.com.tw
Short-term, medium-term, and long-term goals	- Short to medium-term: <u>Strengthen management of unexpected accidents and near-miss incidents to reduce accident rates.</u> <u>Train personnel at all levels to receive occupational safety and health management education and training, ensuring necessary safety awareness and hazard prediction capabilities.</u> <u>Implement 5S workplace organization and tidiness to effectively enforce safety and health regulations and ensure a safe and healthy working environment.</u> <u>Received the New Taipei City Safety Award and the Taichung Happy Enterprise 3-Star Award certification in 2025. Long-term:</u> <u>Achieve a lost-time injury frequency (FR) of 0.22 by 2027.</u> <u>Reduce chemical risks through improved chemical classification and hazard prevention management.</u> <u>Promote mental and physical balance to create a healthy and friendly workplace.</u>
Action plans	- Conduct monthly health risk prediction, risk management, and health environment initiatives with contracted medical staff to care for employee well-being. - Maintain inspection systems for engineering projects across northern, central, and southern regions, with at least one inspection per month. - Implement environmental, safety, and health policies: comply with legal requirements, enforce training programs, effectively utilize resources, prevent accidents, continuously drive improvements, and ensure full employee participation.
2025 Performance	- Obtained ISO 45001/14001 certification systems. - Conducted monthly occupational safety and health (OSH) audits, totaling 287 audits in 2025; 436 non-conformities identified, with a 100% improvement rate. - Organized employee occupational safety and health training courses in 2025, holding 2 sessions with 203 total participants and 6 cumulative training hours (3 hours per session). - No occupational disease cases have occurred in the factory premises to date. - Seven occupational injury incidents were recorded in 2025 (3 traffic accidents and 4 workplace accidents), affecting 7 workers. - A total of 393 participants joined in employee health check services, with NT\$350,000 invested in employee health examinations; 11 participants over 50 years old received subsidies for endoscopy, with health checkup costs totaling NT\$116,000. - Eight OSH training sessions for contractors were conducted in 2025, involving 111 contractor personnel with 5 hours of training per session. - Automated External Defibrillators (AEDs) have been installed in the factory since July 1, 2017, with annual AED operation training provided by contracted vendors. - Both factories arranged professional nursing staff to conduct 2-hour health education sessions four times monthly.

(1) Occupational Accident Investigation Procedures

To ensure the safety of all workers, Chih Sheng has established the Accident Reporting and Investigation Management Procedure Manual. Through a comprehensive investigation process, this procedure aims to enhance the efficiency of disaster accident investigations, identify the causes of accidents, and determine improvement measures to reduce the probability of recurrence. This regulation applies to employees, contractors, and disaster accidents caused within or outside the Company’s premises. If operational staff discover hazardous conditions at the workplace, they may suspend operations on their own initiative and retreat to a safe location, and may report to their superiors to take appropriate emergency measures, and shall not be subject to disciplinary actions.

If a C Sun worker suffers an occupational injury, the accident discoverer shall provide emergency care to the injured, conduct on-site handling of the disaster accident, and immediately notify the Administrative Department. Upon receiving the report, the Administrative Department will promptly notify the Administrative Department supervisor and the highest-ranking supervisor at the factory site. The Company will convene relevant personnel (including a labor representative) to form an investigation team, jointly conduct the investigation, propose an accident investigation report and recommendations for measures to prevent recurrence, and document the meeting minutes. If necessary, the Corrective Action Management Procedure Manual will be used to supervise the accident unit’s improvements.

(2) C Sun Disaster Accident Investigation and Corrective Process

The accident unit shall submit the Accident Disaster Notification and Investigation Form (Including Near-Miss Incidents) to the Administrative Department within three days of the accident occurrence.

The Administrative Department will convene relevant personnel (including a labor representative) to form an investigation team to conduct the investigation.

The accident unit shall draft measures to prevent recurrence and implement improvement actions, submit them to the Administrative Department, and propose an accident investigation report and recommendations for measures to prevent recurrence, with meeting minutes recorded.

If preventive measures involve other units within the factory, the Administrative Department may convene relevant units for a meeting, document the meeting record, and track the progress of preventive measures. The Administrative Department will supervise the management unit’s improvements through the Environmental and Safety Corrective Action Form if necessary.

The Company shall appropriately review existing occupational safety and health risks and

other risks after an accident occurs, updating and revising them as necessary.

Responsible personnel from relevant units shall track the implementation of improvement measures, record audit results, and submit the Environmental and Safety Corrective Action Form to the Administrative Department for review after completion. The case will be closed and archived upon approval by the Administrative Department.

The Administrative Department shall compile and analyze near-miss incidents and accident investigation results quarterly, report them for review at the Occupational Safety Committee meetings, and use them as references for continuous improvement of the occupational safety and health management system.

Relevant units and the accident unit may promote the investigation results or incorporate them into occupational safety training materials to strengthen employees’ safety awareness.

(3) Disaster Prevention and Emergency Response Enhancement

- Increased Equipment Inspection: Starting in 2025, infrared inspections will be added for high-voltage electrical equipment in the factory premises. The infrared inspection checks for any overheating or damage situation in the circuits of high-voltage electrical equipment in use, to identify potential risks for immediate improvement and prevent hazards.
- Case Promotion: To strengthen employees’ risk awareness, actual case studies are shared during monthly meetings, with participants explaining their experiences to reinforce impressions.

C Sun will continue to deepen environmental, safety, and health management outcomes through systematic management and innovative methods, striving to create a safe, healthy, and sustainable work environment and achieve the goal of zero workplace accidents.

(4) Public Security Inspection and Equipment Safety Management

C Sun implements environmental monitoring and regular safety inspections at the factory premises, with the General Manager serving as the overall coordinator to execute relevant procedures regularly:

(5) Labor Operation Environment Monitoring

To protect workers from hazards in the workplace and provide a healthy and comfortable working environment, annual environmental monitoring is conducted to understand the working conditions of on-site personnel.

(6) Work Safety Inspection

Inspection reports are executed by the Administrative Department according to the annual inspection plan, and improvement suggestions and implementation progress are provided to factory units for reference. Monthly inspections and discussions are held during routine factory meetings to address improvement items.

(7) Equipment Safety Management

The Company maintains a registry of hazardous machinery and equipment, conducts thorough inspections periodically, and ensures safe operation without safety concerns.

Item	Frequency
Fire extinguisher equipment self-inspection	Monthly
High and low voltage electrical equipment inspection	
Passenger and cargo elevator inspection	
Environmental quality testing	Semi-annually
Factory area disinfection	
Emergency response drills (including fire drills)	
Emergency generator inspection	Annually
Overhead crane maintenance	
Comprehensive electrical inspection	
Fire protection equipment inspection	

(7) Occupational Safety and Health Education and Training

To ensure all employees understand occupational safety and health regulations and are familiar with the Company’s safety and health management mechanisms, C Sun provides safety and health education and training programs in accordance with legal requirements and job needs, including: general safety and health education and training, refresher training for occupational safety and health personnel, health education promotion and training, fire prevention and self-defense drill exercises, contractor onboarding and safety and health education and training, and new employee occupational safety and health education and training.

(8) 2025 C Sun Occupational Safety Education and Training Overview

Course Category	A Training Hours	B Number of Participants	C Number of Sessions	Total Training Hours (A*B*C)
General Safety and Health Education and Training	3	203	2	1218
Class A Business Manager Training	6	1	1	6
Retraining for Occupational Safety and Health Personnel B	12	12	12	12
Retraining for First Aid Personnel	6	3	1	18
Refresher training for organic solvent operations supervisors	6	1	1	6
Fire Prevention and Self-Defense Drill Exercises	4	245	4	3,920
Contractor Onboarding and Safety and Health Education and Training	1.5	111	8	1,332
Occupational Safety and Health Education and Training for New Employees	3	23	2	138
Total	41.5	589	21	6,686

(8) Occupational Health Services and Promotion Activities

C Sun is committed to creating a safe and comfortable working environment, providing comprehensive health care for employees, and adjusting work arrangements based on employees’ health conditions to match their capabilities. The Company continuously promotes various health service and enhancement programs, such as annual comprehensive health check-ups for all employees, increased subsidies for health check-up items, and subsidies for employees participating in local sports events, ensuring holistic care for employees’ physical, mental, and spiritual well-being to enhance their sense of belonging and loyalty, thereby maintaining C Sun’s leading position in the industry.

Item	Content Description	2025 Performance
Employee Health Check-ups	C Sun prioritizes employees’ physical and mental health by arranging annual health check-ups through medical institutions and providing increased subsidies for health check-up items. Comprehensive check-up items help employees understand their health status and take proactive care or seek timely medical attention.	393 employees completed health check-ups in 2025, accounting for approximately 100% of the total workforce.
Health Promotion Campaign	To promote employee health, C Sun launched the "Active Healthy Lifestyle" campaign, featuring three stages: "Reduce Body Fat," "Healthy Steps Forward," and "Run for Health." The initiative aims to cultivate employees’ exercise habits. Employees are encouraged to achieve an average daily step count of 8,000 steps to reduce weight and lower risks associated with the three highs (high blood pressure, high blood sugar, and high cholesterol).	237 employees participated in the health promotion campaign in 2025.
Subsidies for Participation in Sports Events	To foster a positive corporate sports culture, C Sun subsidizes employees participating in local sports events, such as the Linkou Zhulinshan Temple Blessing Run and the Taichung Comfort Run Cup.	In 2025, subsidies were provided for 388 employees to join sports competitions.
Nurse Monthly On-Site Services	To care for employees’ health, C Sun arranges for nurses to provide on-site services at the factory for 8 hours each month, offering nursing consultation services to employees.	In 2025, nurses provided a total of 240 hours of on-site services across both factories.
Physician Quarterly On-Site Services	To safeguard employee health, C Sun invites physicians for on-site services every quarter for 2 hours, providing professional medical consultations to employees.	In 2025, physicians provided a total of 20 hours of on-site services across both factories.
Nursing Health Lectures	Nurses organize quarterly health lectures to encourage employees to participate and gain relevant knowledge.	A total of 2 nursing health lectures were conducted in 2025.

(8) Occupational Accident (Occupational Injury and Disease) and Fire Statistics and Improvement Measures:

To ensure the effectiveness of occupational safety and health management measures, C Sun uses statistics on occupational injuries and diseases as key indicators to evaluate management performance and trace root causes of issues. In 2025, C Sun Industrial recorded 7 cases of occupational accidents, with an occupational accident ratio of 6.99%. No severe occupational accidents, disability injuries, or fatalities caused by occupational accidents occurred. For these identified issues, C Sun promptly implemented corresponding management

measures, including strengthening traffic safety advocacy and safety protocols during commutes and business trips to ensure employee safety. Looking ahead, C Sun will continue to refine measures related to occupational injuries and illnesses, conduct regular reviews, and dynamically optimize processes. Simultaneously, the Company will enhance communication with employees, listen to their opinions and suggestions, and ensure every voice is heard and respected. Through these efforts, C Sun aims to maintain a zero-occupational-accident safe working environment, enabling every employee to work with peace of mind and return home safely.

Note: The occupational accident ratio is calculated as (recordable occupational accident cases ÷ total workforce at year-end) × 100%.

2025 Occupational Injury and Illness Data

Recordable Occupational Injuries ^{Note 1}	Recordable Occupational Injury Rate ^{Note 2}	Severe Occupational Injuries and Rate	Occupational Injury-Related Fatalities and Rate	Occupational Diseases	Disability Injury Frequency (FR) ^{Note 3}
7	6.99	0	0	0	0

Note 1: The occupational injuries in 2025 included 4 workplace safety incidents and 2 traffic incidents.
Note 2: The recordable occupational injury rate = (recordable occupational injury cases × 1,000,000) / total working hours. Total working hours in 2025: 1,000,206 hours.
Note 3: FR = (disability injury incidents × 1,000,000) / total working hours. The total disability injury incidents include fatalities, permanent total disability, permanent partial disability, and temporary total disability. Total working hours in 2025: 1,000,206 hours.

- (9) Accident Statistics and Improvement Measures
- Injury incidents: In 2025, there were 7 disability injury incidents (3 commuting traffic accidents and 4 work-related accidents), with a total injury index of 3.2.
 - Major accidents: No major occupational safety accidents occurred throughout the year; however, the Company will continue to enhance employee self-protection awareness through safety education and risk assessments.

(9) Fire Statistics and Improvement Measures

Number of fire incidents, casualties, and casualty ratio to total workforce in the year

Fire Incidents	Casualties	Casualty Ratio to Total Workforce
0	0	0

To achieve environmental and occupational safety and health (EOSH) performance targets and comply with regulations and the Company’s EOSH policy, an EOSH management system has been established and implemented. This system references the framework and principles of ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System).

In practice, the system is integrated with existing measures for waste reduction, pollution prevention, and risk mitigation for injuries and illnesses, ensuring its effectiveness. The Company has established an Environmental and Safety Committee, chaired by the General Manager, with department heads responsible for respective groups. The Labor Safety Office oversees administrative audits at the factory premises, and improvements are reviewed quarterly during Occupational Safety Committee meetings.

IV. Information on Environmental Protection Expenditures:

- (I) Explanation of total losses (including compensation) and penalties incurred due to environmental pollution in the most recent fiscal year and up to the annual report publication date, along with future countermeasures (including improvement measures) and potential expenditures (including estimated losses, penalties, and compensation if countermeasures are not implemented; if estimates are unreasonable, the facts shall be explained): None.
- (II) Countermeasures: The Company’s manufacturing processes do not cause environmental pollution, and no future environmental pollution is anticipated.

V. Labor-Management Relations:

- (I) The Company's employee welfare measures, continuing education, training, and retirement systems and implementation, labor-management agreements, and measures to protect employees' interests:
- (1) Employee Welfare Measures
- The Company has established its Employee Welfare Committee according to the Enforcement Rules of the Employee Welfare Fund Act to provide employee welfare fund, organize welfare matters (such as subsidies for marriage, funeral, gifts for Chinese New Year and festivals, fertility, hospitalization, significant disasters), and organize company trips.
 - Operational performance is reflected through quarterly performance bonuses and year-end bonuses: The Company implements a performance bonus system based on quarterly EPS and key indicators, allowing employees to share profits to effectively motivate staff.

- The Company appropriated labor retirement reserve fund according to the requirements and established its Labor Retirement Reserve Fund Supervisory Committee to facilitate the management of matters related to the labor retirement reserve fund.
- The Company also provides labor and the National Health Insurance according to relevant laws and regulations promulgated by the government. In favor of employees' safety, the Company has purchased group insurance for employees to protect employees and provides better employee welfare.
- Implementation of employee bonus shareholding, treasury shares, and stock option warrant system:
 - b. Subscription: When the Company conducts a cash increase in capital, 10%-15% of shares is reserved for employees to subscribe.
 - c. Dividends: Distributed in accordance with Article 31 of the Company's Articles of Association. When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions.

And at least 45% of the aforementioned remuneration for employees shall be allocated as compensation for grassroots employees.

The Company may allocate up to 2.25% of the aforesaid profits as director remuneration, subject to the resolution of the Board of Directors. The proposal on allocating the remuneration for employees and directors shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios.

- Labor insurance, national health insurance, group insurance, and personal accident insurance
- Appropriation of labor pension
- Compensation for occupational disasters and bereavement benefits
- Retirement gratuities
- Subsidies for in-service education and training
- Allowances for marriage, childbirth, funeral, transportation, mobile phone, and meal
- Subsidies and loans for occupational injuries or major disasters
- Domestic/international group travel
- Festival activities and gift offerings

- Scholarships for children of employees
- Company-provided dormitories for employees from distant regions
- Library and Kingstone book-sharing programs
- Free coffee tasting
- Health check-up

(2) Continuing education and educational training:

- A. In 2025, the Company provided employees with 32,508 total training hours, incurring training expenses of NT\$3,211 thousand.
- B. The Company organizes training for new employees, professional technical training, quality control training, training related to employee development, and education training of labor safety and health based on our fellow colleagues' requirements and in accordance with the requirements of government laws and regulations.
- C. To improve the quality of human resources and reinforce employees' work knowledge and skills, the Company may implement relevant training set out below based on the employees' conditions and work requirements:
 - a. Safety and health education and training for disaster prevention.
 - b. Orientation training: New employees shall receive "general orientation training" and "professional training" for their positions when joining the Company.
 - c. On-the-job training: A series of training programs are organized based on the professional functions required by employees in executing their duties.
 - d. Training for other expertise.

The implementation methods for the Company's employee training are as follows:

- a. Internal training: Employees are gathered at the Company or other venues for training. Lectures are provided by internal lecturers or domestic and foreign professional lecturers appointed by the Company.
- b. External training: The Company sends employees to domestic and foreign professional training institutions for training.

(3) Retirement system and its implementation:

The Company follows the Labor Retirement Pension Regulations. Under this system, employees contribute 6% of their total monthly salary to their retirement pension, which is deposited into individual accounts set up by the Bureau of Labor Insurance.

Employees are eligible for voluntary retirement under the following conditions:

- Those who have worked for the Company for fifteen years or more and are over fifty-five years old.
- Those who have worked for the Company for ten years or more and are over sixty years

old.

- Those who have worked for the Company for twenty-five years or more.
- Those who have worked for the Company for fifteen years or more, with mutual agreement between labor and management.
- Those whose years of service include service with the affiliated company "C-SUN Instrument Co., Ltd."

Pension system	Old System	New System
Applicable law	Labor Standards Act	Labor Pension Act
Contribution Method	• Current Status: The Company has already made sufficient contributions, and currently, it applies for suspension on an annual basis. • Normal Contribution: 2% of each employee's monthly salary is contributed, deposited in the name of the Company into the dedicated account at the Bank of Taiwan (formerly Central Trust of China).	6% contributions are deposited into individual accounts of employees at the Labor Insurance Bureau based on insurance tiers.
Contribution Amount	The accumulated contribution amount up to the current year is NT\$172,706,000.	The contribution for the current year is NT\$16,842,000.

(4) Labor-Management Agreements and Collective Bargaining: None. Although the Company has established an enterprise union, no collective bargaining requests have been made by the union, hence no collective agreements have been signed.

(5) Measures for Shaping a Friendly Child-rearing Environment:

Item	Content
Flexible Working Hours	Allow employees to apply for special-case flexible start/end times to better accommodate childcare needs.
Family Support Services	Provide information on contracted childcare facilities to assist employees in making multiple choices.
Childbirth Reward Allowance	Under specific tenure conditions, the Company offers childbirth reward allowances to cover childcare expenses. (For employees with 3+ years of tenure: NT\$150,000 for the second child, and NT\$300,000 for the third child or more).

(6) Maternity/Paternity Leave

To encourage and support employees in raising the next generation, C Sun grants the right to maternity/paternity leave with salary suspension. The Company assists employees in processing such leave according to the Labor Standards Act, the Gender Equality in Employment Act, and the Implementation Measures for Maternity/Paternity Leave with Salary Suspension.

C Sun emphasizes gender equality, offering not only maternity/paternity leave but also postpartum childcare protections. The Company has established lactation rooms for female employees to create a comfortable work environment, enabling staff to balance work and family responsibilities.

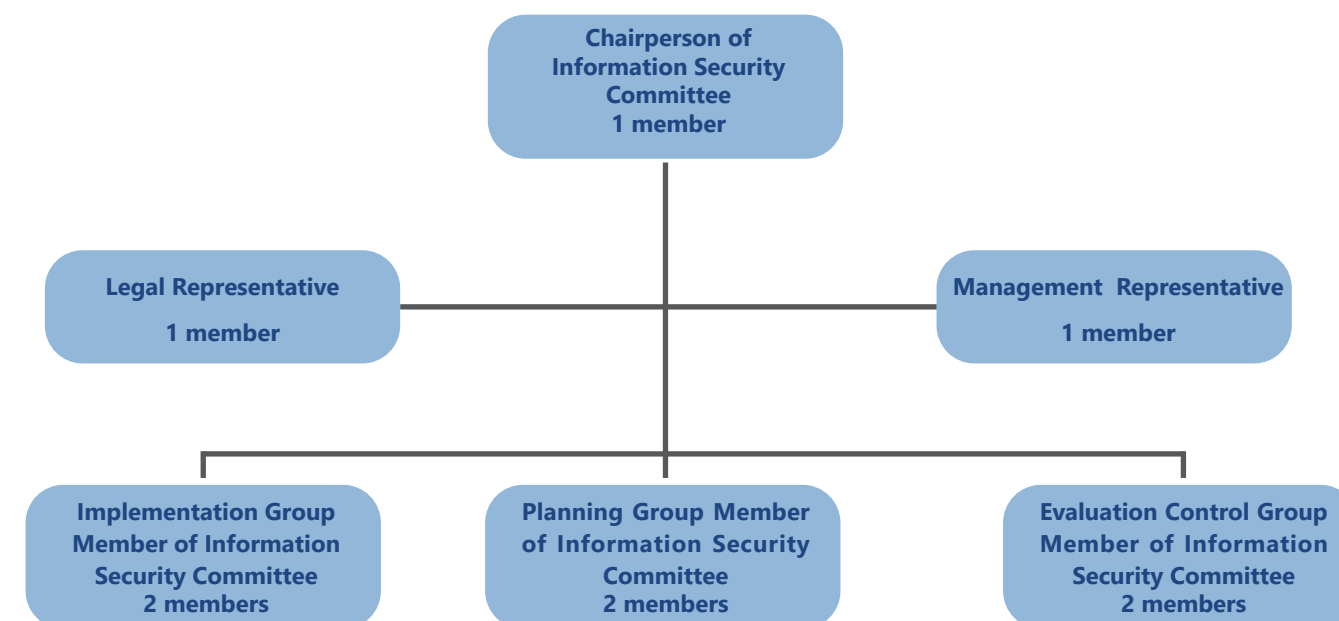
(II) Losses incurred by the Company due to labor disputes in the most recent fiscal year and as of the date of publishing the Annual Report, including the disclosure of estimated amounts for current and potential future losses and corresponding response measures:

The Company has a harmonious labor-capital relationship and has no labor-capital dispute. The Company values employee welfare and keep abreast of changes in subjective and objective environments at all times to establish welfare measures, satisfying employees' requirements.

VI. Information and Cybersecurity Management:

(I) Information and Cybersecurity Risk Management Framework

C Sun Industry regards the Board of Directors as the highest decision-making body for risk management. To enhance governance and risk control capabilities, the "Sustainable Operation Committee" and the "Risk Management Committee" were integrated into the "Sustainable Development and Risk Management Committee" in November 2025. This new committee is responsible for reviewing major risk management issues, including early warnings and response measures, and regularly reports on the implementation status of risk management to the Board. In terms of the dedicated information security organization, the company has established an "Information Security Committee" as shown in the diagram:



Information Policy Management

Formulate the Company's information security policies.
Formulate the Company's information management policies.

Management of information security

Regulate and restrict computer devices through various information security products according to information security policies.

Planning Group

Regularly provide information records to supervisors. Notify the Planning Group, Evaluation and Control Group, and Chairperson of abnormal behaviors.

Execution Group

Assist the Planning Group in assessing policy feasibility and monitor alignment between Execution Group records and management reports.
Record Feedback
Record feedback is submitted to supervisors of departments, chairman of Information Security Committee, and General Manager.

Evaluation and Control Group

The information security governance process is initiated by the Information Unit and, after being reviewed by the Planning Division of Information Security Committee, co-signed by various departments, Administration Representative, Chairman of Information Security Committee, and General Manager, is submitted to the Document Control Center for record keeping to implement continuous improvement and management refinement through the PDCA cycle.
The Information Security Committee, through annual management review meetings, reviews the results of information security risk analysis and adopts corresponding protective measures and strategies to ensure the applicability, appropriateness, and effectiveness of

the continuous operation of the Management of information security system, and reports annually to the Board of Directors on the effectiveness of information security management and the direction of information security strategies.

(II) Information and Cybersecurity Policies

The Company's information security policy is designed to protect critical information assets such as data, information, equipment, people, and networks, ensuring their confidentiality, integrity, and availability, thereby reducing operational risks and maintaining the Company's good business reputation. The Company adheres to the declaration that "everyone is responsible for information security" and is committed to ensuring the security of processing customer and colleague data. Secure, stable, and efficient information services shall be provided to maintain market competitiveness and safeguard the interests of partners.
The "planning phase" focuses on information security risk management. To strengthen information security, C Sun Industry introduced the ISO 27001 management of information security system in 2025. It was verified by the third-party Global Certification Body and obtained the ISMS international certification (valid from June 30, 2025, to June 29, 2028), establishing a systematic process covering risk assessment, governance, and continuous improvement. At the same time, the core products are verified by the SEMI E187 international standards to ensure equipment data integrity and process security, meeting the cybersecurity requirements of the high-tech manufacturing supply chain.
For relevant certification information, please refer to the company's website: <https://www.csun.com.tw/relevant-certifications/>
In the "Execution Phase," continuously introduce new information security risk control technologies, join the Taiwan Computer Emergency Response Team/Coordination Center to share intelligence, and establish a Security Operations Center to integrate security information event management and monitoring tools to immediately grasp information security incidents.
The "audit phase" involves regularly monitoring the effectiveness of information security management indicators, conducting third-party review audits of the aforementioned management systems annually, and commissioning information security vendors to perform penetration testing to ensure continuous improvement of information security management and defense capabilities.
In the "Action Phase," the Company reviews and continuously improves, imposing sanctions according to regulations when employees and contractors violate information security-related norms and procedures, while continuously conducting company-wide information se-

curity educational training to enhance information security awareness.

(III) Specific management plan

To achieve the information security policies and objectives and establish comprehensive information security protection, the implemented management measures and specific management plan are as follows:

Information asset and permission management: Conduct inventory inspections and risk evaluations on the information assets of all departments, and implement hierarchical authorization management for information security permissions. For internal information circulation, monitoring is conducted using the internal server built by the information department, along with regular anti-virus software checks; for external information circulation, encryption software is used to ensure data security and prevent any leakage of information.

Multi-layered information security protection and maintenance mechanisms: Anti-virus software is deployed on the Company's computers, core systems, and personnel are equipped with endpoint detection and response mechanisms, internal and external traffic monitoring and external email filtering mechanisms are implemented, and application and network firewalls are set up to block potential threats. The IT Department is also dedicated to executing the report and assistance in emergency management for information security events.

Disaster recovery drills and penetration testing: In addition to daily monitoring, the Company regularly conducts emergency response plan drills for information systems and will perform penetration testing in 2025 to verify the effectiveness of protection mechanisms and promptly patch potential vulnerabilities.

Education and Training: Conduct company-wide information security educational training and irregular social engineering phishing email tests to enhance information security awareness, ensuring that information security operations are implemented for every employee with the support of senior executives and various departments.

(IV) Resources Invested in Information and Cybersecurity Management

The Company is fully aware of the importance of information security to sustainable operations and continuously invests concrete resources to enhance system defenses and employees' information security awareness.

Dedicated Personnel: A specialized "Information Security Committee" is established, responsible for the company's information security planning, technology implementation, and related audit matters to maintain and continuously enhance information security.

System Setup and Funding Investment: The Company invested NT\$4.5 million in the establishment and upgrade of various information security hardware and software. Specific items include the introduction of information security protection software, anti-virus software,

inflow and outflow traffic monitoring software, replacement and upgrade of data center equipment at the end of its life cycle, and new automated network control technology.

Customer satisfaction: No major information security incidents, no complaints of customer data loss, completion of customer information security assessments, and enhanced customer trust.

Education and training: All new employees complete the Information Security Education and Training courses before starting their positions; all employees have completed two online Information Security Education and Training sessions and assessments.

Monthly Briefing: Information security briefings are conducted at the Company's internal monthly meetings. Recent information security news and incidents are announced through the internal portal and email to deepen employees' attention to information security. A total of 12 monthly information security briefings were held in 2025.

(V) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cybersecurity incidents, the possible impacts therefrom, 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, through the continuous enhancement of its management of information security mechanisms and the establishment of multi-layered defenses, has not experienced any losses or significant impacts on operations due to major cybersecurity incidents in the most recent fiscal year and up to the date of the annual report's publication.

VII. Intellectual Property Management Plan

Intellectual property rights are important intangible assets for enterprises, thus The Company places significant importance on intellectual property rights. By utilizing the Intellectual Property Management System, a business model that creates company value, enhances corporate competitiveness, protects the company's operational achievements, strengthens competitive advantages, and promotes continuous industrial advancement.

The newly established Intellectual Property Handbook of The Company is based on the PDCA cycle model to establish internal audit and management review procedures, ensuring continuous effectiveness and continuous improvement.

Propose six directions for The Company's research and development achievements and intellectual property objectives:

- (1) Implement intellectual property strategy
- (2) Maintain competitive advantages.
- (3) Promote intellectual property knowledge
- (4) Develop product technology
- (5) Encourage innovative proposals.
- (6) Enhance confidentiality awareness

Further implement protection measures for various types of intellectual property rights:

(1) Patent protection measures

At the initial stage of implementing ISO9001, The Company formulated the "Patent Management Operation Regulations" in 2011, which were announced and implemented after approval. These regulations mainly include patent risk identification, patent information search, patent proposal system, and patent rights assessment and maintenance. The Company has established a dedicated department to evaluate and execute various patent-related matters.

The Company continuously develops and improves new products to provide the best equipment in the industry and become the most trusted partner for our customers. The Company enhances employees' intellectual property awareness through intellectual property education and training, further encouraging creative ideas and motivating employees to submit patent applications. Additionally, rewards are offered to the applicant or application team upon the approval of patent proposals and the acquisition of patent rights.

The Company has established a comprehensive and thorough patent proposal and management system to protect the research and development outcomes of both the Company and its employees. Additionally, it maintains close contact and technical exchanges with third-party patent firms and patent authorities, and participates in relevant seminars and training courses to stay aligned with national policies.

(2) Trademark protection measures

To enhance corporate identity, The Company launched a new trademark in 2018, representing a fresh image of the company. In 2021, The Company developed the "Intellectual Property Manual" and "Trademark Management Measures." The trademark management policy mainly includes trademark search, trademark proposal, and trademark rights assessment and maintenance. The Company's legal department evaluates and executes various trademark-related matters. Additionally, The Company applied for the 2022 Taiwan Intellectual Property Management System (TIPS) recertification and, after review, the certification was approved with a validity period from January 1, 2025, to December 31, 2026. Not only deep-

ening The Company's trademark system, but also signifying The Company's commitment to implement the intellectual property rights management system.

(3) Protection of trade secrets

The Company, as an industry pioneer and leader with over 50 years of deep market involvement, understands that Protection of trade secrets is a crucial business obligation for industry leaders. The Company implements file encryption and information access management to prevent improper dissemination of information that could harm the Company's interests. In addition, the Company regularly conducts lectures on information security policies and the protection of trade secrets for new employees and colleagues, embedding the obligation and concept of confidentiality in every employee. With the protection from all employees of the Company, the risk of intellectual property issues and confidential information leaks is mitigated, further uniting the corporate cohesion and enhancing the core competitiveness of the Company.

• Risks and opportunities

In response to intellectual property opportunities, the dedicated department will convene feasibility meetings with relevant departments to enable The Company to swiftly adapt to market demands and changes. When encountering intellectual property risks, the dedicated department will assemble a "Dispute Resolution Mechanism Team" to quickly address and minimize the intellectual property risks faced by The Company.

• Implementation Status

The Company has submitted the intellectual property-related proposal to the 19th Term, 6th meeting of the Board of Directors on November 7, 2025.

The Company places great emphasis on the establishment of intellectual property rights, with dedicated personnel handling The Company's intellectual property items and planning The Company's intellectual property outlook. In recent years, the main implementation status description of The Company is:

Year	Implementation status description
2025	Revise the Intellectual Property Manual and Trademark Management Measures & add TIPS (Taiwan Intellectual Property Management System) maintenance certification, approved Offer intellectual property educational training courses. 1. Management rules related to TIPS. 2. Introduction to Basic Patent Concepts

- Quarterly new employee training sessions are held regularly, including the Company's information security policies and the protection of trade secrets.
- Every year, the legal unit invites external law/patent firms to either record courses or conduct in-person lectures on intellectual property rights. In 2025, record two intellectu-

- al property educational training courses.
- In the second half of each year, intellectual property-related matters are submitted to the Board of Directors.
 - Every year, a fixed number of patent applications are produced. Patent application status in the past 7 years:

Year	2019	2020	2021	2022	2023	2024	2025
Number of cases	16	24	28	20	17	32	20

- By the end of 2025, The Company will use C SUN (as shown in the figure below) as its main identifying trademark, which is registered in the Taiwan and Mainland China markets.
- The trademark for C Sun's subsidiary in Thailand was applied for in the Year 2024.



Obtain certification

The Company's recent Year Taiwan Intellectual Property Management System (TIPS) certification status is shown in the table below:

Date of certification approval	Certificate validity period
2022/12/30	2023/1/1~2024/12/31
2024/12/31	2025/1/1~2026/12/31

VIII. Social Responsibilities:

Since its establishment in 1966, C Sun has been dedicated to becoming the world-class leading equipment supplier for PCB, FDP, touch screen, and printing and coating industries. With the assistance of the "Sustainable Development Committee," the Company aims to pursue the maximum interest for employees, shareholders, customers, suppliers, and other stakeholders, fulfill its responsibilities as a corporate citizen, and attain sustainable corporate development.

(I) Human Rights Protection for Employees

To fulfill corporate social responsibilities, protect the fundamental human rights of all employees and stakeholders, and prevent any human rights violations, C Sun complies with domestic and international labor laws and gender equality regulations while establishing human rights protection policies, labor policies and related implementation measures. C Sun adheres to internationally recognized human rights standards, including the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "United

Nations Guiding Principles on Business and Human Rights," and "International Labour Organization" conventions, to establish C Sun's human rights policy. This policy applies to all employees of The Company to safeguard employee rights. C Sun uses the Board of Directors as the highest level of human rights governance framework, with a cross-departmental human rights task force formed under the Sustainable Development subgroup of the "Sustainable Development and Risk Management Committee." The Company legally convenes labor-management meetings, providing multiple communication channels for open and direct dialogue between employees and management. At the same time, The Company promotes policies, welfare measures, and various activities, ensuring employees can fully express their opinions and receive timely responses and assistance. Human rights policies are also promoted during irregular new employee training sessions and monthly company-wide meetings.

2025 Achievements

- **Healthy and Safe Workplace:** C Sun held four occupational safety and health committee meetings in 2025 to review and improve employee health and safety risks, aiming to create a zero-accident work environment.
- **Employee Autonomy and Associations:** C Sun respects employees' freedom of association and has established associations such as the Caring Association, Badminton Association, and Yoga Association, providing employees with diverse learning opportunities.
- **Labor-Management Consultation:** In 2025, the North Central Plant held six labor-management meetings, strengthening effective communication between employees and management and advocating for company policies, benefits, and activities.
- **Diversity, Inclusion, and Equal Opportunities:** C Sun is committed to providing a gender-equal and diverse work environment, emphasizing fair hiring, compensation, and promotion mechanisms. It has joined the Friendly Family Workplace Enterprise Alliance to create a friendly workplace that integrates family education into the workplace. Through diverse topic lectures, employees can learn conveniently at work, balancing their work and family needs.
- **No Child Labor:** The company did not employ child labor in 2025 and complies with local laws, opposing all forms of child labor.
- **Maternity Care:** Adjusting workload and job Content to reduce pregnancy burden, arranging contracted nurses for regular care, and encouraging employees to proactively seek consultation.
- **Compliance with Minimum Wage and Reasonable Working Hours:** In 2025, the compa-

ny’s wages for all employees exceeded the minimum wage standard set by the Labor Standards Act and provided reasonable working hours.

(II) Talent Attraction and Retention

C Sun operates under the principle of maintaining a comfortable and convenient work environment that balances employees’ work and family life. It provides various welfare activities, comprehensive and superior insurance systems (including life insurance, accident and injury insurance, medical insurance, and work injury compensation insurance), and childcare services. Based on the Employee Welfare Fund Regulations, an Employee Welfare Committee is established to formulate more comprehensive welfare measures for employees, prioritizing the well-being of every member of the C Sun family. The Employee Welfare Fund handles various welfare matters, such as marriage and funeral benefits, festival gifts, childbirth, hospitalization, and disaster relief, and organizes employee travel activities.

C Sun’s 2025 Employee Welfare Project Achievements

Item	Welfare Content	Actual Number of Users in 2025	Investment Amount (NTD)
Education Scholarship for Employees and Their Children in School	Employees or children with excellent academic performance receive scholarships ranging from NT\$500 to NT\$2,500 based on their educational level.	326	363,500
Marriage Allowance	Employees can apply for NT\$8,000 when they get married.	2	16,000
Childbirth Allowance	Employees or their spouses can apply for NT\$3,600 per birth (NT\$7,200 for the third child or more)	6	21,400
Funeral Allowance	When an employee, their parents, spouse, or children pass away, they can apply for NT\$30,000 for the employee’s death; NT\$15,000 for the death of parents, spouse, or children.	10	150,000
Illness and Injury Condolence Allowance	NT\$800 gift when the employee is hospitalized.	4	3,200
Disability Condolence Allowance	NT\$1,000 to NT\$5,000 for employees who become disabled due to work.	0	0
Emergency Relief Allowance	Up to NT\$30,000 for employees who experience unexpected major losses.	0	0
Birthday Gift Voucher	NT\$1,200 gift voucher for employees’ birthdays.	443	531,600
Childbirth Reward Allowance	For employees with 3+ years of tenure: NT\$150,000 for the second child, and NT\$300,000 for the third child or more.	4	610,000
Employee travel	NT\$17,500 to NT\$35,000 for employees traveling abroad.	108	1,522,500

C Sun’s Childcare-Friendly Measures

To encourage and support employees in raising the next generation, C Sun grants the right to maternity/paternity leave with salary suspension.

The Company assists employees in processing such leave according to the Labor Standards Act, the Gender Equality in Employment Act, and the Implementation Measures for Maternity/Paternity Leave with Salary Suspension.

- C Sun emphasizes gender equality, offering not only maternity/paternity leave but also postpartum childcare protections.
- The Company has established lactation rooms for female employees to create a comfortable work environment, enabling staff to balance work and family responsibilities.
- Flexible Working Hours: Allow employees to apply for special-case flexible start/end times to better accommodate childcare needs.
- Family Support Services: Provide information on contracted childcare facilities to assist employees in making multiple choices.
- Childbirth Reward Allowance: Under specific tenure conditions, the Company offers childbirth reward allowances to cover childcare expenses. (For employees with 3+ years of tenure: NT\$150,000 for the second child, and NT\$300,000 for the third child or more).

(III) Talent Cultivation and Growth

We believe that talent is the most important asset of the Company. The Company is committed to creating a platform for every employee to shine and work with them to plan their career paths.

Our Policies and Commitments

- Dual-Track Promotion System: We offer a dual-track promotion system for both professional and management positions, along with relevant training and study support.
- Training Fund Support: The Company provides funding for professional training and development programs to enhance employees’ professional skills.
- Advanced Management Training: The company offers scholarships for EMBA programs and other advanced management training to help senior managers broaden their management perspectives.

Our Goals and Performance

- Short-Term and Mid-Term Goals: Train 30% of employees annually, achieve 80% employee satisfaction, cultivate at least 10 middle-management talents each year, and hold at least two large-scale training events annually.
- Long-Term Goals: At least 50% of employees will be promoted internally each year.
- 2025 Performance: Total training hours: 20,769 hours, 100% of positions filled by internal

employees. Average training hours: 44.28 hours, with a total of 469 employees participating.

2024 Training and Development Statistics

- Training Hours: Average training hours for males: 37.50 hours, for females: 67.70 hours. Training hours have increased year-on-year over the past three years.
- Major Training Programs: New employee training, manager training, project management, and stress management courses.

(IV) Social participation

For years, C Sun has upheld the philosophy of "giving back to society what we have gained from it" with a spirit of gratitude. We regularly support social organizations and academia, sponsoring groups such as the New Taipei City Welfare Angel Promotion Association, Love Without Borders Caring Association, and Hsiang Shang Social Welfare Foundation. Beyond donations to the underprivileged, we further deepen our core value of "local service" by extending our efforts into neighborhood and community cultural development, such as donating to local public welfare entities like the Zhulinshan Guanyin Temple in New Taipei City and the Mengjia Longshan Temple in Taipei City. C Sun not only demonstrates care for religious and cultural aspects but also invests resources in community public welfare services and emergency assistance, becoming a stabilizing force that safeguards local growth.

We spare no effort in industrial talent cultivation. Over the years, we have cooperated with National Taiwan University, National Tsing Hua University, Feng Chia University, Ming Chi University of Technology, and Chung Hsing University in four major aspects: "school-industry cooperation and internships," "academic research cooperation," "scholarships and grants," and "campus tour lectures". Our goal is to cultivate exceptional talent for the industry. Meanwhile, senior executives of the Company concurrently act as lecturers at universities to exert their spirits as industry teachers, pass down industrial experiences, and minimize the gap between education and actual practices.

We prioritize character education. We sponsored the baseball team of Chung-Ping Elementary School to ensure the learning environment and resources of youth athletes, encourage youth in Taiwan to step onto the international stage, and nurture the future star in the international arenas. Furthermore, the Company also adopts internal actions to support cultural and art activities, promote the volunteer culture, and provide information and channels for all our fellow colleagues to participate in Social welfare activities, so as to cultivate its pre-

mium corporate culture with our fellow colleagues showing gratitude and providing mutual help.

In 2025, our investment achievements are as follows:

Local collaboration, participation in social activities of public associations and private organizations.

- Sponsored the "Social and Cultural Characteristics that Taiwan Should Possess" public seminar organized by the Taiwan Indigenous Social Sciences Association, supporting the local academic community in exploring the core cultural values of Taiwanese society.
- Sponsored the "International Symposium on Automation Technology" organized by the Society of Automation Technology of the Republic of China, promoting the exchange of innovative achievements among industry, government, academia, and research sectors.
- Supporting the Republic of China Bodhisattva Association's public welfare activities and the physical and mental well-being of colleagues, during important occasions such as the "Yi-Si Year of Peace" and the "Ullambana Festival," holding blessing and fire offering ceremonies to pray for the safety of all colleagues and their families.
- Supported the Chinese Wisdom Torch Buddhist Society in promoting positive thinking and humanistic values of Buddhism.
- We donated to the Taiwan Indigenous Satellite Technology Development Education Promotion Association, promoting aerospace science education and inspiring local students' interest in aerospace science and systems engineering.
- Long-term support for the Rotary Club of Taipei West, encouraging and cultivating opportunities to expand services, raising the standards of ethics in various businesses and professions, and recognizing the value of all occupations beneficial to society.
- Long-term support for the Printed Circuit Board Environmental Public Welfare Foundation and the Carbon Reduction Green Life Together sponsorship activities by the Taiwan Printed Circuit Association, promoting environmental public welfare through industry associations.
- Upholding the spirit of community well-being, we have long supported the New Taipei City Welfare Angel Promotion Association by participating in local care and educational assistance programs for children from vulnerable families.
- Support the Youth and Child Care Program of the Metropolitan International Children's Association, assisting students from vulnerable families in obtaining stable psychological support and learning resources.
- We continued our participation in the ESG World Citizen Digital Governance Foundation,

promoting the concept of world citizenship and children's literacy education under the spirit of "Spreading Universal Goodness and Walking Together as World Citizens," aiming to enhance Taiwanese people's identification with world citizenship and achieve mutual benefit for all countries and the world.

- Additionally, we partnered with iCare to sponsor 6 students from the Lien Elementary School in West Africa, with an annual donation of NT\$ 36,000 in aid.

Support medical care to create a better health education environment.

- Admiring the spirit of "Total Sacrifice, True Love, Constant Joy" of the Catholic St. Joseph Hospital Foundation, support is provided through donations to its long-standing medical services in the Yunlin area.
- Caring for the health needs of an aging society, support the Taiwan Brain Disease Prevention Foundation in its efforts towards the prevention screening and health education promotion of cerebrovascular diseases.
- Donate to the Taoyuan Private Spinal Cord Injury Potential Development Center Foundation to support the Life Reconstruction Project for the injured, assisting them in physical rehabilitation and vocational skill empowerment.
- We provided feedback to the Taiwan Cancer Clinical Research Development Foundation, supporting its efforts to make cancer prevention and treatment a part of daily life and localized, thereby reducing the cancer incidence rate, while also offering the most convenient cancer medical and consultation services.

Deepen industry-academia collaboration, and cultivate local talent.

- National Taiwan University
 1. Support Taiwan's Internationalization and Cross-Border Talent Acquisition: Participated in the establishment of the "Outstanding Overseas Student Scholarship" by Taiwan University, attracting and retaining top students with an international perspective, thereby enhancing the international competitiveness of the industry and society.
 2. Top Faculty Retention: Through the "Academic Advancement Award," "College of Engineering Graduate Dean's Award," and "Academic Advancement Youth Lecture," we encourage full-time faculty members to enhance their academic career achievements and recognize faculty and student teams dedicated to research, producing excellent R&D results. This aims to bridge the gap between school and industry talent needs, thereby assisting students in transitioning to the workplace.

3. Sponsor the Foundation for Academic Development of National Taiwan University, supporting the publication of the NTU Alumni Bimonthly.

- National Tsing Hua University

1. Long-term Technology Support: Continuing the four-year donation plan (2024-2027) for the "Tsinghua DIT Team," entering the second year of substantial funding, supporting local students in participating in the European Robotics Competition, and accumulating international practical technical experience.
2. Academic Excellence Incentive: Sponsored the "NTHU Department of Power Mechanical Engineering Project Competition" to establish a special corporate award, bridging the gap between campus research and industry needs.
3. Promote popular science, collaborate for co-creation: Held the "2025 G2C+ Alliance x Tsinghua University Robotics Dream Experience Camp," enabling mutual learning between students and children of corporate employees, fostering the roots of science education.

- Feng Chia University

1. C Sun signed a team innovation incentive program with Feng Chia University: Continuing the five-year donation plan for "ESG Green Energy Research," entering the fourth year (2025) with NT\$ 1 million in substantial funding to assist the university in conducting carbon neutrality surveys and developing energy-saving devices, cultivating professional talent for net-zero emissions from the campus source.
2. Sponsoring "Feng Chia Common Good Building": Supporting the campus landmark designed by internationally renowned architect Kengo Kuma. By supporting architectural planning and academic exchanges with carbon reduction concepts, we aim to provide abundant learning environments for the next generation of students and fulfill corporate social responsibilities.

- Ming Chi University of Technology

Continuing the 2023 Year initiative for corporate sponsorship student cooperation signing ceremonies, the Company in 2025 completed the signing ceremony for two sponsored students, providing full tuition and fee subsidies and a monthly living allowance of NT\$10,000. This fully demonstrates the Company's emphasis on talent cultivation and lays a solid foundation for the depth and breadth of future cooperation between both parties.

- Zhongping Elementary School

Since 2015, the Company has been committed to the long-term support of the Zhongping Elementary School baseball team. In 2025, the next five-year donation plan (2025–

2030) will be initiated to continue the heritage of "Character Baseball."

Domestic Cultural Development

The Company actively participates in the layout of the cultural and creative industries and strongly supports domestic cultural and artistic organizations in hosting performances and activities. It recognizes that any society primarily composed of humans requires cultivation, as moral refinement, purification of mindset, and correction of perspectives can prevent individuals or groups from becoming materialistic or decadent, thereby opening up positive pathways and enhancing the quality of life for individuals or groups.

- Support for Domestic Cultural and Artistic Organizations
Continuing the 2024 donation to Don't Cry, Dancing Girls, in 2025, the Company will maintain its support by donating NT\$3,000,000 to the Taiwan-based original theatre group Yueyan. This ongoing commitment aims to support domestic artistic and cultural development through musical theatre as a medium to present "What is Taiwan." Yueyan Performance Theatre's 2025 musical "Chuan Er" uniquely combines traditional Taiwanese Opera with contemporary musical theatre, ensuring the memories of Taiwan's land endure and fully promoting domestic culture.
- Valuing Local Arts and Spiritual Cultural Heritage

IX. Material Contracts: None.

5

Chapter V.

Review and Analysis of Financial Position, Operating Results, and Risk Management



I. Financial Position Analysis

Unit: NT\$ Thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	6,800,510	6,251,277	549,233	9
Property, plant and equipment	2,859,248	1,059,732	1,799,516	170
Other assets	5,653,450	3,461,485	2,191,965	63
Total assets	15,313,208	10,772,494	4,540,714	42
Current liabilities	5,060,637	3,145,172	1,915,465	61
Long-term liabilities	3,263,911	2,376,534	887,377	37
Total liabilities	8,324,548	5,521,706	2,802,842	51
Share capital	1,567,553	1,567,553	-	-
Capital reserve	588,506	408,334	180,172	44
Retained earnings	1,643,995	1,587,739	56,256	4
Other interests	2,993,610	1,818,107	1,175,503	65
Treasury shares	(253,897)	(524,329)	270,432	(52)
Total shareholders' equity	6,988,660	5,250,788	1,737,872	33

Analysis and explanations of the variation in ratios for the latest two years:
1. Increase in Property, Plant, and Equipment: due to the acquisition of property, plant, and equipment.
2. Increase in Other Assets: due to the growth in financial assets measured at fair value through other comprehensive income (non-current) and investments accounted for using the equity method.
3. Increase in Current Liabilities: due to the rise in contract liabilities (current), accounts payable, and short-term borrowings.
4. Increase in Long-term Liabilities: due to the rise in long-term borrowings.
5. Increase in Capital Reserve: due to treasury stock transactions.
6. Increase in Other Equities: due to the increase in unrealized gains and losses on financial assets measured at fair value through other comprehensive income.
7. Increase in Treasury Shares: due to the repurchase of the Company's shares during the current period.

II. Analysis of Operating Results

(I) Table of Comparative Analysis of Operating Results

Item \ Year	2025	2024	Increase/(decrease) amount	Change proportion (%)
Net operating revenue	6,102,155	4,818,209	1,283,946	27
Operating costs	(3,458,414)	(2,835,109)	(623,305)	22
Operating expenses	(1,760,497)	(1,347,104)	(413,393)	31
Operating gains	883,244	635,996	247,248	39
Non-operating gains or losses	243,443	343,568	(100,125)	(29)
Net profit before tax	1,126,687	979,564	147,123	15
Income tax expenses	(233,780)	(222,989)	(10,791)	5
Net profit for the period	892,907	756,575	136,332	18

Analysis and explanations of the variation in ratios for the latest two years:
1.Decrease in Non-operating Income and Expenses: due to the increase in losses from foreign exchange and the decrease in gains from financial assets measured at fair value through profit or loss.
2.Increase in Other Items: due to the increase in net operating revenue in the 2025 Year, leading to higher operating costs, operating expenses, and operating gains.

(II) Expected Sales Volume and Its Basis

With crucial core technologies, the Company expands its product portfolio, and establishes the annual sales target with considerations given to the planning for each business segment based on its past operating performance.

(III) Potential Effects on the Company's Financial Operations in the Future and Countermeasures

The Company will reinforce its product portfolio, expands its market share, and improve Company's profitability according to the future changes in the industry. Our business is likely to record a continual grow in the future, and our financial position is healthy.

III. Cash Flows

Table of Review and Analysis of Cash Flows
Analysis of Cash Flows

Unit: NT\$ Thousand

Cash balances at the beginning of the year Balance	Net cash flows from operating activities throughout the year	Net cash flows from investing and financing activities throughout the year	Remaining amount in cash ①+②+③	Remedial measures for expected cash shortfall	
				Investment plan	Financing plan
①	②	③	①+②+③		
1,930,703	865,703	(932,466)	1,863,940	-	-

(I) Analysis of Changes in Cash Flow for 2025:

The Company's net cash decreased by NT\$66,763 thousand in 2025 Year as compared with 2024. The changes in cash flow from various operating activities are as follows:
(1) Decrease in Net Cash Inflow from Operating Activities: NT\$8,250 thousand
(2) Increase in Net Cash Outflow from Investing Activities: NT\$1,366,077 thousand
(3) Increase in Net Cash Inflow from Financing Activities: NT\$957,397 thousand

(II) Liquidity Analysis of Cash Flows for the Past Two Years:

Item \ Year	2025	2024	Increase/(decrease) ratio
Cash flow ratio	16.44%	27.79%	(40.84)%
Cash flow adequacy ratio	73.65%	115.48%	(36.22)%
Cash reinvestment ratio	0.74%	5.36%	(86.24)%

Analysis and explanations of changes in the increase/(decrease) ratio:
1. Analysis and explanations of changes in the increase/(decrease) ratio: Primarily due to the reduction in net cash inflow from operating activities in 2025 Year.
2. Improvement plan for insufficient liquidity: Not applicable.

(III) Cash Liquidity Analysis for the Next Year:

Unit: NT\$ Thousand

Cash balances at the beginning of the year Balance ①	Net cash flows from operating activities throughout the year ②	Net cash flows from investing and financing activities throughout the year ③	Estimated remaining amount in cash ①+②+③	Remedial measures for expected cash shortfall	
				Investment plan	Financing plan
1,863,940	1,516,747	(1,466,321)	1,914,366	-	-

IV. Effects of Significant Capital Expenditures on the Financial Operations for the Latest Year:
Not applicable.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

Item Description	Amount of profit and loss for the current period (Note)	Policy	Major reasons for profit or loss	Improvement Plan	Other future investment plans
C SUN(B.V.I.)	NT\$277,226 thousand	Focus on the Chinese market and establish strategic alliance relations.	Primarily derived from C Sun's subsidiaries -Csun Technology (Guangzhou) Co., Ltd. -Suzhou Top Creation Machines Co., Ltd.	None	Subject to the capital requirements of the target company of the investment

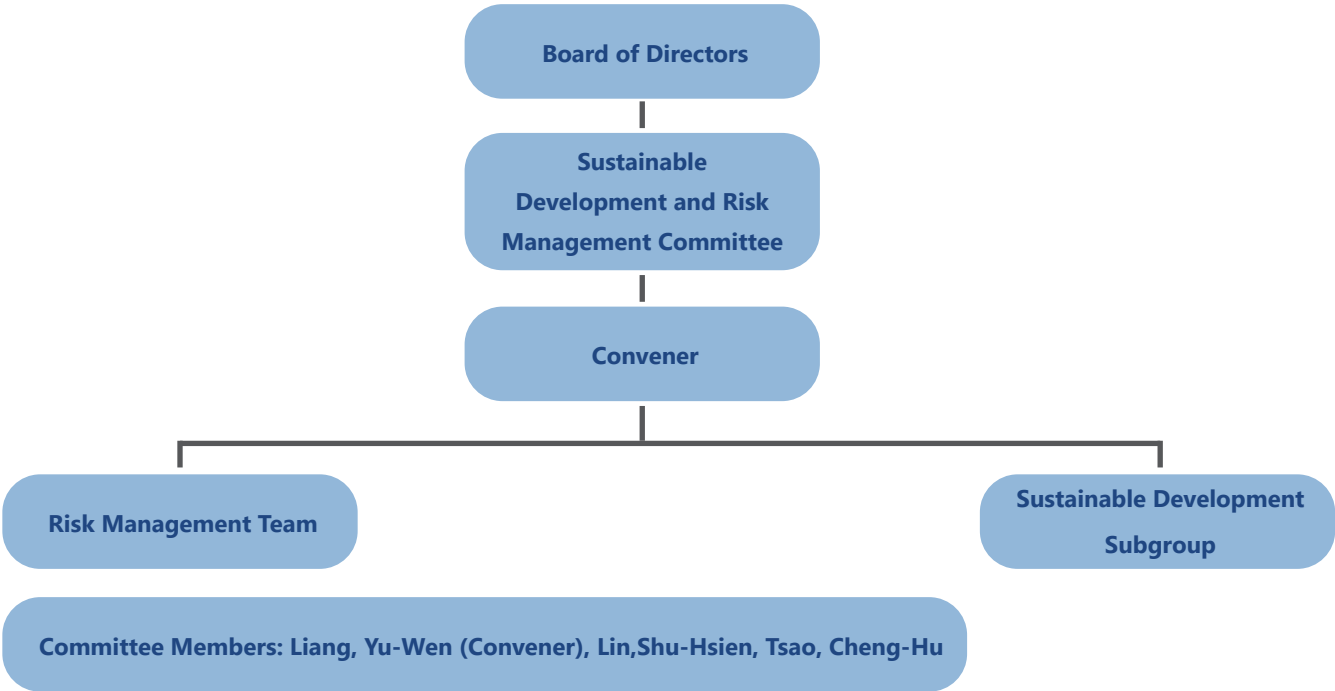
Note: The above investment is an investment with an amount exceeding 5% of the Company's paid-up capital for the year.

VI. Risk Management and Evaluation

(I) Organizational Structure of Risk Management:

To improve CSR and allow the Company's sustainable operations and development, the Company established its Corporate Sustainability Committee in 2017. The Company regards the Board of Directors as the highest decision-making body for sustainable development issues. In 2025, a functional committee named the "Sustainable Development and Risk Management Committee" was merged, with General Manager Yu Wen Liang serving as the convener and chairperson. This committee is responsible for coordinating and promoting mat-

ters related to sustainable development and risk management. Underneath it, 11 subgroups have been established: Product Innovation, Customer Care, Business Management, Social Care, Sustainable Environment, Sustainable Supply Chain, Operational and Strategic Risk, Financial Risk, Compliance Risk, Information Security Risk, and Environmental Risk, effectively integrating resources to implement sustainability strategies across all departments.



(II) Impact of Interest Rate/Foreign Exchange Fluctuations and Inflation on Company Profits/Losses, with Future Mitigation Measures

(1) Interest rate fluctuations:
The Company regularly evaluates borrowing interest rates of banks and frequently contacts banks to acquire preferential borrowing interest rates.

Item	2025 Year Amount (NT\$ thousand)	Ratio to 2025 Year operating revenue (%)
Interest expense	67,236	1.10%

(2) Exchange rate fluctuations:
Regarding the countermeasures, the Company estimates its future cash flows and pre-sale/purchase forward currencies or directly sells/purchases foreign currencies in the spot market for the net positions for hedging.

(3) Inflation:
Inflation has no significant effect on the Company. Furthermore, the quotation provided by the Company to customers and suppliers is mostly subject to flexible adjustments due to

the market; therefore, it imposes limited effects on the Company's profit or loss. The Company keeps abreast of the volatility of market prices. At present, there is no immediate significant effect arising from inflation.

(III) Policies for engaging in high-risk or high-leverage investments, loans to others, endorsement and guarantee, and derivative transactions, primary reasons for gains or losses, and future countermeasures:

(1) The Company made investments after due evaluations. Furthermore, the investments are subject to the approval authorization set out in the "Procedures for the Acquisition and Disposal of Assets." The Company has not engaged in matters of high-risk or high-leverage investments. The Company, for this year, had not engaged in any high-risk or high-leverage investment, and the investment projects were duly evaluated and submitted to the Board for passing.

(2) Targets for loans and endorsement and guarantee are primarily subsidiaries and sub-subsidiaries of the Company, and such matters shall be subject to the requirements under the Company's "Procedures for Loans to Others" and "Procedures for Endorsement and Guarantee."

(3) The engagement in derivative transactions shall be subject to the requirements under the Company's "Procedures for Engaging in Derivative Transactions." The Company purchase and sells forward currency contracts to avoid the risk of currency changes for liabilities denominated in foreign currencies and had not engaged in derivatives for investment purposes.

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

For details on R&D status, please refer to "3.Technology and R&D Overview, I. Scope of Business, Chapter 5.Business Overview", it is estimated that the R&D expenses of the Company for 2026 shall be NT\$714,391 thousand. The primary factors affecting the success of R&D in the future are the capacity of our R&D team and our understanding of market information. As the Company has established its Technology Committee to be responsible for coordinating the R&D strategies of the Company's future products and the constant improvements of R&D staff's quality in recent years, new product development associated with the future industrial changes would continue to be developed.

(V) Effect on the Company's finance and business of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company complies with the amendments to significant policies and laws related to corporate governance, the Company Act, the Securities Exchange Act made by competent authorities. Furthermore, the Company's management observes and attaches attention to changes in domestic and foreign significant policies and laws at all times and actively proposes countermeasures in due course; therefore, there is no significant effect on the Company's financial operations.

(VI) Effects of changes in technologies (including cybersecurity risks) and industries on the Company's financial operations and countermeasures:

The Board of Directors places high importance on the potential operational impacts brought by changes in technology and requires the management to incorporate key issues, including "information security risk control," into core management indicators and integrate them into the annual targets and performance assessments of each business unit. To address information security risks, the company, through the Sustainable Development and Risk Management Committee, has established management systems at all levels to minimize the risks and impacts brought by external environments and technological advancements. In response to the ever-evolving hacker attack technology and potential operational disruption risks, the Company continuously enhances digital protection resilience, including the establishment of a Security Operations Center (SOC), obtaining ISO 27001 certification, and meeting the SEMI E187 standards for high-tech supply chains. At the same time, irregular social engineering drills and penetration tests are conducted annually to ensure the company can effectively protect critical information assets and maintain outstanding market competitiveness in the face of rapidly changing cybersecurity threats, thereby avoiding significant adverse impacts on the company's financial and business operations due to technological or cybersecurity risks. therefore, there is no significant effect on the Company's financial operations.

(VII) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response:

The Company has adhered to the ethical operating principles and its participation in social responsibilities. It has maintained a healthy corporate image and risk control for years; currently, there is no foreseeable possibility of crisis.

At present, C Sun MFG. is listed on TWSE that is supervised by the competent authority, and the Company strictly adheres to laws and regulations; therefore, the Company possesses a healthy corporate image.

(VIII) Expected benefits and possible risks arising from mergers and acquisitions and countermeasures: As of the date of publishing the Annual Report, the Company had no merger plan.

(IX) Expected benefits and possible risks associated with plant expansions and countermeasures:

A. Purchase of the Taichung Operations and Research & Development Headquarters land

The Company won the bid from the Taichung City Government on September 9, 2025, acquiring a piece of land with an area of 1,622.53 ping in the Fengwei section of the Shuinan Economic and Trade Park in Taichung City. It plans to use this land alongside the existing Taichung Plant site to construct the Taichung Operations and Research & Development Headquarters. The project is expected to be funded by bank loans, with a payment of NT\$638,361 thousand anticipated before October 2025. Subsequent payments of NT\$638,361 thousand and NT\$547,167 thousand will be made in December 2025 and March 2026, respectively.

In recent years, The Company has actively invested in AI, advanced packaging, and digital manufacturing technologies, successfully transitioning into the semiconductor equipment supply chain. Given the industry's characteristics that require continuous R&D investment to meet the technological needs of end customers, and the need for The Company's advanced processes to continuously tailor products according to customer demands, the current semiconductor R&D space within the Taichung Plant's factory premises is no longer sufficient for use. There is an urgent need for a comprehensive layout with spacious workflow R&D space and top-tier domestic semiconductor R&D talent.

The acquired land in the Fengwei section of the Shuinan Economic and Trade Park in Taichung City is designated as a "Type II Innovation and Research and Development Special Zone" with a development focus on attracting industrial investment. Considering the increasing difficulty in acquiring land in Domestic parks due to the return of Taiwanese busi-

nesses in recent years, and the fact that the area is bordered by roads on three sides, is intact, and is near Feng Chia University with well-developed surroundings and convenient transportation, it is very conducive to attracting talent nearby. This location truly meets The Company's needs. The Company has signed an industry-academia collaboration memorandum of understanding with Feng Chia University on May 8, 2025, and demonstrated the long-term cooperation concept of jointly establishing a "Pioneering Energy and Thermal Management Laboratory" with Feng Chia by donating instruments and equipment. As the Company has just acquired the land, the detailed planning for the overall Operations and Research & Development Headquarters is still underway. However, the new base will aim to integrate operations, research and development, and educational functions to form a regional hub with a complete value chain.

B. Taichung Second Plant

The Company announced on February 2, 2026, the acquisition of the Taichung Nantun District Jingke 1st Road No. 12 Plant for NT\$1,480,000 thousand, with remaining payments of NT\$437,160 thousand to be made in installments throughout 2026 as per agreement. This decision was primarily made considering that the usable area of the Company's original Taichung Plant was only 746 ping, no longer sufficient to meet the Company's Product production and research & development needs. Therefore, the acquisition of the Taichung Nantun District Jingke 1st Road No. 12 Plant was proposed as a new site solution to meet the growing capacity and R&D demands. The funds for this project mainly come from the financing of the land associated with the project.

(X) Risks arising from concentrate sales or purchases and countermeasures:

The scope of industries that the Company makes sales include electronics, semiconductor, LCD, PCB, and printing and coating industries. Except for continuing to focus on our existing customers, the Company also actively explores new customers.

(XI) Effects of significant transfers of or changes in equity by directors or top ten major shareholders with over 10% shareholding on the Company, risks, and countermeasures:

As of the date of publishing the Annual Report, there are no such circumstances.

(XII) Effects of changes in the Company's ownership, risks, and countermeasures:

As of now, there have been no significant changes in the Company's ownership.

(XIII) Handling of litigation or non-litigation matters:

As of the date of publishing the Annual Report, there are no such circumstances.

(XIV) Cybersecurity risk evaluation and analysis, countermeasures, and significant risk evaluations:

Please refer to Section IV of this annual report, "Business Overview – Information and Cybersecurity Management" for details.

(XV) Other Significant Risks and Mitigation Measures:

As of the date of publishing the Annual Report, there are no such circumstances.

VII. Other significant risks: As of the date of publishing the Annual Report, there are no such circumstances.

6

Chapter VI. Special Matters



- I. Information on Affiliates: Please refer to the "Section of Affiliate Reports" on the Market Observation Post System;**
- II. Private Placement of Securities During the Recent Fiscal Year and Up to the Annual Report Publication Date: None.**
- III. Shares of the Company Held by or Disposed of by Subsidiaries for the Latest Year and as of the Date of Publishing the Annual Report: None.**
- IV. Material Events Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Affecting Shareholder Equity or Securities Prices During the Most Recent Year and Up to the Annual Report Publication Date: None.**
- V. Other Matters of Supplements and Explanations Required: None.**

C SUN MFG. LTD.



Chairman Morrison Liang





Business philosophy **All Win**

1. C SUN's innovative products, services, and total solutions enhance customer satisfaction and serve as key drivers of success.
2. C SUN fosters a collaborative environment where employees learn from one another and engage with academic and research institutions, strengthening core capabilities and building a high-performance organization.
3. The Company continuously refines its management practices and upholds integrity-based governance, enabling both investors and employees to share in its growth and success.
4. C SUN works closely with suppliers to drive mutual improvement and establish competitive partnerships.
5. The Company actively contributes to the well-being of employees, their families, local communities, and society at large.
6. Through constructive collaboration and healthy competition with industry peers, C SUN promotes system integration and enhances overall competitiveness.
7. Guided by a pragmatic and harmonious approach, C SUN upholds the "All-Win" philosophy as a core responsibility in corporate management.



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