tsti (TWSE: 8099)

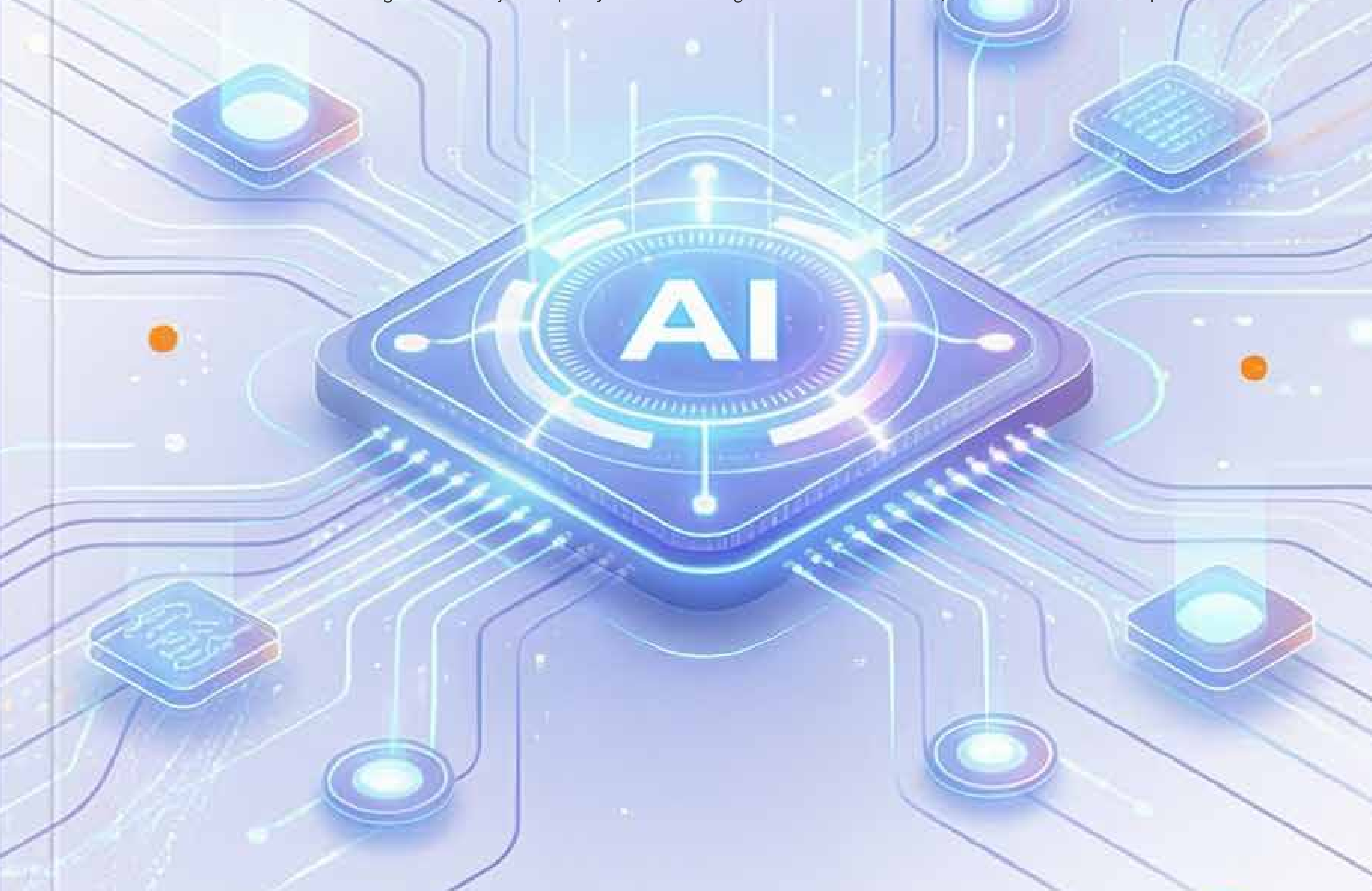
Tatung System Technologies Inc.

2025 Annual Report

Printed on March 31, 2026

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.



Ai Cyber Security ESG

Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw

Tatung System Technologies Inc. Annual Report is available at: https://www.etatung.com

A、Spokesperson

Name：Yin-Hsiu Liu
Title：President
Contact Number：886-2-2591-5266
E-mail：spokesman.tsti@etatung.com

Acting Spokesperson

Name：Ming-Chang Chiang
Title： Senior Vice President
Contact Number：886-2-5562-5710
E-mail：Toby.Chiang@etatung.com

B、Company address & Telephone Number

Taipei Head Office
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Telephone：886-2-2591-5266 886-2-5562-5788

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Taichung Office
Address： 6F.-1&2, No. 236, Sec. 2, Wuquan W. Rd., Nantun Dist., Taichung City
Telephone：886-4-2471-3300

Chiayi Office
Address：1F., No. 109, Hankou Rd., West Dist., Chiayi City
Telephone：0800-066-038

Tainan Office
Address：5F.-1, No. 12, Zhonghua Rd., Yongkang Dist., Tainan City
Telephone：886-6-313-2066

Kaohsiung Office
Address：12F., No. 458, Jianguo 1st Rd., Sanmin Dist., Kaohsiung City
Telephone：886-7-225-1000

C、Stock Transfer Agency

Name：Grand Fortune Securities
Address：6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City
Telephone：886-2-2371-1658
Website：https://www.gfortune.com.tw

D、Certified accountant for the most recent annual financial report

Firm：KPMG
Accountant： CPA Hsin-Ting, Huang、Li-Chen, Lai
Address：TAIPEI 101 TOWER, 68F, No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
Telephone：886-2-8101-6666
Website：https://kpmg.com/tw/zh/home.html

E、Trading venues for the listing and trading of overseas securities and the methods of obtaining information

Trading venue name：No overseas securities listed for trading
Information inquiry method：None

F、Company Website

https://www.etatung.com

This year's annual report has been prepared in accordance with the Financial Supervisory Commission's (FSC) "Regulations Governing Information to be Published in Annual Reports of Public Companies." The content has been streamlined accordingly. Information that has been simplified or omitted is still accessible to investors through the Company's official website, the Market Observation Post System (MOPS), and the Company's financial statements.

Table of Contents

One. Letter to Shareholders

Dear Shareholders:

Since its inception, Tatung System Technologies Inc. (TSTI) has maintained consistent profitability and a stable dividend policy. In recent years, TSTI has clearly positioned itself as an ACE SI—a professional system integrator specializing in AI, Cybersecurity, and ESG. We are dedicated to assisting enterprises and government agencies in achieving Twin-Axis Transformation (Digital and Sustainability) and aspire to be their most trusted service and strategic partner.

This year, TSTI continued to deepen its presence in core fields such as Modern Data Centers, Total AI Solutions, Cybersecurity, and Unified Communications, while expanding into new application scenarios like Smart Terminals and Smart Surveillance. Through close collaboration with our industry ecosystem partners and international vendors, combined with TSTI's comprehensive OneService, we have delivered an exceptional and consistent service experience. This synergy has effectively driven growth in both operating profit and net income.

With the continued support of our shareholders and the Board, and the dedicated efforts of our entire team, we strive for sustainable growth and the creation of greater value for all stakeholders.

I. 2025 Business Report

(I) Results of the business plan

In 2025, TSTI's consolidated net revenue reached NT$ 5,010,638 thousand, representing a robust growth of 27.49% compared to 2024. Parent-only net revenue totaled NT$ 4,293,444 thousand, an increase of 31.48% year-over-year. Consolidated operating income rose to NT$ 307,910 thousand, achieving a significant growth of 40.92%; parent-only operating income was NT$ 276,124 thousand, up 37.10% from the previous year. For the fiscal year 2025, the consolidated profit before tax income reached NT$ 311,798 thousand, with a pre-tax EPS of approximately NT$ 3.12. Net income (after-tax) amounted to NT$ 252,803 thousand, resulting in an EPS of NT$ 2.53.

Unit: NTD thousands

Item	Consolidated (tsti and subsidiaries)			Parent company only (TSTI)		
	2025	2024	Change %	2025	2024	Change %
Net operating revenue	5,010,638	3,930,226	27.49%	4,293,444	3,265,495	31.48%
Operating cost	3,960,265	2,976,825	33.04%	3,357,943	2,420,368	38.74%
Gross profit	1,050,373	953,401	10.17%	935,501	845,127	10.69%
Operating expense	742,463	734,894	1.03%	659,377	643,730	2.43%
Operating benefit	307,910	218,507	40.92%	276,124	201,397	37.10%
Net profit before tax	311,798	250,177	24.63%	307,157	246,170	24.77%
Net profit after tax	252,803	204,368	23.70%	252,803	204,368	23.70%

Overview of significant business performance:

I. Business Performance –

1. Awards and Sales Achievements for Major Agency Brands in 2025:
   - Honored with multiple HPE awards, including the FY25 Best Partner Award, FY25 HPE Private Cloud AI Innovation Award, and FY25 Sales Partner Excellence Award, as well as the FY24 Best Service Quality Award.
   - Recipient of the Honeywell 2025 Security Products Distribution Contribution Award.
   - Recipient of the Check Point FY25 Greater China White Space Customer Award.
   - Recipient of the Lenovo FY24/25 Best Large Enterprise Sales Distributor Award.
   - Recipient of the DELL Technologies 2025 Titanium Partner status.

2. Quality and Service Excellence Recognition
   - Recipient of the 2025 TCSA "Sustainability Reporting - Platinum Award" and the BSI 2025 "Digital Trust Excellence Award."
   - Recipient of the 2025 "Outstanding Supplier Award" from Yuanta Financial Holding, the "Supplier Sustainability Excellence Award" from Fubon Financial Holding, and the "Sustainable Partner Distinguished Contribution Award" from Cathay Financial Holding.
   - Recipient of two major accolades at the CIO Taiwan 2026 Elite Vendor Awards, including honors in the "Cloud and Platform Engineering" category and the "Outstanding Service Provider Award" (recognized for five consecutive years).
   - Recipient of the "Best Service Innovation Award" at the 2025 CSEA (Customer Service Excellence Awards).
   - Recipient of the 3rd Place Award in the "Smart Applications" category at the 2025 Golden Young Awards for the implementation of the 5G AIoT Next-Generation Smart Shipyard.
   - Recipient of commendations from the Sports Administration for hiring sports instructors, recognition as a TOP 10% outstanding enterprise by OSHA for OHS performance disclosure, and a letter of appreciation from the Taipei City DEP for green procurement efforts.
   - Consistently maintained professional certifications for ISO 20000, ISO 27001, and ISO 27701, and successfully secured Service Capability Registrations from the

Administration for Digital Industries (MODA) in the fields of Artificial Intelligence, Information Services, and Information Security.

By continuously optimizing our operations and service management through certifications and awards, we are committed to building a robust IT service ecosystem and fostering a highly competitive digital environment for our customers.

3. Operations Processes and Cybersecurity Protection:

Under the new normal of hybrid work, TSTI aims to transform its IT department from a traditional back-office support unit into a "Digital Empowerment Center" that drives corporate efficiency.

In 2026, TSTI is focused on architecture reshaping to fundamentally resolve performance bottlenecks in legacy process systems. By leveraging advanced process automation technology to bridge data silos, we enable the rapid flow and reuse of cross-departmental financial, asset, and project information. Simultaneously, the introduction of AI-assisted development will significantly shorten internal response times and accelerate the deployment of business innovations. These technical upgrades will translate directly into managerial effectiveness; through automated BI reports and data visualization, management will gain real-time operational insights, while employees will be liberated from tedious administrative processes via mobile enterprise AI assistants, allowing them to focus on creating higher business value.

In the pursuit of information governance and operational resilience, TSTI is committed to building a high-standard cybersecurity defense system. In addition to deepening Identity Lifecycle Management, TSTI has introduced a "Cloud Compliance Management Platform" to achieve real-time monitoring and automated governance of cloud environments, ensuring that all cloud applications operate robustly within a secure framework.

To align with international privacy protection standards, TSTI successfully implemented the ISO 27701 Privacy Information Management System (PIMS) during the year. By integrating privacy protection protocols into existing cybersecurity management workflows, TSTI has not only enhanced the transparency of personal data processing but has also built a foundation of digital trust that meets international compliance requirements.

In response to increasingly diverse external attacks, TSTI has established an "Automated Joint Defense Process for External Threat Intelligence." Through real-time intelligence synchronization and automated system interfacing, the time gap for threat response is effectively minimized, achieving 24/7 precision defense. Furthermore, addressing the trend of flexible work, TSTI has implemented "VPN Compliance Checks" to extend security verification to endpoint devices, ensuring consistent protection across remote connections.

Through these measures, TSTI demonstrates comprehensive protection capabilities—from cloud to endpoint and from technical defense to privacy governance—continuously strengthening organizational security resilience, safeguarding data value, and fulfilling its cybersecurity commitments to customers and shareholders.

4. Employee Learning and Growth

Employee learning and growth are the cornerstones of corporate sustainability. Following the AI explosion in 2025 (FY114), TSTI significantly enhanced its AI-related training and application courses, complementing existing professional and leadership development programs. We launched diverse learning platforms and professional development plans designed to help employees integrate AI tools into their workflows, thereby enhancing operational efficiency and work quality. Key initiatives include: Professional Skill Enhancement Program, Leadership Development Program, Digitalization and Innovation Capability Training, AI Integration for Administrative Efficiency and Employee Development Support Program.

Outlook for 2026: TSTI will continue to invest heavily in employee learning and growth. By adopting continuous innovation and diversified training models, we aim to help employees unlock their potential, create greater value, and achieve a sense of self-actualization throughout their careers.

5. Employee Well-being and a Thriving Workplace
While pursuing business growth and innovation, TSTI is dedicated to creating a workplace environment that supports the physical and mental health of our employees. As TSTI expands and employee needs evolve, TSTI places greater emphasis on employee well-being, aiming to improve overall job satisfaction and loyalty to achieve a win-win outcome for both TSTI and its staff.

TSTI consistently promotes employee health initiatives, including a wide range of sports courses and internal clubs. These efforts have successfully secured subsidies from the Sports Administration. In 2025, TSTI was honored with recognition for its "Hiring Corporate Physical Education Instructors" program, a testament to TSTI's long-term commitment to fostering a healthy workplace and a positive, proactive corporate culture.

II. Subsidiary – Chyun Huei Commercial Technologies Inc.

Chyun Huei Commercial Technologies Inc. is dedicated to providing comprehensive Operational Technology (OT) solutions and consulting services through professional management. Its business scope covers asset management, workstations, barcode scanners, and wide-format printers. Leveraging extensive system integration experience, Chyun Huei offers AI Inference application platforms equipped with NVIDIA professional graphics cards. As an authorized distributor of premium Zebra barcode scanners, label printers, and machine vision solutions, TSTI has established itself as a premier AIoT partner for Smart Manufacturing.

III. Subsidiary – TISNet Technology Inc.

TISNet Technology Inc. continues to drive overall revenue growth through software distribution, focusing on cybersecurity products, professional services, and cloud service licensing. TSTI has obtained the "Information Security Service Provider Competency Registration" from the Industrial Development Bureau (now EDA/MODA) and is actively expanding its cybersecurity product agency portfolio. Tisnet focuses on six core cybersecurity services: (1)Cybersecurity Testing Services (2)Account Security Protection (3)Document Security Protection (4)Data Security Protection (5)Ransomware Defense (6)Cybersecurity Talent Training.

IV. Subsidiary – Tsti Technologies (Shanghai) Co., Ltd.

In addition to collaborating with the parent company to secure and deliver ICT system integration projects for Taiwanese enterprises operating across the strait, TSTI Shanghai is proactively seeking agencies for innovative product solutions. By offering differentiated and competitive services, TSTI aims to establish new business models and solidify its market positioning in the region.

(II) Implementation status of budget: This is not applicable because TSTI did not make the financial forecast public in 2025.

(III) Analysis of revenue and profitability

Item	Consolidated		Parent company only (TSTI)	
	2025	2024	2025	2024
Current ratio (%)	179.01%	186.80%	175.66%	183.57%
Debt to assets ratio	53.98%	49.50%	51.63%	46.14%
Return on equity	15.83%	13.74%	15.83%	13.74%
Gross profit margin	20.96%	24.26%	21.79%	25.88%
Net Profit margin	5.05%	5.20%	5.89%	6.26%
EPS after tax	2.53	2.04	2.53	2.04

(IV) Research and development:

The strategic priorities for innovation and Research and Development in 2025 are centered on the following two key areas:

1. Speech and Data Integration Enhancement Project:

This initiative integrates Generative AI with Automatic Speech Recognition (ASR) and Text-to-Speech (TTS) technologies to construct advanced AI voice applications, such as more human-like voice navigation. This enhances the technical depth of TSTI's proprietary AI services. R&D efforts are focused on deepening domain-specific applications and developing multi-channel solutions. The project also develops backend data integration, linking AI with production line data systems to provide AI Production Line Assistant services. This spans intelligent service platforms for retail, marketing, internal/external customer service, IT, manufacturing, and internal knowledge bases. By differentiating these from traditional knowledge maintenance, TSTI assists clients in rapidly deploying AI-driven services..

2. Low-Carbon Smart Restroom Optimization Project:

Leveraging AIoT (Artificial Intelligence of Things) to enhance the intelligent management and user experience of restroom facilities. By combining AI with Big Data analysis, the system provides granular and predictive alerts, enabling facility managers to improve operational efficiency, optimize user experience, and increase energy efficiency. ESG & Environmental Friendliness: The project incorporates advanced sensor applications (ranging from odor detection to water flow monitoring) to minimize environmental degradation. This aligns with ESG trends regarding water conservation and environmental protection. Through improved intelligent monitoring, the system predicts and identifies maintenance needs, reducing overall energy waste and extending equipment lifespan, thereby achieving true environmental sustainability.

II. External Competitive Environment, Regulatory Environment, and Overall Business Environment

The global economic growth rate for 2026 is projected at approximately 2.69%, a slight decrease from 2.82% in 2025. Global inflation is expected to drop to 2.97%, with monetary policies in major economies anticipated to shift toward easing. However, several variables continue to disrupt global trade, including the U.S. "Tariff 2.0" and MAGA policy changes, geopolitical instability, and low-price dumping caused by overcapacity in Mainland China. Furthermore, if AI investments fail to translate into widespread commercial adoption, technology companies may scale back capital expenditures. Taiwan's Economic and IT Service Industry Trends. Following the high baseline effect of 2025, Taiwan's economic growth momentum is expected to moderate in 2026. GDP growth forecasts from various institutions range between 2.60% and 4.14% (CIER: 4.14%; Academia Sinica: 3.71%; DGBAS: 3.54%; TIER: 2.60%). In 2026, Taiwan's IT service industry will enter the "Deep Water Zone of AI Implementation," shifting focus from technical experimentation to the systematic restructuring of operational processes. Total industry revenue is projected to reach NT$720 billion.

Four Key Industry Trends: 1. Scaling and Agentization of AI Applications: 2026 is regarded as the "Inaugural Year of Agentic AI." AI will evolve from a simple content-generation tool into a "New Digital Workforce" capable of autonomous reasoning, proactive planning, and executing tasks across systems. Enterprises will pivot toward Domain-Specific Language Models (DSLM)—finetuned for specific industries—to ensure the accuracy and compliance required for professional tasks. 2. Cloud Architecture Modernization and Sovereignty: Driven by geopolitical risks, a "Georepatriation" trend has emerged, where enterprises migrate virtual workloads from global public clouds back to sovereign or regional cloud providers. Cloud services are shifting toward "Industry-Specific Clouds," where providers offer more than just computing space—they provide intelligent platforms that integrate AI computing power with local regulatory compliance. 3. Cybersecurity Escalation and Trust Governance: Generative AI has expanded the scale of cyberattacks, driving Taiwan's cybersecurity sector to grow at a robust annual rate of nearly 12%. IT service providers will strengthen "AI Security Platforms" and "Digital Provenance" technologies, providing AI SOC (Automated Detection) and SBOM (Software Bill of Materials) verification to counter supply chain threats. 4. Structural Challenges and Architectural Overhaul, Enterprises currently face two major obstacles: "Dirty Data" Dilemma: Up to 44% of enterprises believe their internal data must be cleaned before it can be utilized by AI. "Talent Drought": The prolonged time-to-hire for IT positions has led many teams into a "firefighting culture."

In 2026, IT service providers will transform from "Technology Builders" into "Intelligent Operations Enablers," leveraging IT modernization as the core engine to translate technology into operational value.

III. Overview of 2026 Business Plan

To address these industry trends, TSTI has established key strategic plans and operational priorities for 2026:

(I) Establishing a Collaborative Framework Across Subsidiaries:

1. **ACE SI Strategy:** To maintain a competitive edge as AI becomes the core of emerging technology, TSTI is pivoting toward ACE SI (AI x Cybersecurity x IoT) integrated solutions. We will deepen our expertise in core areas including OneAi, Cybersecurity, Modern DC, Modern Work, UC & Collaboration, OneService, and Smart Surveillance.
2. **Organization & Goals:** TSTI is structured into eight major business groups (G1 to G9), including System Integration, OneService, ICT, Cloud Consulting, Digital Sustainability, Digital Finance, Smart Terminals, and the Central & Southern Taiwan Business Group. Each operates as an independent profit center with a target to "achieve NT$1 billion in revenue or NT$200 million in gross profit within 3 years."
3. **Efficiency & Expansion:** We emphasize team micro-segmentation to improve operational efficiency and implement leadership succession planning. While deepening our presence in Taiwan’s five major industries, we are actively expanding into Southeast Asian markets (e.g., Thailand and Vietnam), focusing on value-added solutions to drive high-margin growth.
4. **Subsidiary Roles:** Chyun Huei: Focuses on full-spectrum OT solutions (Asset management, AI Inference platforms with NVIDIA, and Zebra AIoT solutions). Tisnet: Drives growth through Cybersecurity-as-a-Service and cloud licensing, focusing on six core security services and zero-trust systems. TSTI Shanghai: Delivers cross-strait ICT integration and seeks innovative product agencies to establish new business models.

(II) Strategic Focus and Sustainable Growth

1. **Strategic Account Development:** Deepening engagement with Power Accounts through "Consulting-led Sales." By deploying dedicated Account Managers and Customer Success Managers, we integrate our six core solutions with OneService to drive AI-powered digital transformation.
2. **Domain SI Excellence:**
   - Digital Finance: Focusing on the "Twin-Axis Transformation" (Sustainability & Digital) through OneAi, AI Agent applications, and intelligent customer service.
   - Smart Manufacturing: Utilizing AIoT and data hubs to connect production lines with ERP/MES systems. Promoting FabPilot (AI+RPA) to enhance operational resilience.
   - Smart Healthcare: Building platforms based on FHIR standards, featuring tiCare (telemedicine) and ibo.ai (nursing AI assistant).
   - Smart Government: Aligning with national "AI Infrastructure" projects to deploy AI computing resources and AI Agents for public services.
3. Each division within the Digital Sustainability Business Group is equipped with dedicated R&D teams, continuously developing AI-driven innovative industry applications and integrated ecosystem partner solutions. These efforts aim to capture opportunities arising from the dual transformation of Digital and Sustainability, positioning TSTI as the preferred partner for industries undergoing this transformation.At the same time, TSTI is accelerating the productization of its proprietary software, replicating successful industry applications to expand market reach, and effectively enhancing gross margins and revenue contribution from transformation-related businesses.
4. **Innovation & Cloud SI:** Expanding the IaaS, PaaS, and SaaS models. We offer AI-driven cybersecurity, ESG AIoT dashboards, and energy management solutions through both agency and proprietary software. AI-Driven Sustainability and Innovation.

(III) Enhancing Internal Digital Management and Talent Development

Digital Empowerment: Integrating the proprietary ibo.ai technology and Generative AI assistants into internal systems to eliminate administrative redundancy. Utilizing BI Data Visualization to shift management from "post-event analysis" to "real-time prediction."
Talent Value Chain: Implementing a structured "Talent Development Life Cycle," identifying successors for key positions, and fostering cross-departmental mobility through internal rotations and mentorship.
DEI & Well-being: Building a high-performance culture based on Innovation, Service, Teamwork, and Integrity. We offer competitive compensation, flexible work arrangements, and comprehensive wellness programs to foster a Diversity, Equity, and Inclusion (DEI) environment.

(IV) Future Development Direction of Company Software Development

This year’s R&D focuses on deepening industrial applications through the HEAD strategy:

H (Smart Healthcare): Focusing on FHIR platforms and tiCare telemedicine.
E (ESG): Developing low-carbon smart restroom platforms and AIoT energy optimization.
A (AI): Enhancing AI speech and data integration to assist in government and corporate digital transformation.
D (Data): Developing data integration platforms for AI applications in Finance, Healthcare, and Manufacturing.

IV. Future Company Development Strategy

In 2026, TSTI will continue to promote its core ICT businesses while focusing heavily on the expansion of AI Computing Power, AI Applications, and Network Security.

By leveraging our end-to-end integration capability—"Computing Power — Models — Applications — Cybersecurity"—we aim to create a scalable and replicable delivery framework. This will accelerate the transition from "Proof of Concept" (PoC) to "Full-scale Deployment" for our clients, securing a strategic position in the enterprise AI upgrade wave. TSTI remains committed to becoming the leading integrator for Twin-Axis Transformation, striving for robust growth in both revenue and profitability.

Best Regards

Chairman Jung-Hua Chang

Two. Corporate governance

I. Information on Directors, Independent Directors, Chief Executive Officer, Vice President, Assistant VP, and Officers of Departments and Branches

(I) Directors and independent directors

1. Information on directors and independent directors

March 31, 2026 Unit: shares; %

Title	Nationality or country of registration	Name	Gender Age	Date elected/ appointed	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in tsti or other companies	Other officers, directors, or supervisors in a spousal relationship or within the second degree of kinship		
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship
Chairman	R.O.C.	Tatung Company	-	2024/5/28	3 years	2000/4/26	38,386,499	43.34	43,376,743	43.34	-	-	-	-	-	-	-	-	-
	R.O.C.	Tatung Company Representative: Jung-Hua Chang	Male 61–70 years old	2025/10/09	3 years	2025/10/09	-	-	-	-	-	-	-	-	Yu-Te Senior High School of Industrial and Commercial Management Chairman, Sanlih E-Television Co., Ltd. (SET) Chairman, SET STUDIO PARK CO., LTD. Chairman, Satellite Television Broadcasting Authority (STBA)	Chairman, Tatung Co., Ltd. Chairman, Tatung Development Company Chairman, Sanlih E-Television Co., Ltd. Chairman, Win-Sinn Capital Co., Ltd. Chairman, SET STUDIO PARK CO., LTD. Chairman, LEOPARD KING ENTERPRISE CO., LTD. Chairman, Yin-Fu Capital Co., Ltd. Chairman, Fu-Lien Capital Co., Ltd. Chairman, MEDIA UNITED CO., LTD. Chairman, Hua-Liu Investment Co., Ltd. Chairman, Ying-Kai Investment Co., Ltd. Chairman, I-GOOD CO., LTD Chairman, VIDOL CO., LTD. Chairman, Chi-Fu Construction Co., Ltd. Chairman, Sanlih Culture Co., Ltd. Director, Xue Xue Institute Co., Ltd. Chairman, Satellite Television Broadcasting Authority (STBA)	None	None	None

Title	Nationality or country of registration	Name	Gender Age	Date elected/ appointed	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in tsti or other companies	Other officers, directors, or supervisors in a spousal relationship or within the second degree of kinship		
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship
																Chairman, Elitegroup Computer Systems Co., Ltd. (ECS) Chairman, Tatung Consumer Products (Taiwan) Co., Ltd. Chairman, Chih-Sheng Real Estate Co., Ltd. Chairman, Taipei Industrial Co., Ltd. Chairman, TATUNG FOREVER ENERGY CO., LTD. Chairman, Sun Shin Energy Co., Ltd. Chairman, Yao Yang Energy Co., Ltd. Chairman, Ting Shin Energy Co., Ltd. Chairman, Zhi Shin Energy Co., Ltd. Chairman, Tung Shin Energy Co., Ltd. Chairman, Tung Kuang Energy Co., Ltd. Chairman, Chuang Shih Neng Co., Ltd. Chairman, Da Tang Energy Co., Ltd. Chairman, Cinzhi Power Co., Ltd			
Director	R.O.C.	Tatung Company	-	2024/5/28	3 years	2000/4/26	38,386,499	43.34	43,376,743	43.34	-	-	-	-	-	-	-		
Director	R.O.C.	Tatung Company Representative: Ming-Hui Kao	Female 41-50 years old	2025/10/09	3 years	2025/10/09	-	-	-	-	-	-	-	-	Master of Arts in Journalism, National Chengchi University Bachelor of Arts in Radio, Television and Film, Shih Hsin University President, Sanlih Media Group Senior Vice President of News Division, Sanlih E-Television Senior Vice President of Creative Marketing Division, Sanlih E-Television President, GREENLAND CREATIVE CO., LTD.	Director, Tatung Co., Ltd. Chairman, TATUNG MEDICAL & HEALTHCARE TECHNOLOGIES CO., LTD. President, Sanlih E-Television Co., Ltd. President, Sanlih Culture Co., Ltd. Chairman, Create Intelligence Inc. Director, Hua-Liu Investment Co., Ltd. Director, LEOPARD KING ENTERPRISE CO., LTD. Director, I-GOOD CO., LTD Director, SET STUDIO PARK CO., LTD. Director, HOME CHEN CO., LTD.	None	None	None

Title	Nationality or country of registration	Name	Gender Age	Date elected/ appointed	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in tsti or other companies	Other officers, directors, or supervisors in a spousal relationship or within the second degree of kinship		
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship
															General Project Manager for Ticketing, Entry Verification, Licensed Souvenirs, and Commercial Catering Services of the 2018 Taichung World Flora Exposition Political Reporter and News Anchor, News Division, Sanlih E-Television Beijing and Shanghai Correspondent, ETTV News Political Reporter, News Division, Truth Television (Truth TV)	CEO of Strategic Execution Group, Office of the Chairman, Tatung Co., Ltd. Director, Tatung Development Company Director, Elitegroup Computer Systems Co., Ltd. (ECS) Director, TATUNG FOREVER ENERGY CO., LTD. Director, Chih-Sheng Real Estate Co., Ltd. Director, Taipei Industrial Co., Ltd.			
Director	R.O.C.	Tatung Company Representative: Sung-Pin Chang	Male 61–70 years old	2026/2/24	3 years	2026/2/24	-	-	-	-	-	-	-	-	MBA, Binghamton University-SUNY Special Assistant to the Chairman, Sanlih E-Television Co., Ltd. Vice President of Capital Markets, KGI Securities	Special Assistant to the Chairman, Strategic Execution Group, Office of the Chairman, Tatung Co., Ltd. Special Assistant to the Chairman, Tatung System Technologies Inc. (tsti) Special Assistant to the Chairman, Sanlih E-Television Co., Ltd. Chairman, CHYUN HUEI COMMERCIAL TECHNOLOGIES INC. Director, TISNET TECHNOLOGY INC. Director, tsti Technologies (Shanghai) Co.,Ltd. Director, Forward Electronics Co., Ltd. Special Assistant to the Chairman, TATUNG MEDICAL & HEALTHCARE TECHNOLOGIES CO., LTD.	None	None	None

Title	Nationality or country of registration	Name	Gender Age	Date elected/ appointed	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in tsti or other companies	Other officers, directors, or supervisors in a spousal relationship or within the second degree of kinship		
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship
Director	R.O.C.	Tatung Company Representative: Shih-Hong Kuo	Male 41–50 years old	2025/9/22	3 years	2025/9/22	-	-	-	-	-	-	-	-	MBA, Binghamton University-SUNY Special Assistant to the Chairman, Sanlih E-Television Co., Ltd. Vice President of Capital Markets, KGI Securities	Special Assistant to the Chairman, Strategic Execution Group, Office of the Chairman, Tatung Co., Ltd. Special Assistant to the Chairman, Tatung System Technologies Inc. (tsti) Special Assistant to the Chairman, Sanlih E-Television Co., Ltd. Chairman, CHYUN HUEI COMMERCIAL TECHNOLOGIES INC. Director, TISNET TECHNOLOGY INC. Director, tsti Technologies (Shanghai) Co.,Ltd. Director, Forward Electronics Co., Ltd. Special Assistant to the Chairman, TATUNG MEDICAL & HEALTHCARE TECHNOLOGIES CO., LTD.	None	None	None
Director	R.O.C.	Twinbot Fintech Consultants Limited	-	2024/5/28	3 years	2021/8/19	5,889,000	6.64	6,644,400	6.64	-	-	-	-	-	-	-	-	-
	R.O.C.	Twinbot Fintech Consultants Limited Representative: Pei-Jan Sheng	Male 71–80 years old	2025/6/5	3 years	2025/6/5	-	-	-	-	-	-	-	-	Officer Candidate School, Republic of China Military Academy General Consultant, Mobe Green Power Group Legal Representative, Jia-He Construction Co., Ltd.	General Consultant, Mobe Green Power Group Legal Representative, Jia-He Construction Co., Ltd.	None	None	None
Corporate Director	R.O.C.	Tai Sheng Ocean Development Co., Ltd.	-	2024/5/28	3 years	2024/5/28	15,000	0.01	16,950	0.01	-	-	-	-	-	-	-	-	-
	R.O.C.	Shih-Hung Yang	Male 31–40 years old	2024/6/4	3 years	2024/6/4	-	-	-	-	-	-	-	-	Information Management of National Chung Hsing University	Director, TAI YU NETWORK & COMMUNICATION INC.	None	None	None
Independent Director	R.O.C.	Tai-Feng Huang	Male 61–70 years old	2025/6/16	3 years	2025/6/16	-	-	-	-	-	-	-	-	Bachelor of Laws (LL.B.), Soochow University Attorney-at-Law Director, FEDERAL CORPORATION Director, TRIOCEAN INDUSTRIAL CORPORATION CO., LTD. Member of the Board, Chinese Arbitration Association, Taipei (CAA)	Independent Director, Toung Loong Textile Mfg. Co., Ltd. Director, HONYI PRECISION INDUSTRY CO., LTD. Director, FORWARD MEDIA LTD. Attorney-at-Law, TaiLi Law Office	None	None	None

Title	Nationality or country of registration	Name	Gender Age	Date elected/ appointed	Term of office	Date first elected	Shares held when elected		Current shares held		Current shares held by spouse or minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in tsti or other companies	Other officers, directors, or supervisors in a spousal relationship or within the second degree of kinship		
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship
Independent Director	R.O.C.	Jung-Ying Tai	Female 31–40 years old	2024/5/28	3 years	2024/5/28	-	-	-	-	-	-	-	-	Department of Accounting and Information Systems, Asia University Bookkeeper, Hsiang Yang CPAs Firm Finance Section Manager, SHIN TAI INDUSTRY CO., LTD.	-	None	None	None

Note 1: Director Kuan-Chih Tseng resigned on June 5, 2025 (change of legal entity representative), and was succeeded by Director Pei-Jan Sheng.
Note 2: TSTI held a by-election for two Independent Director seats on June 16, 2025; Tai-Feng Huang and Chun-Ju Chen were elected as Independent Directors.
Note 3: Director Yuan-Chung Hsin resigned on September 22, 2025 (change of legal entity representative), and was succeeded by Director Shih-Hong Kuo.
Note 4: Directors Chen-Lung Wu and Kuan-Ling Lai resigned on October 9, 2025 (change of legal entity representative), and were succeeded by Jung-Hua Chang and Ming-Hui Kao. Additionally, Jung-Hua Chang was appointed as Chairman by resolution of the Board of Directors on October 9, 2025.
Note 5: Independent Director Chun-Ju Chen resigned on October 13, 2025.
Note 6: Director Pei-Chun Lu resigned on February 24, 2026 (change of legal entity representative), and was succeeded by Director Sung-Pin Chang.
Note 7: Independent Director Tai-Feng Huang resigned on April 14, 2026.
Note 8: Director Shih-Hong Yang resigned on May 7, 2026 (change of corporate director representative), and was succeeded by Director Shu-Hua Yang.

2. Major shareholders of the corporate shareholder

March 29, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder	
	Names of major shareholders	Shareholding ratio (%)
Tatung Company	Sanlih E-Television Co., Ltd.	7.30%
	Elitegroup Computer Systems Co., Ltd.	3.88%
	Tatung University	3.31%
	Wen-Yi Zheng	3.03%
	Xin-Tatung Investment Consulting Ltd.	2.31%
	Jia-Jia Zheng	1.73%
	Tatung United Employees' Welfare Committee Foundation	1.41%
	Xin Tong Investment Consultancy Co.	1.35%
	Tatung High School	1.31%
	Bei-chi Investment Co., Ltd.	1.15%
Twinbot Fintech Consultants Limited	Jet Heritage Capital Limited (BVI)	100%
Tai Sheng Ocean Development Co., Ltd.	Shin Tai Industry Co., Ltd.	100%

3. Major Shareholders of the major shareholders in the table above that are corporate shareholders

March 29, 2025

Name of corporate entity	Major shareholders of the corporate entity
Sanlih E-Television Co., Ltd.	Yongxing Capital Co., Ltd. (32.95%)、 SET International Creative Co., Ltd. (23.08%)、 Puli Investment Co., Ltd. (20.22%)、 Trust Property Custody Account Entrusted by Su Li-Ping and Lin Yi-Nan (19.23%)
Elitegroup Computer Systems Co., Ltd.	Tatung Company (48.66%)、 Polunin Emerging Markets Small Cap Fund LLC (1.40%)、 Acadian Emerging Markets Small Cap Equity Fund LLC (0.71%)、 Goldman Sachs International (0.49%)、 Vanguard Total International Stock Index Fund A Series Of Vanguard Star Funds (0.36%)、 Vanguard Emerging Markets Stock Index Fund A Series Of Vanguard International Equity Index Funds (0.36%)、 Taishin Tip Customized Taiwan Esg High Dividend Small/Mid-Cap ETF(0.35%)、 Dun-Guo Lin (0.33%)、

Name of corporate entity	Major shareholders of the corporate entity
	BUMA-Universal-Fonds I (0.28%)、Arrowstreet Emerging Market Trust Fund (0.24%)
Tatung Company	Not Applicable.
Xin-Tatung Investment Consulting Ltd.	Ching-Yi Kao (99%)、Jia-Jia Zheng (1%)
Tatung United Employees' Welfare Committee Foundation	Not Applicable.
Xin Tong Investment Consultancy Co.	Ching-Yi Kao (99%)、Hung-Hsin Lin (1%)
Tatung High School	Not Applicable.
Bei-chi Investment Co., Ltd.	Xiao-Zhen Yeh (98.62%)
Jet Heritage Capital Limited (BVI)	I-Yin Hsu (100%)
Shin Tai Industry Co., Ltd.	Anding Investment Co., Ltd. (44.43%)、TONG ANN CHEMICALS CO., LTD. (18.02%)、MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD. (10.17%)、NONG ANN BIOTECHNOLOGY CO., LTD. (8.35%)

4. Disclosure of Directors’ Professional Qualifications and Independence of Independent Directors

<table>
<tr><th>Name</th><th>Professional Qualifications and Experience</th><th>Status of Independence</th><th>Number of Independent Directorships Held in Other Public Companies</th></tr>
<tr><td>Chairman
Jung-Hua Chang</td><td rowspan="8">Refer to Chapter 1, Section 1 of this document.</td><td rowspan="6">There are no spousal or second-degree kinship relationships among the board members</td><td>0</td></tr>
<tr><td>Director
Ming-Hui Kao</td><td>0</td></tr>
<tr><td>Director
Sung-Pin Chang</td><td>0</td></tr>
<tr><td>Director
Shih-Hong Kuo</td><td>0</td></tr>
<tr><td>Director
Pei-Jan Sheng</td><td>0</td></tr>
<tr><td>Director
Shih-Hung Yang</td><td>0</td></tr>
<tr><td>Independent Director
Tai-Feng Huang</td><td rowspan="2">The independent directors have met the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act during the two years prior to their appointment and throughout their term of office. Furthermore, all independent directors have been granted sufficient authority, in accordance with Article 14-3 of the Securities and Exchange Act, to participate in decision-making and express their opinions independently, thereby performing their duties accordingly.

Neither I, my spouse, nor any persons under my name hold any shares in TSTI.</td><td>1</td></tr>
<tr><td>Independent Director
Jung-Ying Tai</td><td>0</td></tr>
</table>

Note 1: Neither the directors nor the independent directors of TSTI are subject to any circumstances listed under Article 30 of TSTI Act.

Note 2: The independent directors did not receive any compensation for providing business, legal, financial, or accounting services to TSTI or its affiliated entities in the past two years.

5. Diversity and independence of the Board of Directors

(1) Our company's specific management goals for board diversity policy are outlined as follows

In accordance with Article 20 of the Corporate Governance Best Practice Guidelines, the composition of our board should consider diversity. Apart from executives, who should not exceed one-third of the board, the composition should reflect appropriate diversity based on operational needs, business type, and development requirements. This diversity should include, but not be limited to, the following criteria:

1. Basic characteristics and values: Gender, age, nationality, and cultural background.
2. Professional knowledge and skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the necessary knowledge, skills, and qualities to fulfill their duties. To achieve ideal corporate governance goals, the board as a whole should have the following capabilities:

1. Operational judgment.
2. Accounting and financial analysis.
3. Business management.
4. Crisis management.
5. Industry knowledge.
6. International market perspectives.
7. Leadership.
8. Decision-making abilities.

(2) Actual Implementation

TSTI's Board of Directors currently consists of 8 members, including 2 Independent Directors, representing 25% of the total board seats. Among them, directors who also serve as company executives account for 12.5%. Furthermore, TSTI emphasizes gender equality within the board's composition; female directors currently make up 25% of the board, and we aim to increase this ratio to one-third in the future.

The diverse professional backgrounds required for each board member are evaluated as shown in the table below. Due to their extensive academic and professional experience, all members possess the relevant knowledge and skills required for decision-making. As such, TSTI's directors not only have deep expertise in their respective professional fields, but also bring a broad range of knowledge and skills in other areas.

Name/Title	Basic Composition					Professional Knowledge and Skills									
	Nationality	Gender	Age	Holding an Employee status	Independent director with consecutive tenure of three terms or more	Professional background	Operational judgment ability	Accounting and financial analysis ability	Management and leadership ability	Crisis management ability	Industry knowledge	International market insight	Leadership skills	ESG Knowledge and Competence	Decision-making ability
Chairman Jung-Hua Chang	R.O.C	Male	61 - 70	-	Not Applicable	Operations Management	V	V	V	V	V	V	V	V	V
Director Ming-Hui Kao		Female	41 - 50	-		Operations Management	V	V	V	V	V	V	V	V	V
Director Sung-Pin Chang		Male	61 - 70	-		Operations Management	V	V	V	V	V	V	V	V	V

Name/Title	Basic Composition					Professional Knowledge and Skills									
	Nationality	Gender	Age	Holding an Employee status	Independent director with consecutive tenure of three terms or more	Professional background	Operational judgment ability	Accounting and financial analysis ability	Management and leadership ability	Crisis management ability	Industry knowledge	International market insight	Leadership skills	ESG Knowledge and Competence	Decision-making ability
Director Shih-Hong Kuo		Male	41 - 50	V		Operations Management / Financial Accounting	V	V	V	V	V	V	V	V	V
Director Pei-Jan Sheng		Male	71 - 80	-		Operations Management	V	V	V	V	V	V	V	V	V
Director Shih-Hung Yang		Male	31 - 40	-		Information Services	V		V	V	V		V	V	V
Independent Director Tai-Feng Huang		Male	61 - 70	-	None	Operations Management / Law	V		V	V	V	V	V		V
Independent Director Jung-Ying Tai		Female	31 - 40	-	None	Financial Accounting		V	V	V	V		V		V

(3) Board Independence

TSTI emphasizes strengthening the independence and oversight of the Board of Directors. None of the board members have spousal or second-degree kinship relationships, in accordance with the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Furthermore, the independent directors comply with the regulations outlined in the "Regulations Governing the Appointment and Compliance Matters of Independent Directors for Public Companies.

(4) Specific Management Goals

The board of directors of our company guides TSTI's strategy, supervises the management team, and is responsible to TSTI and shareholders. Directors listen to reports from the management team during board meetings and provide guidance and advice. They maintain good communication with the management team. TSTI's governance system and all operations and arrangements are exercised in accordance with laws, TSTI's articles of incorporation, or shareholder resolutions. Together, they work to maximize shareholder value.

(II) Information on Chief Executive Officers, Vice Presidents, Assistant VPs, and officers of departments and branches

March 31, 2025

Title	Nationality	Name	Gender	Date of assumption of office	Number of shares held		Current shares held by spouse and minor children		Shares held in the names of others		Educational background and experience	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship		
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relationship
Special Assistant to the Chairman	R.O.C.	Shih-Hong Kuo	Male	2025/10/21	-	-	-	-	-	-	Refer to Chapter 1, Section 1 of this document.				
President & Spokesperson	R.O.C.	Yin-Hsiu Liu	Female	2025/3/21	135,600	0.14	-	-	-	-	Master's Degree, College of Management, National Taiwan University Bachelor's Degree in International Trade, Department of International Business, Fu Jen Catholic University	Chairman, Tisnet Technology Inc. Chairman & President, Tsti Technologies (Shanghai) Co., Ltd. Director, Chyun Huei Commercial Technologies Inc. Director, Ausenior Information Co., Ltd. Director, Cloud Care Technologies Co., Ltd. Board Director, Kuang Yu Educational Foundation	-	-	-
Vice President & Deputy Spokesperson	R.O.C.	Ming-Chang Chiang	Male	2026/1/1	100,812	0.10	-	-	-	-	Master’s Degree, College of Management, National Chengchi University Bachelor’s Degree in Computer Science and Information Engineering, Tamkang University Information and Communication Integration Business Group, Tatung System Technologies Inc.	Director, Tisnet Technology Inc. Director, Tsti Technologies (Shanghai) Co., Ltd.	-	-	-
Assistant VP	R.O.C.	Wen-Hua Tang	Female	2024/2/1	1,249	0.001	-	-	-	-	M.B.A., Tatung University Bachelor., Tatung University Director of Digital Financial Business, System and Software Service Center, Tatung System Technologies Inc.	Director, Chyun Huei Commercial Technologies Inc.	-	-	-
Assistant VP	R.O.C.	Ming-Te Yu	Male	2020/1/1	57,485	0.06	-	-	-	-	Master of Business Administration (MBA), College of Management, National Taiwan University Department of Electronic Engineering, National Taipei Institute of Technology Associate Vice President, Smart Terminal Service Business Group, Tatung System Technologies Inc. Director, Customer Service Division, Tatung System Technologies Inc.	-	-	-	-
Assistant VP	R.O.C.	Zhong-Ting Yu	Female	2024/12/31	-	-	-	-	-	-	Bachelor of Laws, Department of Public Finance and Taxation, Feng Chia University System Integration Business Group, Tatung System Technologies Inc.	-	-	-	-
Assistant VP	R.O.C.	Chun-Ren Duan	Male	2024/12/31	1,917	0.002	-	-	-	-	Bachelor’s Degree in Atmospheric Sciences, National Central University Digital Sustainability Business Group, Tatung System Technologies Inc.	-	-	-	-
Assistant VP	R.O.C.	Chih-Hseng Kao	Male	2024/12/31	7,915	0.01	-	-	-	-	Department of Information Management, Aletheia University Director, OneService Business Group, Tatung System Technologies Inc. Director, System Service Center, Tatung System Technologies Inc. Senior Deputy Director, System Service Center, Tatung System Technologies Inc.	-	-	-	-

Note 1: Mr. Wen-Hung Huang resigned from the position of President on March 20, 2025; Ms. Yin-Hsiu Liu was appointed as the new President.

Note 2: Mr. Ming-Chang Chiang was promoted to Vice President on January 1, 2026.

Note 3: Mr. Chang-Chien Jen Chen, Special Assistant to the President, resigned on October 28, 2025. Senior Vice President Mr. Chih-Hung Chen and Assistant Vice President Ms. Shu-Hui Lai retired on February 25, 2026. Vice President Ms. Chiu-Chuan Hsu retired on March 16, 2026.

(III) Remuneration to directors (including independent directors), Chief Executive Officer and Vice President

1. Remuneration to regular and independent directors

December 31, 2025; Unit: NTD thousands

Title	Name	Remuneration to directors								Sum of A, B, C, and D as a percentage of net income		Remuneration received by part-time employees								Sum of A, B, C, D, E, F and G as a percentage of net income		Remuneration received from investees or parent company other than subsidiaries (Note5)
		Remuneration (A)		Pension (B)		Remuneration to directors (C) (Note 1)		Income from professional practice (D)				Salary, Bonus and special allowance (E)		Pension (F)		Remuneration to employees (G)						
		TSTI	All companies in financial reports	TSTI	All companies in financial reports	TSTI	All companies in financial reports	TSTI	All companies in financial reports	TSTI	All companies in financial reports	TSTI	All companies in financial reports	TSTI	All companies in financial reports	TSTI		All companies in financial reports		TSTI	All companies in financial reports	
																Cash amount	Stock amount	Cash amount	Stock amount			
Director/ Corporate Director (Note 3)	Tatung Company Representative Jung-Hua Chang Ming-Hui Kao Shih-Hong Kuo Chun-Lung Wu Kuan-Ling Lai Yuan-Chung Hsin Pei-Chun Lu Twinbot Fintech Consultants Limited Representative Pei-Jan Sheng Kuan-Chih Tseng Tai Sheng Ocean Development Co., Ltd.- Shih-Hung Yang	3.600	3.600	0	0	1,500	1,500	285	285	5,385 2 %	5,385 2 %	1,348	1,348	7 (Note 2)	7 (Note 2)	0	0	0	0	6,740 3%	6,740 3%	9,826
Independent Director (Note3)	Jung-Ying Tai Tai-Feng Huang Chun-Ju Chen	1,791	1,791	0	0	0	0	100	100	1,891 1%	1,891 1%	0	0	0	0	0	0	0	0	1,891 1%	1,891 1%	None

1. Please describe the payment policy, system, standard and structure of the remuneration to independent directors, and the association of their responsibility, risk, and investment of time with the amount of the remuneration paid: Refer to Chapter 1, Section 4, Points 2 and 3 of this document.
2. Further to the aforementioned disclosure, the remunerations received by the directors of TSTI for rendering service to all companies included in the financial statements (e.g. serving as a consultant but not the employee of TSTI) in the most recent year: None.

Note 1: The Board of Directors resolved on 03.04.2026 and the implementation commended after reporting at the shareholders' meeting on 06.11.2026.

Note 2: The amount of the pension under expenditure in 2025 is subject to the pension system in the "Labor Standards Act"; namely, the allocation of pension according to the new system.

Note 3: Changes in Directors and Independent Directors are as follows:

(1) Director Kuan-Chih Tseng resigned on June 5, 2025 (change of legal entity representative), and was succeeded by Director Pei-Jan Sheng.
(2) TSTI held a by-election for two Independent Director seats on June 16, 2025; Tai-Feng Huang and Chun-Ju Chen were elected as Independent Directors.
(3) Director Yuan-Chung Hsin resigned on September 22, 2025 (change of legal entity representative), and was succeeded by Director Shih-Hong Kuo.
(4) Directors Chen-Lung Wu and Kuan-Ling Lai resigned on October 9, 2025 (change of legal entity representative), and were succeeded by Jung-Hua Chang and Ming-Hui Kao. Additionally, Jung-Hua Chang was appointed as Chairman by resolution of the Board of Directors on October 9, 2025.
(5) Independent Director Chun-Ju Chen resigned on October 13, 2025.
(6) Director Pei-Chun Lu resigned on February 24, 2026 (change of legal entity representative), and was succeeded by Director Sung-Pin Chang.
(7) Independent Director Tai-Feng Huang resigned on April 14, 2026.
(8) Director Shih-Hong Yang resigned on May 7, 2026 (change of corporate director representative), and was succeeded by Director Shu-Hua Yang.

Note 4: The remuneration received from investee companies other than subsidiaries or the parent company is a proposed amount.

2. Breakdown of remuneration to directors (including independent directors)

Breakdown of remuneration to directors	Name of director			
	Total amount of the first four items (A+B+C+D)		Total amount of the first seven items (A+B+C+D+E+F+G)	
	TSTI	All companies in financial reports H	TSTI	Companies included into the financial statement I
Under $1,000,000	Jung-Hua Chang, Ming-Hui Kao, Shih-Hong Kuo, Pei-Jan Sheng, Chun-Lung Wu, Kuan-Ling Lai, Yuan-Chung Hsin, Pei-Chun Lu, Kuan-Chih Tseng, Twinbot Fintech Consultants Limited, Tai Sheng Ocean Development Co., Ltd., Shih-Hung Yang , Tai-Feng Huang, Chun-Ju Chen	Jung-Hua Chang, Ming-Hui Kao, Shih-Hong Kuo, Pei-Jan Sheng, Chun-Lung Wu, Kuan-Ling Lai, Yuan-Chung Hsin, Pei-Chun Lu, Kuan-Chih Tseng, Twinbot Fintech Consultants Limited, Tai Sheng Ocean Development Co., Ltd., Shih-Hung Yang, Tai-Feng Huang, Chun-Ju Chen	Ming-Hui Kao, Pei-Jan Sheng, Kuan-Ling Lai, Yuan-Chung Hsin, Kuan-Chih Tseng, Twinbot Fintech Consultants Limited, Tai Sheng Ocean Development Co., Ltd., Shih-Hung Yang, Tai-Feng Huang, Chun-Ju Chen	Ming-Hui Kao, Pei-Jan Sheng, Kuan-Ling Lai, Yuan-Chung Hsin, Kuan-Chih Tseng, Twinbot Fintech Consultants Limited, Tai Sheng Ocean Development Co., Ltd., Shih-Hung Yang, Tai-Feng Huang, Chun-Ju Chen
$1,000,000 (inclusive) – $2,000,000 (exclusive)	Tatung Company, Jung-Ying Tai	Tatung Company, Jung-Ying Tai	Tatung Company, Shih-Hong Kuo, Jung-Ying Tai	Tatung Company, Shih-Hong Kuo, Jung-Ying Tai
$2,000,000 (inclusive) – $3,500,000 (exclusive)	-	-	Jung-Hua Chang	Jung-Hua Chang
$3,500,000 (inclusive) – $5,000,000 (exclusive)	-	-	Chun-Lung Wu, Pei-Chun Lu	Chun-Lung Wu, Pei-Chun Lu
$5,000,000 (inclusive) – $10,000,000 (exclusive)	-	-		
$10,000,000 (inclusive) – $15,000,000 (exclusive)	-	-	-	
$15,000,000 (inclusive) – $30,000,000 (exclusive)	-	-	-	-
$30,000,000 (inclusive) – $50,000,000 (exclusive)	-	-	-	-
$50,000,000 (inclusive) – $100,000,000 (exclusive)	-	-	-	-
Over $100,000,000	-	-	-	-
Total	16 persons	16 persons	16 persons	16 persons

3. Remuneration to Chief Executive Officer and Vice President

December 31, 2025 Unit: NTD thousands

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Pension
(B)</th><th colspan="2">Bonus,
special allowance,
etc. (C)</th><th colspan="4">Employee Compensation (D) (Note 1)</th><th colspan="2">Sum of A, B, C, and D as a percentage of net income (%)</th><th rowspan="3">Remuneration received from investees other than subsidiaries</th></tr>
<tr><th rowspan="2">TSTI</th><th rowspan="2">All companies in financial reports</th><th rowspan="2">TSTI</th><th rowspan="2">All companies in financial reports</th><th rowspan="2">TSTI</th><th rowspan="2">All companies in financial reports</th><th colspan="2">TSTI</th><th colspan="2">All companies in financial reports</th><th rowspan="2">TSTI</th><th rowspan="2">All companies in financial reports</th></tr>
<tr><th>Cash amount</th><th>Stock amount</th><th>Cash amount</th><th>Stock amount</th></tr>
<tr><td>President</td><td>Yin-Hsiu Liu</td><td rowspan="4">8,150</td><td rowspan="4">8,569</td><td rowspan="4">324
(Note 2)</td><td rowspan="4">324
(Note 2)</td><td rowspan="4">1,883
(Note 3)</td><td rowspan="4">1,883
(Note 3)</td><td rowspan="4">2,560</td><td rowspan="4">-</td><td rowspan="4">2,560</td><td rowspan="4">-</td><td rowspan="4">12,918
5%</td><td rowspan="4">13,337
5%</td><td rowspan="4">-</td></tr>
<tr><td>President</td><td>Wen-Hung Huang(Note 4)</td></tr>
<tr><td>Senior Vice President</td><td>Chih-Hung Chen (Note 5)</td></tr>
<tr><td>Vice President</td><td>Chiu-Chan Hsu (Note 5)</td></tr>
</table>

Note 1: The Board of Directors resolved on 03.04.2026 and the implementation commended after reporting at the shareholders' meeting on 06.11.2026.
Note 2: The amount of the pension under expenditure in 2025 is subject to the pension system in the "Labor Standards Act"; namely, the allocation of pension according to the new system.
Note 3: The special allowance includes the rental of the car for the President to the amount of NT$603 thousand.
Note 4: President Wen-Hung Huang resigned on March 20, 2025, and was succeeded by President Yin-Hsiu Liu on March 21, 2025.
Note 5: Senior Vice President Chih-Hung Chen retired on February 25, 2026; Vice President Chiu-Chuan Hsu retired on March 16, 2026.

4. Breakdown of remuneration to Chief Executive Officer and Vice President

Breakdown of remuneration to President and Vice President	Name of President and Vice President	
	TSTI	All companies in financial reports
Under $1,000,000	Wen-Hung Huang (Note1)	Wen-Hung Huang (Note1)
$1,000,000 (inclusive) – $2,000,000 (exclusive)	-	-
$2,000,000 (inclusive) – $3,500,000 (exclusive)	-	-
$3,500,000 (inclusive) – $5,000,000 (exclusive)	Chih-Hung Chen Chiu-Chan Hsu	Chih-Hung Chen Chiu-Chan Hsu
$5,000,000 (inclusive) – $10,000,000 (exclusive)	Yin-Hsiu Liu	Yin-Hsiu Liu
$10,000,000 (inclusive) – $15,000,000 (exclusive)	-	-
$15,000,000 (inclusive) – $30,000,000 (exclusive)	-	-
$30,000,000 (inclusive) – $50,000,000 (exclusive)	-	-
$50,000,000 (inclusive) – $100,000,000 (exclusive)	-	-
Over $100,000,000	-	-
Total	4 persons	4 persons

Note 1 : President Wen-Hung Huang resigned on March 20, 2025, and was succeeded by President Yin-Hsiu Liu on March 21, 2025.
Note 2: Senior Vice President Chih-Hung Chen retired on February 25, 2026; Vice President Chiu-Chuan Hsu retired on March 16, 2026.
Note 3: The special allowance includes the rental of the car for the President to the amount of NT$603 thousand.

5. Name of the managerial officer to whom employee compensation was distributed and the status of the distribution (Note)

December 31, 2025; Unit: NTD thousands

<table>
<tr><th rowspan="5">Managerial officer</th><th>Title</th><th>Name</th><th>Stock amount</th><th>Cash amount</th><th>Total</th><th>Total amount as a percentage of net income (%)</th></tr>
<tr><td>President</td><td>Yin-Hsiu Liu</td><td rowspan="4">-</td><td rowspan="4">3,060</td><td rowspan="4">3,060</td><td rowspan="4">1%</td></tr>
<tr><td>Senior Vice President</td><td>Chih-Hung Chen</td></tr>
<tr><td>Vice President</td><td>Chiu-Chan Hsu</td></tr>
<tr><td>Vice President</td><td>Ming-Chang Chiang</td></tr>
</table>

Note1 : The Board of Directors resolved on 03.03.2025 and the implementation commended after reporting at the shareholders' meeting on 06.16.2025.
Note2 : Assistant Vice President Ming-Chang Chiang was promoted to Vice President of TSTI, effective January 1, 2026, following the resolution passed by the Board of Directors on December 19, 2025, in alignment with organizational restructuring..

(IV) The payment policy, standard, combination, and decision-making procedure of the remuneration to directors, independent directors, Chief Executive Officer and Vice President, and the association with the business performance

1. The analysis on the total amount of the remuneration to directors, independent directors, President, Vice President and Chief Strategy Officer as a percentage of the net income in the separate or individual financial reports in the most recent two years

Title	Remuneration as a percentage of net income			
	2025		2024	
	TSTI	All companies in financial reports	TSTI	All companies in financial reports
Director and independent director	4%	4%	5%	5%
President and Vice President	5%	5%	7%	7%

2. The payment policy, standard, combination, and decision-making procedure of remuneration

(1). Directors' Remuneration Policy and Standards
Remuneration Structure: According to Article 31 of TSTI's Articles of Incorporation, the remuneration of directors is determined and allocated by the Board of Directors based on each director's level of participation and contribution to TSTI's operations, with reference to industry standards. Directors' remuneration consists of fixed compensation and variable compensation. The variable compensation portion is adjusted based on TSTI's annual operating performance, profitability, and the achievement of sustainable development goals.
Remuneration Ratio: As stipulated in TSTI's Articles of Incorporation, 5% to 15% of the annual profit before tax, after deducting employee compensation and directors' remuneration, shall be appropriated as employee compensation, and directors' remuneration shall not exceed 5%. The variable compensation of directors is positively correlated with TSTI's performance and operating conditions and the profit of the current year.
Independent Directors' Remuneration: Independent directors receive a fixed monthly remuneration and do not have variable compensation. All members of the Board of Directors (including independent directors) receive an attendance fee for each attendance at the Board of Directors meetings, extraordinary Board of Directors meetings, and functional committees.
Revision and Approval Procedures: TSTI convened the Sixth Remuneration Committee meeting for the second time on August 5, 2024, and the "Regulations on the Remuneration of Directors, Independent Directors, and Functional Committee Members" was resolved and approved by the Ninth Board of Directors at its third meeting on August 7, 2024, which regulates the payment and adjustment of directors' remuneration.
(2). Managerial Officers' Remuneration Policy and Standards
Remuneration Structure: The remuneration of TSTI's managerial officers includes fixed salary and variable salary. The fixed salary is determined based on industry standards and the managerial officer's academic background, experience, professional skills, and scope of responsibilities. The variable salary portion includes bonuses, employee compensation, etc., which are distributed based on the overall operating performance and sustainable governance achievements of TSTI or the respective business unit.
Performance Evaluation: TSTI has established clear performance management regulations, which serve as the basis for evaluating the remuneration of managerial officers. The payment of managerial officers' remuneration is closely linked to TSTI's operating performance. The annual performance evaluation results account for 90% financial performance aspects, assessed based on financial indicators such as revenue and profit before tax. In addition, 10% of the performance evaluation focuses on non-financial sustainable governance goals, such as in 2025, the goals included improving the Corporate Governance Evaluation ranking to the 6%–20% range, passing ISO 14064-1 external verification, achieving the target rate for carbon reduction, promoting workplace safety measures, and obtaining at least one sustainability-related award from the government, public associations, or significant clients.
Bonuses and Employee Compensation: The distribution of managerial officers' bonuses will be evaluated based on the overall operating performance of TSTI and the operating performance and non-financial sustainable governance goals of the departments they lead. Their variable compensation will be adjusted

according to their performance to ensure a positive correlation with annual profit and sustainability outcomes.

(3). Procedures for Determining Remuneration

Procedures for Determining Directors' Remuneration: The remuneration of directors is adjusted by the Board of Directors based on the evaluation of each director's contribution to TSTI and is adjusted annually based on operating performance. The calculation of directors' remuneration considers the remuneration levels of peer companies and TSTI's performance in the current year.

Procedures for Determining Managerial Officers' Remuneration: The remuneration of managerial officers is evaluated by the Remuneration committee and adjusted based on company performance, individual performance of the managerial officers, and industry standards. The Remuneration Committee regularly reviews the remuneration of managerial officers to ensure that the remuneration level is competitive in the market.

3. Association with the business performance and future risk

(1). Relevance of Directors' Remuneration to Operating Performance

The change in directors' remuneration is positively correlated with TSTI's operating performance. When TSTI is profitable, the variable compensation of directors will be adjusted based on the operating results. TSTI will decide the amount of variable compensation to be paid based on the profit before tax and sustainable operating conditions of the current year.

(2). Relevance of Managerial Officers' Remuneration to Operating Performance

The remuneration of managerial officers is linked to TSTI's operating performance, sustainability outcomes, and the achievement of departmental goals, and is adjusted based on the overall operating performance of TSTI and the performance of the departments led by the managerial officers.

(3). Risk Management and Directors' and Officers' Liability Insurance

TSTI has purchased Directors' and Officers' Liability Insurance for directors and key officers to protect them from potential legal risks in the course of performing their duties, ensuring that the Board of Directors can focus on long-term operations and strategy implementation.

(V) Disclosures of annual director performance evaluation results

TSTI has established the "Board of Directors Performance Evaluation Regulations." The implementation of the evaluation is described below:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation item
Once a year	2025.01.01 to 2025.12.31	● Performance evaluation of Board of Directors ● Board member self-evaluation ● Performance evaluation of functional committee	● Internal self-evaluation of Board of Directors ● Board member self-evaluation ● Peer evaluation	The Board of Directors was subjected to the following five aspects of performance evaluation measurements: 1. Involvement in TSTI's operation 2. Improvement of the quality of decision-making by the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election and continued education of directors. 5. Internal control. The Board members were subjected to the following six aspects of self-evaluation or peer evaluation measurements: 1. Understanding of the objectives and missions of TSTI. 2. Knowledge of the responsibilities of directors. 3. Involvement in TSTI's operation 4. Internal relationship management and communication. 5. Professional knowledge and continued education of directors. 6. Internal control. The functional committees were subjected to the following five aspects of performance evaluation measurements: 1. Involvement in TSTI's operation 2. Knowledge of the responsibilities of functional committees. 3. Improvement of the quality of decision-making by functional committees. 4. Composition and election of the members of functional committees. 5. Internal control.

The evaluation was conducted using the Likert Scale. 5 points meant being compliant with TSTI's expectations of the functions very much; 4 points meant being compliant with TSTI's expectations of the functions mostly; 3 points meant being compliant with TSTI's expectations of the functions fairly; 2 points meant being incompliant with TSTI's expectations of the functions; 1 point meant being far lower than TSTI's expectations of the functions.

In 2026, TSTI reviewed the performance evaluation results of the 2025 Board of Directors, directors, and functional committees:

1. Board of Directors and functional committees: The overall operating status was improved to meet the requirements of the corporate governance. All the members of the committees fulfilled their duties conscientiously. The functions of the Board of Director and the functional committees were carried out effectively.

	Board of Directors Performance Evaluation Result		The Audit Committee Performance Evaluation Result		Salary and Remuneration Committee Performance Evaluation Result	
Year	2024	2025	2024	2025	2024	2025
Average score	4.93	4.91	4.55	4.90	4.88	4.97

2. Board member: The results of the self-evaluation and overall evaluation were compliant with TSTI's expectations of the functions very much.

	Board Member Self-Evaluation Result	
Year	2024	2025
Average score	4.89	4.93

II. Implementation Status of Corporate Governance

(I) Operation status of the Board of Directors

The Board of Directors held 9 meetings in the most recent year (2025). The presence and attendance of the directors is described below:

Title	Name	Actual number of attendance	Number of attendance by proxy	Number of Meetings Required to Attend	Actual attendance rate (%)	Remarks
Chairman	Tatung Company Representative Jung-Hua Chang	3	0	3	100	Appointed as a new representative of a corporate director on October 9, 2025; elected as Chairman by the Board of Directors on October 9, 2025.
Director	Tatung Company Representative Ming-Hui Kao	2	1	3	67	Appointed as a new representative of a corporate director on October 9, 2025.
Director	Tatung Company Representative Shih-Hong Kuo	3	0	3	100	Appointed as a new representative of a corporate director on September 22, 2025.
Director	Twinbot Fintech Consultants Limited Representative Pei-Jan Sheng	5	0	5	100	Appointed as a new representative of a corporate director on June 5, 2025.
Corporate Director	Tai Sheng Ocean Development Co., Ltd.- Shih-Hung Yang	9	0	9	100	Resigned as corporate director's representative and replaced by a newly appointed representative on May 7, 2026.
Independent Director	Tai-Feng Huang	5	0	5	100	By-election appointment on June 16, 2025; resigned on April 14, 2026.
Independent Director	Jung-Ying Tai	9	0	9	100	
Chairman	Tatung Company Representative Chun-Lung Wu	6	0	6	100	Appointed as a new representative of a corporate director on May 31, 2024; stepped down as the representative on October 9, 2025.
Director	Tatung Company Representative Kuan-Ling Lai	6	0	6	100	Stepped down as the representative of a corporate director on October 9, 2025.
Director	Tatung Company Representative Yuan-Chung Hsin	6	0	6	100	Stepped down as the representative of a corporate director on September 22, 2025.
Director	Tatung Company Representative Pei-Chun Lu	9	0	9	100	Stepped down as the representative of a corporate director on February 24, 2026.
Director	Twinbot Fintech Consultants Limited Representative Kuan-Chih Tseng	3	0	4	75	Stepped down as the representative of a corporate director on June 5, 2025.
Independent Director	Chun-Ju Chen	3	0	3	100	Elected in a by-election on June 16, 2025; resigned on October 13, 2025.

Other items to be stated:

I. Where any of the following circumstances occurs to any meeting of the Board of Directors, the date, term and proposal of the meeting as well as the opinions of all the independent directors and actions taken by TSTI on the opinions shall be specified:
   (1)The matters listed in Article 14-3 of the Securities and Exchange Act: Our company has established an Audit Committee, and therefore does not fall under the provisions of Article 14-3 of the Securities and Exchange Act. For explanations regarding the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to Chapter 2, Section 2 of this document.
   (2) Apart from the aforementioned matters, other decisions made by the board of directors where independent directors dissented or reserved their opinions with recorded or written statements:None.

II. Where the implementation status of recusal bearing on the interest of a director is involved, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described: For details regarding the execution of abstention from voting on agenda items involving conflicts of interest, please refer to Section 9 of Chapter 2 of this document.

III. Please disclose the interval, period, scope, method and item of the self-evaluation (or peer evaluation) of the Board of Directors, and specify the implementation status of this evaluation: Refer to Chapter 1, Section 5 of this document.

IV. Evaluation of the goals and implementation statuses with respect to the enhancement of the functions of the Board of Directors in the current and most recent year:
   (1) TSTI has established the Rules of Procedure for Board of Directors Meetings and the meetings have proceeded accordingly.
   (2) TSTI has appointed independent directors, Audit Committee and Remuneration Committee to implement corporate governance policies in compliance with the requirements of the competent authority.
   (3) The Board members execute performance evaluation mutually every year in order to implement corporate governance properly, improve the function of the Board of Directors, set performance goals, and enhance the operating efficiency of the Board of Directors. Please refer to Chapter 1, Section 5 of this document for the performance evaluation result of Board of Directors in 2025.

(II) Operations of the Audit Committee

The Audit Committee held 4 meetings in the most recent year (2025). The attendance of its members is described below:

Title	Name	Actual number of presence (attendance)	Number of attendance by proxy	Number of Meetings Required to Attend	Actual attendance rate (%)	Remarks
Convener (Chairperson)	Tai-Feng Huang	4	0	4	100	By-election appointment on June 16, 2025; resigned on April 14, 2026.
Member	Jung-Ying Tai	4	0	4	100	
Member	Chun-Ju Chen	2	0	2	100	Elected in a by-election on June 16, 2025; resigned on October 13, 2025.

Other items to be stated:
The Audit Committee assists the Board of Directors in fulfilling its supervision responsibility and executes the tasks imposed by TSTI Act, Securities and Exchange Act, and other relevant laws and regulations. The Audit Committee operates mainly to ensure proper presentation in the financial reports of TSTI; selection (dismissal), independence and performance of CPAs; effective implementation of TSTI's internal control, legal compliance of TSTI, and control of the existing or potential risks of TSTI.

I. The focus of the work in the recent year (Year 2025) is as follows:
- Review the quarterly report, semi-annual report, annual financial report, the proposal for distribution profits and loss make-up proposal;
- Revise the internal control system and related policies and procedures;
- Material asset or derivatives transactions;
- Material lending founds, endorsements or guarantees;
- Hiring or dismissal of an attesting CPA, or the compensation given thereto;
- Significant investment evaluation and management; and
- Corporate risk management, etc.

II. Where any of the following circumstances occur to the operation of the Audit Committee, the date, term and proposal of the Audit Committee meeting as well as the dissent, reservation or major suggestion of any independent director, the Audit Committee resolution, and how TSTI manage the Committee's opinions shall be described.

Audit Committee	Proposal and subsequent action	The matters referred to in Article 14-5 of the Securities and Exchange Act	Any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors
5rd Board 4th meeting 2025/8/7	(1) Approved the 2025 Q2 consolidated financial reports.	V	None
	Dissents, qualified opinions, or major suggestions of independent directors: None Audit Committee resolution: Adopted by all of the Audit Committee members. TSTI's action on Audit Committee's opinions: Adopted by all the directors present at the meeting.		
5rd Board 4th meeting 2025/11/7	(1) Approved the 2025 Q3 consolidated financial reports.	V	None
	Dissents, qualified opinions, or major suggestions of independent directors: None Audit Committee resolution: Adopted by all of the Audit Committee members. TSTI's action on Audit Committee's opinions: Adopted by all the directors present at the meeting.		
5rd Board 4th meeting 2025/12/19	(1) Approved the proposed amendments to certain provisions of TSTI's "Internal Control System," including the "Implementation Rules for Internal Audit."	V	None
	(2) Approved the proposal to lift non-compete restrictions on TSTI's directors.	V	None
	(3) Approved the acquisition of right-of-use assets for real estate from Tatung Asset Development Co., Ltd.	V	None
	(4) Approved TSTI's annual business goals for 2026.	V	None
	(5) Approved TSTI's annual audit plan for 2026.	V	None
	(6) Approved the amendments to the Table of Authority.	V	None
	(7) Approved applications for credit facilities with banks and bills finance companies.	V	None
	(8) Approved the provision of endorsements and guarantees by TSTI for the bank credit facilities of its subsidiary, Chyun Huei Commercial Technologies Inc.	V	None
	(9) Approved the provision of endorsements and guarantees by TSTI for the credit facilities with banks and bills finance companies of its subsidiary, Tisnet Technology Inc.	V	None
	Dissents, qualified opinions, or major suggestions of independent directors: None Audit Committee resolution: Adopted by all of the Audit Committee members. TSTI's action on Audit Committee's opinions: Adopted by all the directors present at the meeting.		

III. Where the implementation status of recusal bearing on the interest of an independent director is involved, the name of the independent director, proposal, reasons for the recusal, and participation in the voting shall be described: None.

IV. Communication of the independent directors with the chief internal auditor and CPA:

(1) The Audit Committee of TSTI is composed of all the independent directors and holds at least one meeting every quarter. Additional meetings may be held whenever necessary.

(2) Communication of the chief internal auditor with the Audit Committee:

1. Regular – The chief internal auditor replied to the questions of the independent directors on the findings in the audit report of the Audit Committee and the progress of the improvement, and enhanced the audit work under the instructions of the Audit Committee to ensure the effectiveness of the internal control system. The matters concerned are described below:

Item	Communication	Result
Self-evaluation of internal control	The self-evaluation matters were reported to the Board of Directors pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies."	The "Declaration of Internal Control System" showing the effective design and implementation of the self-evaluation under the internal control system was presented in accordance with the result of the internal control self-evaluation.

2. Irregular – Communication on the findings of the audit was usually conducted by phone or email or in person. The independent directors would be informed whenever any significant violations were identified.

Date	Matters of Communication
2025/3/3	1. From November 2024 to January 2025, Audit Implementation Report 2. Review of the 2024 Declaration of Internal Control System
2025/5/8	From February 2025 to March 2025, Audit Implementation Report
2025/8/7	From April 2025 to June 2025, Audit Implementation Report
2025/11/7	From July 2025 to September 2025, Audit Implementation Report
2025/12/19	1. October 2025, Audit Implementation Report 2. Review of the 2026 Internal Audit Plan

(3) Communication of the CPA with the Audit Committee

1. Regular – When reviewing quarterly financial reports and auditing annual report, the CPAs communicated with the Audit Committee on the audit plan as well as the implementation status and result.
2. Irregular – Meetings will be arranged, if necessary, if communication is needed on any cases related to business operation or internal control.

Date	Matters of Communication
2025/8/7	1.CPAs were arranged to make a presentation to Audit Committee about the 2025 Q2 consolidated financial reports. 2.CPAs discussed and communicated with the Audit Committee members and the attendees about their questions.
2025/11/7	1.CPAs were arranged to make a presentation to Audit Committee about the 2025 Q3 quarter consolidated financial reports. 2.CPAs discussed and communicated with the Audit Committee members and the attendees about their questions.

(III) Status of corporate governance, deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations

Evaluation item	Status: Yes	Status: No	Status: Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and reasons
I. Has TSTI established and disclosed its corporate governance principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	V		TSTI has established the Corporate Governance Best Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies,” and disclosed them on the MOPS and the website of TSTI.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
II. Shareholding structure and shareholder’s equity (1) Does TSTI have an internal procedure and handle shareholders’ suggestions, doubts, disputes, and litigations accordingly? (2) Does TSTI have the name list of the major shareholders who actually control TSTI and the persons who have the ultimate control of the major shareholders? (3) Does TSTI have risk control and firewall mechanisms in place to between TSTI and its affiliates? (4) Has TSTI established internal regulations to prohibit insiders from using the information not available to the market to trade securities?	 V V V V		(1) In addition to commissioning professional stock service agents to handle shareholder related matters, TSTI has disclosed an investor service section on the official website and provided the contact information of the spokesperson, deputy spokesperson, and designated stock service personnel. They are also responsible for the issues on shareholders’ suggestions or disputes. (2) TSTI refers to the register of shareholders provided by the stock service agent and applicable after the transfer suspension date to acquire the name list of the major shareholders who actually control TSTI and the persons who have the ultimate control of the major shareholders, and report and disclose it pursuant to relevant laws and regulations. (3) TSTI and the subsidiaries have established respective management regulations and delegation of authority table. The management responsibilities are defined explicitly and implemented properly. The internal control and the compliance with these regulations within TSTI and the subsidiaries are reviewed respectively by the Internal Control Committee, internal audit unit, and external independent auditors on a regular basis to ensure the effectiveness of the risk control and firewall mechanisms. (4) TSTI disseminates prevention of insider trading on a regular basis every year, and prohibits insiders from using information not available to the market to trade securities.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
III. Composition and responsibility of Board of Directors (1) Has the Board of Directors established and implemented diversity policies and specific management objectives?	 V		(1) TSTI has established the diversity policies in Chapter 3 “Enhancement of the Board of Directors Function” of the “Corporate Governance Best Principles.” The nomination	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Evaluation item	Status: Yes	Status: No	Status: Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and reasons
			and election of the Board members are conducted according to the Articles of Incorporation under the candidate nomination system. In addition to assessment of the candidates' educational background, experience and qualification, we refer to the opinions of the stakeholders and observe the "Director Election Regulations" and "Corporate Governance Best Principles" to ensure the diversity and independence of the Board members, please refer to Chapter 1, Section 1, Point 5 of this document.	Companies
(2) Apart from the Remuneration Committee and Audit Committee, has TSTI set up other functional committees at its own discretion?	V		(2) In addition to establishing the Remuneration Committee and Audit Committee according to laws. To enhance the robustness of corporate governance operations, the Board of Directors resolved on December 19, 2025 (FY114), to establish the "Sustainability and Risk Management Committee" and concurrently formulated the "Sustainability and Risk Management Committee Charter" to govern its functions and responsibilities.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
(3) Does TSTI have evaluation regulations for the performance of the Board of Directors and conduct regular performance evaluation every year? Does TSTI submit the results of the performance evaluation to the Board of Directors? Are the results used as the basis for the remuneration to and nomination for re-election of individual directors?	V		(3) TSTI has established the Director Performance Evaluation Regulations. The annual performance is evaluated based on the qualitative and quantitative objections every year and the result of the evaluation is disclosed on a regular basis. Please refer to Chapter 1, Section 5 of this document for the performance evaluation result of Board of Directors in 2024.	
(4) Does TSTI review the independence of the CPAs on a regular basis?	V		(4) 1.The CPAs that TSTI designates are not the directors, supervisors, managerial officers, employees, or shareholders of TSTI or any of our affiliated companies, and they are surely not the stakeholders and have the independent judgment as required by the competent authority. 2.TSTI assessed the competence and independence of the CPAs on a regular basis (once a year),require certified accountants to provide "Independent Statement" and "Audit Quality Indicators (AQIs)", including the following indicators: they do not assume any important accounting or financial report supervising positions of TSTI, are not significantly related to the employment or business of TSTI, do not hold any financial benefits related to TSTI, no other financial interest or business relationship with TSTI other than the use of visa and tax documents, or	

Evaluation item	Status			Deviations from Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Summary	
			refer to AQI index information, confirm that accountants and accounting firms have average audit experience and training hours and continue to introduce digital audit tools to improve audit quality. The assessment of the CPA's independence and competence in the most recent year was resolved and approved by the Board of Directors on April 24, 2025.	
IV. Does the TWSE/TPEx Listed company have an adequate number of corporate governance personnel with appropriate qualifications to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders' meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders' meetings?	V		To implement the corporate governance and enhance the function of the Board of Directors on December 16, 2020, it adopted the appointment of the CFO Chiu-Chan Hsu as the Corporate Governance Officer since 2021 of TSTI. She has had the experience in the management of the finance, stock affairs, and meeting agendas of TSTI for more than three years, and completed 12 hours of corporate governance related courses in 2024. Due to the retirement of the previous Corporate Governance Officer, the Board of Directors approved the appointment of Shu-Chuan Hung to concurrently serve as the Corporate Governance Officer on March 4, 2026. She takes the responsibility mainly for the supervision and implementation of the corporate governance, including: 1. Planning and handling of matters related affairs, such as the schedule of the board meetings and the date of shareholders' meetings. 2. Provision of required materials for the directors to perform their duties, and provision of meeting materials seven day prior to the board meeting. 3. Preparation of meeting minutes for the Board of Directors, functional committees, and shareholders' meetings, and provision of these minutes within 20 days after the meeting. 4. Assistance in assumption of office and continuing education of directors. 5. Assistance to Board of Directors and functional committees in self-evaluation of performance. 6. Supervision and improvement in the implementation of TSTI's corporate governance. 7. Assistance to directors in their legal compliance. The focus of implementation in 2024: 1. Assistance to independent and regular directors in fulfillment of their duties, provision of required materials, and arrangement of their continuing education. 2. Assistance to the Board of Directors and shareholders' meeting in meeting procedures and legal compliance of resolutions. 3. Development of the agenda for the Board of Directors and notification to directors seven days prior to the meeting; convention of the meeting and provision of meeting materials, provided that a board meeting may be convened at any time in case of emergency; provision of a warning in advance if recusal is involved in the agenda;	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Status: Yes	Status: No	Status: Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and reasons
			preparation of the minutes for the Board of Directors within 20 days after the meeting. 4. Arrangement of registration prior to the shareholders' meeting; preparation of the meeting notice, meeting manual, and meeting minutes within the statutory time frame; handling of the matters related to alternation registration after amendment of the Article of Incorporation or re-election of directors. 5. Implementation of the education and training for officers and employees to enhance the knowledge of corporate governance and legal compliance. 6. Play of a leading role in the planning and compilation of TSTI's sustainability report to manifest the investment of TSTI in ESG and enhance the visibility of TSTI.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
V. Has TSTI established a communication channel for the stakeholders (including but not limited to stockholders, employees, customers and suppliers), set a stakeholder section on TSTI's website, and responded to the stakeholders regarding their concerns over the material issues on corporate social responsibilities?	V		TSTI discloses finance and business information in accordance with laws. The shareholders, banks, creditors and debtors, employees, and other stakeholders can understand the operation status of TSTI through our spokesperson and deputy spokesperson. There is a stakeholders' section on the official website of TSTI. It provides a channel for them to raise their suggestions and complaints to TSTI's management, Audit Committee, any director, and the Board of Directors.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
VI. Does TSTI commission a professional stock service agent to deal with the matters of shareholders' meetings?	V		We commission Grand Fortune Securities Co., Ltd. as an agent for the matters of shareholders' meetings.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
VII. Disclosure of information (1) Has TSTI established a website for disclosure of finance, business, and corporate governance information?	V		(1) TSTI has a corporate website that can be linked to the MOPS. A designated unit is responsible for the maintenance of the website, and we disclose the latest finance, business, and corporate governance information regularly and in a real-time manner.	
(2) Has TSTI adopted other means to disclose information (e.g. English website, designation of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, disclosure of investor conferences on TSTI's website)?	V		(2) TSTI's website is presented in Traditional Chinese and English, and can be linked to the websites of our subsidiaries. As for the maintenance of the website, a responsible unit is designated for collection and disclosure of TSTI's information. We have established a spokesperson system according to the regulations and set up an investor conferences section on the website.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Status			Deviations from Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Summary	
(3) Has TSTI announced and reported annual financial reports within two months after the end of a fiscal year, and announced and reported Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline?	V		(3) TSTI announced and filed its annual financial report within the statutory deadline, and announced and filed its financial reports for the first, second, and third quarters, as well as its monthly operating results, within the prescribed deadlines, without any early filings.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
VIII. Does TSTI have other information that enables a better understanding of TSTI's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors/supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and insuring against liabilities of Company's directors and supervisors)?	V		(1) Employee rights and care: In addition to acting in accordance with the Labor Standards Act and relevant laws and regulations, setting up the Employee Welfare Committee and the Employee Shareholding Committee, and implementing the pension system, TSTI arranges and encourages employees to participate in domestic and overseas training and technology workshops, takes out group insurance for the employees, values the employee rights, provides equal employment opportunities, and encourages employees to participate in electronic voting. (2) Investor relations: TSTI discloses relevant information pursuant to laws and regulations. We have a spokesperson and a deputy spokesperson to announce messages and answer questions on behalf of TSTI. There is an investor information section on our official website. This enables the shareholders to understand the operation status of TSTI at any time and can protect the rights of the investors. (3) Supplier relations and stakeholders' rights: We maintain a good communication channels for suppliers, customers, banks and other creditors and debtors, and have a good collaboration relationship with them. There is an Audit Committee mailbox on our official website. It provides a channel for them to raise their suggestions and complaints to TSTI's management, Audit Committee, any director, and the Board of Directors. (4) Regarding directors' continuing education: In 2025, all 8 directors (including independent directors) of TSTI completed the required continuing education hours in accordance with the "Key Points for Directors and Supervisors of Listed and OTC Companies to Receive Continuing Education." (5) Implementation of risk management policies and risk assessment standards，refer to Chapter 7 of 5 document.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><td rowspan="2">Evaluation item</td><td colspan="3">Status</td><td rowspan="2">Deviations from Corporate Governance Best-Practice Principles for TWSE/ TPEx Listed Companies and reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary</td></tr>
<tr><td></td><td></td><td></td><td>(6) Implementation of customer policies: TSTI is a member of the information service industry. We provide attentive aftersales services by setting up a 0800 customer service hotline and an online repair reporting and query website to provide consumers and customer with consultations and services.
(7) Insuring against liabilities of Company’s directors and supervisors: We have taken out 2025 liability insurance for the directors and important employees, and reported it at the Board of Directors meeting on March 3, 2025.
(8) TSTI has established comprehensive Rules of Procedure for Shareholders' Meetings and Board of Directors Meetings, as well as Organizational Charters for the Audit Committee, the Remuneration Committee, and the Sustainability and Risk Management Committee. The meetings are held in accordance with these procedures and charters properly and the contents of the meetings are disclosed after they are held.</td><td>Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td colspan="5">IX. Improvements made based on the corporate governance evaluation result announced by TSTI in the most recent year and the prioritized improvements and measures for areas to be improved.
(1) Matters improved
1. Does TSTI disclose a policy linking the compensation of senior management to ESG-related performance evaluations?
2. Does TSTI regularly conduct employee satisfaction surveys and disclose the implementation status and improvement plans?
3. Has TSTI established a personal data protection policy and disclosed its content and implementation status?
(2) Matters to be improved
1. Does TSTI disclose its investor engagement activities (such as earnings calls/investor conferences, in-person visits, video conferences, telephone calls, or emails), as well as the key questions raised by investors and TSTI’s corresponding responses?
2. Does TSTI provide a family-friendly workplace or support measures for marriage, childbirth, and family care, and describe the implementation status and effectiveness of these measures?
3. Does TSTI disclose its supplier management policy, which requires suppliers to follow relevant regulations on environmental protection and other issues, and describe the implementation status thereof?</td></tr>
</table>

(IV) Information about the members of the Remuneration Committee and its operation

1. Information about Remuneration Committee members: March 31, 2025

Member type	Name (Criteria)	Professional qualifications and experiences	Independence	Number of other public companies where the member also serves in a Remuneration Committee
Independent Director (Convener)	Jung-Ying Tai	Refer to Chapter 1, Section 1 of this document.	Meets the independence qualifications stipulated in Article 6 of the "Regulations Governing the Establishment and Exercise of Powers of the Remuneration Committee of Companies Whose Stock is Listed on the Stock Exchange or Traded Over-the-Counter."	0
Independent Director	Tai-Feng Huang			1
Member	Ching-Lung Lee	Doctor of Horticulture, Leibniz University Hannover, Germany Minister, Council of Agriculture, Executive Yuan Chairman, Taiwan Fertilizer Co., Ltd. National Policy Advisor to the President Chairman, Cheer Foods Enterprises Co., Ltd. Chairman, Belx Bio-Pharmaceutical (Taiwan) Corporation Independent Director, Visgeneer, Inc. Independent Director, Welgene Biotech Co., Ltd. Adjunct Professor, National Taiwan University Chair Professor, National Chung Hsing University		1
Member	Chi-Sheng Chiu	Master of Professional Accountancy (MPAcc), Soochow University Bachelor of Statistics, National Cheng Kung University Partner and Director, Crowe (Taiwan) CPAs Independent Director, Convener of the Audit Committee, and Member of the Remuneration Committee, Wei Chuen Enterprise Co., Ltd. Member of the Remuneration Committee, Daily Polymer Corp. Partner, First United CPAs		2

Note 1: Changes in Members of the Remuneration Committee: The Board of Directors resolved on July 2, 2025, to appoint Independent Director Chun-Ju Chen as a member of the Remuneration Committee; however, the member resigned on October 13, 2025. Additionally, Independent Director Tai-Feng Huang also resigned on April 14, 2026.

2. Duties of the Remuneration Committee:
   (1) Stipulate and regularly review the compensation policies, systems, standards and structures, and performance of directors and managers.
   (2) Regularly review and adjust directors' and managers' remuneration.

3. The Operation of the Remuneration Committee:
   (1) The Remuneration Committee of TSTI is comprised of 4 members.
   (2) Duration of service for the current term: From June 20, 2024 to May 27, 2027. The Committee held 4 meetings in the most recent year (2025). The qualifications and attendance of the Committee:

Title	Name	Actual number of presence (attendance)	Number of attendance by proxy	Number of Meetings Required to Attend	Actual attendance rate (%)	Remarks
Convener (Chairperson)	Jung-Ying Tai	4	0	4	100	
Independent Director	Tai-Feng Huang	4	0	4	100	Resigned on April 14, 2026.
Member	Ching-Lung Lee	4	0	4	100	
Member	Chiu chi-sheng	0	0	0	0	Appointed on December 19, 2025.

Other items to be stated:

I. If the Board of Directors does not adopt or revise the suggestions of the Remuneration Committee, the decision must indicate the date of Board of Directors meeting, term, contents of the proposal, Board of Directors resolution and how we handle the Committee's opinions (if the amount of remuneration adopted by the Board of Directors is higher than that suggested by the Committee, the differences and reasons must be indicated): None

II. In the event that any member of the Remuneration Committee has expressed dissent or reservation over the Committee's decisions, and that the dissent or reservation has been recorded or delivered in writing, the decision shall indicate the date of the Committee's meeting, term, contents of the proposal, opinions of all the members, and how the opinions of a member is handled: None

(3)The Remuneration Committee's discussions and resolutions in 2025 members are described below:

Date	Proposal	Resolution result
2025/2/26	1. Distribution of 2024 remuneration for employees and directors. 2. Proposal for the amendment to TSTI's "Articles of Incorporation."	This proposal has been reviewed and approved by all members of the Remuneration Committee and is hereby submitted to the Board of Directors for resolution.
2025/3/18	1. Salary and remuneration proposal for the General Manager.	This proposal has been reviewed and approved by all members of the Remuneration Committee and is hereby submitted to the Board of Directors for resolution.
2025/5/7	1. Proposal for the definition and scope of "Non-Managerial Employees" (Entry-level staff).	This proposal has been reviewed and approved by all members of the Remuneration Committee and is hereby submitted to the Board of Directors for resolution.
2025/12/19	1. Review of the "Regulations Governing the Performance Evaluation of the Board of Directors" and the "Remuneration System for Directors, Independent Directors, and Functional Committee Members." 2. Amendment to the "Remuneration System for Managerial Officers." 3. Proposal for the 2025 performance bonus distribution for managerial officers. 4. Salary adjustment proposal for managerial officers.	This proposal has been reviewed and approved by all members of the Remuneration Committee and is hereby submitted to the Board of Directors for resolution.

(V) Implementation status of sustainable development, deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Does TSTI have a governance structure that promotes sustainable development, and have a special unit or designate an existing unit for the task of sustainable development promotion? Does the Board of Directors of TSTI authorize the management to handle relevant matters? How does the Board of Directors conduct supervision?	V		1. In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and relevant laws and regulations, TSTI formulated the "Corporate Social Responsibility Code" in 2014 (FY103), which was amended to the "Corporate Sustainable Development Best Practice Principles" in 2022 (FY111) to promote the vision and mission of ESG policies. These principles are reviewed by the Audit Committee, submitted to the Board of Directors for approval and implementation, and reported to the Shareholders' Meeting; the same applies to any future amendments. They are also publicly disclosed on the dedicated section of TSTI's official website. 2. To promote corporate sustainable development, TSTI established the "Sustainable Development Promotion Task Force" in 2022 (FY111), with the General Manager serving as the Convener and the CFO (also the Corporate Governance Officer) serving as the Chairperson. In the fourth quarter of 2024 (FY113), TSTI established a cross-departmental IFRS project team, with Director Lu Pei-jun serving as the Supervising Director to participate in and supervise the operations of the dedicated unit. Promotion is driven through quarterly meetings and task-based subgroups organized by specific issues. 3. To strengthen the operation of corporate governance, the Board of Directors resolved on December 19, 2025 (FY114), to establish the "Sustainability and Risk Management Committee" and formulated the "Charter of the Sustainability and Risk Management Committee." The committee shall consist of no fewer than three members appointed by resolution of the Board (current members are Director Guo Si-hong, Director Lu Pei-jun, and General Manager Liu Ying-xiu). Committee members shall possess professional knowledge and capabilities in corporate sustainability, and at least one director shall participate in oversight. The "Sustainability and Risk Management Promotion Task Force" (formerly the Sustainable Development Promotion Task Force) is established under the committee to ensure the promotion and implementation of work related to sustainable development and risk management. 3.1 Sustainable Environment and Risk Management Group: Responsible for implementing and promoting sustainable environment and sustainable supply chain affairs; promoting environmental sustainability through green procurement and reducing the environmental impact of transportation. 3.2 Corporate Governance and Risk Management Group: Responsible for implementing and promoting integrity management and Board of Directors' functional affairs; performing regular publicity and formulating regulations to urge colleagues to follow institutional systems. 3.3 Social Responsibility and Risk Management Group: Responsible for implementing and promoting employee care and social care affairs; promoting a happy workplace, employee participation in sustainable development, and social welfare activities.	Report based on the implementation status of TSTI's Sustainable Development Best Practice Principles.

<table>
<tr><th rowspan="2">Implementation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>3.4 Business Continuity and Risk Management Group: Responsible for implementing and promoting business continuity affairs such as risk management and information security.The annual implementation status of these initiatives is disclosed in detail on TSTI’s official website under the Sustainability section, offering stakeholders transparent insight into our progress on sustainability initiatives.
4. TSTI's Board of Directors regularly listens to reports from the management team. The management level must propose corporate strategies to the Board, and the Board must evaluate the likelihood of success of these strategies, frequently review their progress, and urge the management team to make adjustments when necessary. After approval by the Board, reports are submitted to the Shareholders' Meeting as needed. When shareholders propose motions involving corporate sustainability, the Board of Directors should consider including them in the Shareholders' Meeting.
Annual implementation status is detailed in the Sustainability Section of TSTI's official website, providing important information to understand the implementation of sustainable development.</td><td></td></tr>
<tr><td>II. Does TSTI conduct risk assessment for environmental, social and corporate governance issues related to TSTI’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?</td><td>V</td><td></td><td>1. The disclosure data covers TSTI's performance at its main locations from January to December 2025 (FY114). The boundary for risk assessment is centered on TSTI. Based on operational relevance and the degree of impact on material topics, 100% owned domestic subsidiaries are included in the scope.
2. TSTI provides internal and external communication channels for stakeholders (shareholders, employees, suppliers, and customers) to inquire and express opinions. Questionnaires on topics of concern are used to identify issues based on materiality principles across environmental, social, and corporate governance (ESG) sustainable development. The materiality assessment analysis refers to the GRI Standards of the Global Reporting Initiative and considers the industry standards (Software & IT Services) of the Sustainability Accounting Standards Board (SASB). Simultaneously, taking the United Nations Sustainable Development Goals (SDGs) into account, relevant risk management policies and strategies are established to effectively identify, measure, assess, and control risks, along with specific action plans to mitigate the impact of related risks.
3. Based on the assessed risks, relevant risk management policies or strategies have been formulated. TSTI’s "Risk Management Policies and Procedures" have been approved by the Board of Directors; please refer to the "Risk Management Framework and Operations" section of this report. Relevant implementation status is publicly disclosed and updated regularly in TSTI’s annual report, official website, or corporate sustainability report. A summary for FY2025 (114) is as follows:
<table>
<tr><th>Material topic:</th><th>Risk assessment item</th><th>Description</th></tr>
<tr><td>Environment</td><td>Nature and Climate Change</td><td>1. As an IT service provider without factories or manufacturing machinery, our carbon and water footprints and waste are</td></tr>
</table></td><td>Report based on the implementation status of TSTI's Sustainable Development Best Practice Principles.</td></tr>
</table>

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	

		primarily generated from general office operations. In response to environmental impacts, TSTI promulgated the Environmental Policy in 2022 and approved the "Energy Management Measures" and "Waste Management Measures" in 2024 to promote sustainability to employees and suppliers. 2. We conduct regular Greenhouse Gas (GHG) inventory plans to assess operational impacts. Based on results, we implement carbon reduction measures to mitigate Scope 1 emissions from corporate vehicles and Scope 2 indirect emissions from electricity usage. 3. Based on asset scale and replacement costs, we use insurance and other tools to hedge against asset loss risks from natural or non-natural disasters. We perform disaster prevention monitoring and conduct emergency response and recovery drills.
Society	Occupational Health and Safety (OHS) Operations	1. Through the effective operation of the OHS management system, we continuously enhance evaluations and audits to ensure regulatory compliance and safeguard employee health. In 2025, we completed the ISO 45001:2018 surveillance audit. 2. We provide group insurance for all employees and arrange regular free health check-ups. 3. Occupational physicians, nurses, and OHS personnel organize health management activities, safety training, regulatory publicity, workplace mental health management, and fire safety inspections to strengthen safety awareness and reduce hazards. 4. Annual fire drills and safety training are conducted to cultivate emergency response and self-safety management capabilities, aiming for a "Zero Accident" goal.
	Industry & Technology Risk	1. TSTI has verified ISO 20000 and ISO 27001. In the second half of 2024, ISO 27701 was introduced, followed by training. In June 2025, we obtained third-party international

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	

		certification for ISO/IEC 27701:2019 (Privacy Information Management). 2. We hold energy registrations from the Administration for Digital Industries (ADI) of the Ministry of Digital Affairs (MODA) as an IT service, Information Security (SI) service, and AI technical service institution. We continuously improve management and service systems to build a highly competitive IT environment with clients. 3. We provide dedicated hotlines and consultation emails for product inquiries, along with an 0800 customer service line and online repair tracking for comprehensive after-sales support. 4. We invest in cybersecurity hardware/software and optimize mechanisms such as performance management, early warning notifications, and public disclosure.
Corporate governance	Legal Compliance Risk	By establishing governance organizations and implementing internal control mechanisms, we ensure that all personnel and operations strictly comply with relevant laws and regulations.
	Enhancing Board Functions	1. Planning relevant continuing education topics for directors, and providing the latest regulations, institutional developments, and policies every year. 2. We maintain Director and Officer (D&O) Liability Insurance to protect against potential litigation and claims risks, which helps strengthen corporate governance.
	Stakeholder Communication	1. Analyzing key stakeholders and understanding their material issues to avoid potential conflicts or misunderstandings that could lead to operational or litigation risks. 2. We have established various communication channels, including an investor mailbox managed by the spokesperson, to actively reduce opposition and misunderstandings.

Implementation Item	Implementation status: Yes	No	Summary	Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
			For further information regarding the assessment, analysis, and risk management of TSTI's material issues, please refer to the relevant sections on our official website and in the annual Corporate Sustainability Report (ESG Report).	
III. Environmental issues (1) Does TSTI have an appropriate environmental management system established in accordance with its industrial characteristics?	V		(1) TSTI is located within the group's industrial premises. Since 1996 (FY85), the group has implemented a group-wide ISO 14001 Environmental Management System to continuously enhance environmental performance. As a member of the information technology (IT) services industry, TSTI does not generate environmental pollution typical of the manufacturing sector. Internally, we promote various energy-saving and carbon-reduction policies, including the implementation of electronic document management and e-signing systems. In response to environmental impacts, TSTI promulgated the "TSTI Environmental Policy" in 2022 (FY111) and approved the "Energy Management Measures" and "Waste Management Measures" in 2024 (FY113). We continue to promote sustainable environmental awareness among employees and suppliers, contributing to energy conservation and waste reduction through our professional information service expertise. Since 2023 (FY112), TSTI has reported the schedule, planning, and progress of GHG inventories and verifications to the Board of Directors on a quarterly basis. In the first quarter of 2023, we initiated internal GHG inventory operations following ISO 14064-1 verification standards. To thoroughly grasp TSTI's GHG emission status, personnel were dispatched to participate in ISO 14064-1 GHG internal verification training courses. This initiative aims to cultivate "seed personnel" for GHG inventory across all units, comprehensively driving the implementation of GHG information management systems that meet ISO 14064-1 requirements within all offices and subsidiaries. Following the introduction of consultant guidance in 2024 (FY113), TSTI successfully passed ISO 14064-1 verification for both FY2024 and FY2025, robustly strengthening our GHG inventory capabilities. TSTI conducts annual GHG inventories to track emission reduction effectiveness, ensures public disclosure, and provides regular progress reports on GHG projects to the Board of Directors.	Report based on the implementation status of TSTI's Sustainable Development Best Practice Principles.
(2) Is TSTI dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?	V		(2) A TSTI proactively promotes various energy reduction measures, continuously optimizing electronic document management and signing systems to reduce paper consumption and environmental impact. We have implemented digitized document signing and Human Resource Information Systems (HRIS). Furthermore, we advocate for electronic file transmission to replace traditional paper-based workflows to achieve a paperless office. Resource recycling and waste sorting stations are established on every floor of all office locations.	
(3) Does TSTI assess the current and future risks and opportunities which climate change potentially brings to TSTI? Does TSTI take measures in response to climate-related issues?			(3) After reviewing potential risks, TSTI analyzed the impact of climate change on its financial status and formulated annual adaptation and response strategies. We have disclosed the "Climate-Related Risks and Financial Impacts" and "Climate-Related Opportunities and Financial Impacts" tables. Simultaneously, by integrating its core corporate competencies, TSTI is committed to driving new ESG sustainable business models and launching solutions to assist customers in carbon reduction. These include: ▪ Greenergy (Energy & Carbon Pioneer): An advanced energy and carbon management solution. ▪ ESG AIoT Command & Management System: A strategic visualization platform for sustainability data.	

<table>
<tr><th rowspan="2">Implementation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td>V</td><td></td><td>
▪ Telemedicine Video Outpatient System: Reducing the carbon footprint of medical consultations.
▪ AIoT Low-Carbon Smart Restroom: Enhancing resource efficiency through IoT.
▪ 5G Transportation Smart Real-Time Monitoring Platform: Optimizing logistics efficiency and reducing emissions.
To address the risks posed by climate change, TSTI established "Emergency Disaster Response Management Measures," conducting various emergency response activities and industrial safety/fire inspections to ensure employee safety and business continuity in the event of an emergency. For more information on environmental and climate impact management, as well as response measures for risks and opportunities, please refer to the "Climate Change Governance" chapter of the annual Sustainability Report.
</td><td></td></tr>
<tr><td>(4) Does TSTI make statistics of the greenhouse gas emissions, water consumption and total waste weight in the past two years? Does TSTI have policies for reduction of greenhouse gas emissions, reduction of water consumption or other waste management policies?</td><td>V</td><td></td><td>
(4) In response to government environmental policies, TSTI is committed to implementing energy-saving and carbon-reduction strategies. On December 20, 2024 (FY113), the "Energy Management Measures" and "Waste Management Measures" were approved to continuously promote energy and waste management, as well as resource recycling.
TSTI schedules maintenance and cleaning for air-conditioning equipment every May and October. Furthermore, light fixtures on various floors have been progressively replaced with energy-efficient LED panel lights to enhance cooling efficiency and reduce equipment load, aiming to maximize the benefits of energy saving and carbon reduction.
TSTI continues to strive toward the goals of fulfilling corporate social responsibility and sustainable operation. We implement greenhouse gas (GHG) inventories to identify major CO2 emission sources, and we promote and implement effective emission reduction measures. Detailed information can be found in the section "Greenhouse Gas Inventory and Assurance for the Most Recent Two Fiscal Years" below.
Main Greenhouse Gas Emission Sources (Metric tons CO_2e):
<table>
<tr><th>Category</th><th>2025 (FY114)</th><th>2024 (FY113)</th></tr>
<tr><td>Scope 1</td><td>82.0372</td><td>110.0963</td></tr>
<tr><td>Scope 2</td><td>945.5097</td><td>1081.4353</td></tr>
<tr><td>Scope 3</td><td>349.8412</td><td>322.2572</td></tr>
<tr><td>Total</td><td>1377.3881</td><td>1513.7888</td></tr>
</table>
(1) Water Consumption
Water usage is limited to domestic consumption within general offices. It has not yet been included in the formal environmental inventory, and as such, no specific data is available at this time. All water is sourced from the
</td><td></td></tr>
</table>

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			municipal tap water system and is primarily used for the daily activities of office personnel. Water is a precious shared resource, and we actively manage it in our daily operations. We consistently promote water-saving awareness, select equipment with Water Efficiency Labels, install sensor-activated faucets, and perform both regular and ad-hoc maintenance and inspections of water storage and supply facilities. These measures aim to prevent resource waste and integrate water conservation concepts into the daily lives of our colleagues. (2) Waste Management TSTI approved the "Waste Management Measures" in 2024 (FY113). For obsolete or damaged IT equipment that is no longer usable, we dismantle usable parts for secondary utilization. All remaining decommissioned equipment and parts are sold to resource recycling vendors to maximize energy-saving and carbon-reduction benefits. The subsequent recycling and sorting tasks are handled by government-certified and qualified waste removal firms commissioned by Tatung Company (located within the same industrial park). To proactively prevent pollution and potential data leakage, TSTI tracks and manages the flow of waste through on-site tracking/accompanying measures during transport. During ESG supplier site visits, we also exchange best practices regarding the selection, tracking, and monitoring of waste disposal providers to collectively promote environmental friendliness and packaging reuse. TSTI remains committed to fulfilling corporate social responsibility and pursuing sustainable operations. 2. Greenhouse gas reduction, water consumption reduction or other waste management policies TSTI’s environmental policy encompasses multiple strategies and actions in greenhouse gas (GHG) reduction, including Green Procurement, Green Emission Reduction, and Green Recycling. (Please refer to the section "Five Major Green Sustainability Actions: Specific Reduction Targets, Strategies, and Action Plans" for detailed descriptions.) We are actively promoting the digitization of internal operational processes and digital customer service to achieve a paperless environment. Traditional paper usage is being phased out in favor of electronic file transmission. Furthermore, we advocate for water conservation through the installation of water-saving devices and the replacement of lighting, HVAC, and electrical appliances with energy-efficient models. Accelerated GHG Inventory and Verification TSTI actively monitors carbon emissions and energy consumption through comprehensive carbon inventories. In compliance with regulatory requirements and to align with the schedule of Tatung Company, TSTI successfully completed its internal GHG inventory and obtained third-party external verification under ISO 14064-1 in 2024 (FY113), reaching this milestone ahead of the 2025 (FY114) deadline.	

Implementation Item	Implementation status: Yes	No	Summary	Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
			On December 20, the Board approved the "Energy Management Measures" and "Waste Management Measures" to continuously drive energy/waste management and resource recycling. Moving forward, GHG inventories and verifications will be conducted annually to track and publicly disclose emission reduction effectiveness. Carbon Reduction Strategies and Customer Empowerment TSTI proactively formulates carbon reduction strategies and discloses GHG emissions, referencing the methodologies and principles of initiatives such as SBTi (Science Based Targets initiative). Regarding products and services, TSTI assists customers in reducing carbon emissions from self-built data centers by providing Cloud solutions and services. To achieve these carbon reduction goals, we collaborate with original manufacturers to offer eco-friendly and high-performance commercial computers. We also provide the ESG AIoT Command & Management System and other solutions to assist enterprises in responding to sustainable net-zero and low-carbon transformations.	
IV. Social issues (1) Does TSTI have management policies and procedures in accordance with relevant regulations and international human rights conventions? (2) Does TSTI establish and implement reasonable employee benefit measures (including remuneration, leave and other benefits)? Is the operating performance or results properly reflected in the remuneration for employees?	V V		(1) The Chairman of TSTI approved and issued the Human Rights Policy on December 18, 2019. This was followed by the "Co-creating a Friendly Workplace and Eliminating Workplace Violence" statement on December 27, 2021; the "Diversity and Inclusion Workplace Policy" on December 28, 2023; and the "Written Statement on the Prevention of Unlawful Infringement in the Workplace" on December 2, 2025. TSTI refers to and follows international human rights conventions, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the ILO Core Labor Standards. We have established labor management measures to protect basic employee rights. Our hiring policy ensures non-discrimination, and we regularly promote labor laws. To foster harmony, TSTI holds statutory Labor-Management Meetings and has established an Employee Welfare Committee to provide subsidies and activities. (2) Employee Compensation and Performance Linkage TSTI regards talent as the source of corporate competitiveness and its most valued asset. We maintain a "Profit-Sharing" philosophy to attract and retain top talent. Fixed Bonuses: To secure talent, TSTI guarantees a 1-month year-end bonus and provides 0.5 months in combined Dragon Boat and Mid-Autumn Festival bonuses. Performance-Based Rewards: Performance bonuses are awarded based on individual contribution and evaluations. Full-time employees with two years of service are eligible for Employee Profit Sharing to align individual efforts with corporate goals. Salary Growth: In 2025 (FY114), the average salary for non-managerial full-time employees grew by approximately 8.9% (with a median growth of 10.8%). This marks the 8th consecutive year of growth since	Report based on the implementation status of TSTI's Sustainable Development Best Practice Principles.

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
	V		tracking began in 2018. Profit Sharing: In accordance with Article 31 of the Articles of Incorporation, 5% to 15% of annual profits are allocated as employee compensation. Employee Stock Purchase Plan (ESPP): We provide subsidies for the ESPP, allowing employees to share in the long-term operational success of TSTI. Employee Welfare Measures The Employee Welfare Committee allocates over NT$3 million annually to provide high-quality benefits, including: Subsidies: Travel, continuing education, birthdays, marriages, births, and funerals. Flexible Attendance: APP-based check-in with a 1-hour flexible start window. Leave Policy: 10 days of special leave for employees after one year of service. We also support unpaid leave for childcare or major illness to balance personal and family needs. Work-Life Balance Reward: Introduced in 2023, this policy encourages the use of special leave by providing reward bonuses, enhancing operational resilience and employee well-being. Volunteer Leave: We encourage social participation by providing volunteer leave. In 2025, 24 employees were granted a total of 96 hours of volunteer leave. Workplace Diversity and Equality We are committed to building a Diversity, Equity, and Inclusion (DEI) environment. Gender Equality: We strive for equal pay for equal work and equal promotion opportunities. We provide comfortable breastfeeding rooms to support female colleagues. 2025 Metrics: Female employees accounted for 30% of the total workforce, with female managers representing 22% of all management positions. Physical and Mental Care: 1. The proportion of employees with disabilities meets government requirements. 2. Customized rehabilitation and return-to-work plans are developed with occupational physicians for injured employees. 3. Foreign employees receive equal treatment in recruitment, cultural integration, and health/safety. 4. We utilize an internal APP for workplace environment optimization reporting to ensure a safe and comfortable office. (3) Occupational safety and health policy	

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(3) Does TSTI provide employee with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		I TSTI completed the ISO 45001 surveillance audit in 2025 (FY114), continuously reviewing and improving the office environment to provide employees with a safe and healthy workplace. (ISO 45001:2018 certified by SGS Taiwan—valid until December 16, 2026). TSTI was the first ICT system integrator in Taiwan to obtain the ISO 45001 Occupational Health and Safety Management System certification (promoted annually since 2020). To protect the health and safety of our employees, contractors, and subcontractors, we systematically improve the work environment and monitor health annually. This commitment strengthens customer trust and enhances operational performance. Comprehensive Employee Care and Health Promotion To safeguard personnel, TSTI provides group insurance for all employees and arranges regular free health check-ups. Occupational physicians, nurses, and OHS staff collaborate to organize health management activities, health promotion lectures, and fire safety inspections based on employee needs. These initiatives ensure safety, reinforce awareness, and mitigate workplace hazards. Key Initiatives and Facilities Mother-Friendly Environment: Established lactation rooms and provided nursing pillows to support post-natal female employees in returning to work with peace of mind. Pandemic Management: Since 2020, implemented online digital health management, including temperature reporting, tracking, and real-time screening notifications to mitigate health risks. Digital Integration: Continued optimization of the internal APP for real-time notifications, enabling immediate environment-related reporting and continuous workplace improvement. Public Recognition and Awards TSTI actively fulfills its corporate social responsibility by creating a supportive health environment. Our achievements include: 2021 (FY110): Selected as a CHR (Corporate Health Responsibility) Citizen by Common Health Magazine, committing to employee health promotion across four dimensions: Knowledge, Movement, Diet, and Support. 2023 (FY112): Awarded the "Health Promotion Badge" by the Health Promotion Administration, Ministry of Health and Welfare. 2024 (FY113): Earned the "Sports Enterprise Certification" from the Sports Administration, Ministry of Education. 2025 (FY114): Recognized by the Sports Administration for hiring sports instructors to lead workplace exercise programs.	
(4) Does TSTI have effective programs for development and training regarding employees' career skills?	V		(4) TSTI places great importance on employee training, believing that the foundation of corporate differentiation lies in human capital. With over 40 specialized job types across four professional categories, each role has 5–6	

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			identified competencies, allowing for clear identification of employee strengths and development needs to shape talent development strategies. We have established development and retention programs that encourage continuous learning. Personal development plans are discussed alongside performance appraisals to ensure growth in both professional and personal dimensions. In addition to the core competencies of innovation, service, teamwork, and integrity, we have added communication and learning to foster a strong learning organization culture. In 2025, TSTI's training initiatives achieved the following results: Total Training Participants: 11,976 enrollments. Total Training Hours: 17,737 hours	
(5) Does TSTI conform to the relevant regulations and international standards with respect to customer health and safety, customer privacy, marketing, labeling for products and services an other issues? Does your company establish the relevant consumer or customer rights protection policies and complaint procedures?	V		(5) TSTI prioritizes customer health and safety, privacy protection, marketing transparency, and the safeguarding of customer rights throughout our product and service delivery. We strictly follow relevant regulations and international standards, continuously refining our management systems and grievance mechanisms. Information Security and Privacy Governance Certifications: TSTI maintains ISO/IEC 27001:2022 (ISMS) and ISO/IEC 20000-1:2018 (SMS) certifications. We have also obtained the Digital Service Provider Competency Registration from the Administration for Digital Industries, Ministry of Digital Affairs (MODA), covering IT services, cybersecurity services, and AI technical services. Privacy Management: Following the introduction and training of ISO/IEC 27701:2019 (PIMS) in 2024, TSTI successfully passed verification in May 2025 to further strengthen customer data protection and cybersecurity governance. Innovative Service Platforms and AI Integration TSTI provides multi-channel support, including dedicated hotlines (0800), email, and an online repair tracking platform. OneService Platform: Optimized in 2023, the platform utilizes the O2C (OneService Operation Center) to perform case tracking and personnel dispatching via service dashboards. AI-Powered Support: By integrating LINE with our proprietary AI product, ibo.ai, we offer real-time reporting, case inquiries, and automated customer service (ibo.helpdesk) to enhance the customer experience. Customer Satisfaction and NPS Performance To continuously refine service quality, TSTI launched the "One Service APP" in August 2023. NPS Methodology: We transitioned to using the Net Promoter Score (NPS) to evaluate overall satisfaction. The digital APP approach has significantly increased response rates compared to traditional methods. 2025 Achievement: In FY114, TSTI achieved an exceptional average NPS of 99.28. Grievance Redress and Ethical Management	

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(6) Does TSTI have a supplier management policy that requires suppliers to comply with the regulations concerning environmental protection, occupational safety and health or labor rights? What's the status of its implementation?			Case Management: TSTI has established internal tracking and improvement processes. In 2025, the O2C department successfully resolved and closed 12 documented cases concerning customer communication and maintenance improvements. Whistleblowing System: TSTI has publicly disclosed stakeholder communication channels on its website. We have implemented a "Whistleblowing System for Illegal and Unethical Conduct" to provide internal and external parties with a channel to report misconduct (including corruption), ensuring ethical management and regulatory compliance. (6) TSTI integrates energy-saving electronic equipment from its suppliers into its sales portfolio, encouraging manufacturers to strengthen the R&D of carbon-reducing products and collectively fulfill corporate social responsibility. Priority is given to purchasing products with green environmental labels. In 2025 (FY114), TSTI's green procurement reached NT$3,308,279. Furthermore, a portion of the information equipment sold by TSTI has obtained the Taiwan Energy Label. Supplier Commitment and Policy In addition to signing standard contracts, TSTI invites suppliers to sign the "Supplier Sustainability Responsibility Commitment Letter," which includes clauses on environmental protection, labor rights, occupational health and safety (OHS), and information security. In 2024 (FY113), TSTI revised the "Supplier Sustainability Management Policy" to incorporate international initiatives on sustainable development, environmental protection, and human rights protection, inviting supplier partners to join this commitment. Engagement, Audits, and SDG Alignment To foster mutual learning and growth, TSTI conducts on-site visits and communication with suppliers. Supplier Outreach: Engaged and disseminated sustainability policies to 620 vendors annually. New Supplier Onboarding: In 2025 (FY114), 125 new suppliers were introduced, all of whom signed the "Supplier Sustainability Responsibility Commitment Letter." ESG Audits and Surveys: During FY114, TSTI executed "ESG Corporate Sustainability" assessments, conducting written surveys for 30 suppliers and performing on-site audits for 5 suppliers to evaluate their progress in promoting the UN Sustainable Development Goals (SDGs).	
V. Does TSTI use internationally accepted standards or guidelines as a reference for preparation of reports, compilation of the corporate sustainability report, and other	V		The "2024 TSTI ESG Sustainability Report" successfully passed third-party verification on June 24, 2025. TSTI commissioned BSI Group Singapore Pte. Ltd., Taiwan Branch to conduct the assurance in accordance with the AA1000AS v3 (AA1000 Assurance Standard v3). The verification was based on the Type 1 application with a Moderate level of assurance. The report follows international frameworks including the Global Reporting Initiative (GRI) Standards, the industry-specific standards from the Sustainability Accounting Standards Board (SASB) for Software & IT Services, and	Report based on the implementation status of TSTI's Sustainable

Implementation Item	Implementation status			Deviations the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
reports disclosing non-financial information of TSTI? Are assurance or guarantee opinions from any third-party verifying agent acquired for the aforementioned reports?			references the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), aiming to align with global sustainability disclosure practices.	Development Best Practice Principles.
VI. In the event that TSTI has established sustainable development best-practice principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe the deviations between the implementation and the established principles: No difference.				
VII. Other information useful for understanding of the implementation of sustainable development: TSTI was honored with the Platinum Award in the 2024 17th & 2025 18th Taiwan Corporate Sustainability Awards (TCSA) under the *Sustainability Report Category*, recognizing TSTI's outstanding efforts in sustainable development. For more key disclosures and insights into our sustainability performance and implementation, please refer to the latest annual TSTI ESG Report, available in the Corporate Sustainability section of our official websit. (Official Website > Corporate Sustainability) (https://www.etatung.com/Home/ShowProductionInfoIdea?ID=c466ff7b-4c8b-4b1b-a91c-5d9fd2de5ad3)				

VIII.: Implementation of Climate-Related Information

Item	Situation
1. Describe the board and management's oversight and governance of climate-related risks and opportunities.	TSTI formulated the "Sustainable Development Best Practice Principles" in 2022 (FY111). Concurrently, a dedicated unit, the "Sustainable Development Promotion Task Force," was established, with the General Manager serving as the Convener and the CFO (also the Corporate Governance Officer) serving as the Chairperson. To strengthen corporate governance operations, the Board of Directors resolved on December 19, 2025 (FY114), to establish the "Sustainability and Risk Management Committee" and formulated its organizational charter. The committee consists of no fewer than three members appointed by the Board (current members: Director Guo, Director Lun, and General Manager Liu). Members are required to possess professional knowledge and capabilities in corporate sustainability, and at least one director must participate in oversight. The previous "Sustainable Development Promotion Task Force" has been restructured into the "Sustainability and Risk Management Promotion Task Force" to ensure the rigorous promotion and implementation of all sustainability and risk management-related tasks. Proactive Adoption of IFRS Sustainability Disclosure Standards In accordance with "Taiwan's Roadmap for the Adoption of IFRS Sustainability Disclosure Standards" issued by the Financial Supervisory Commission (FSC) on August 17, 2023, TSTI—having a paid-in capital of less than NT$5 billion—is officially required to apply these standards in 2028 (FY117). However, following the reference guides and regulations of competent authorities, TSTI has proactively accelerated its adoption schedule.

	In the fourth quarter of 2024 (FY113), TSTI established a cross-departmental IFRS project team, with Director Lu serving as the Supervising Director to lead and oversee the unit’s operations and the progress of the IFRS Sustainability Disclosure Standards implementation. This initiative is driven through quarterly meetings and specialized task groups organized by specific topics. The progress of climate change and environmental strategies and targets is regularly reported to the Board of Directors for oversight and control. At the end of 2025 (FY114), the Board of Directors established the "Sustainability and Risk Management Committee" as the highest supervisory body. Under its oversight, the "Sustainability and Risk Management Task Force" was formed, convened by the General Manager. This task force includes specialized working groups dedicated to promoting GHG inventories and climate risk assessments. The task force reports climate management strategies, targets, and implementation performance to the Board at least once a year to ensure the rigorous execution of corporate governance.
2. Describe how identified climate risks and opportunities impact the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	Under the Sustainability Promotion Task Force, the “Risk Management Team” is responsible for executing TSTI’s risk monitoring, measurement, and evaluation processes. In 2022, TSTI formulated its “Environmental Management Policy”; in 2023, we endorsed the methodology and principles of the Science Based Targets initiative (SBTi), committing to shared sustainability and science-based carbon reduction goals. The timeframe for climate-related management is: short-term (within 1 year, i.e., 2026); and medium to long-term (from 2027 onward). For the “Climate-Related Risks and Opportunities Identification Table,” please refer to the most recent annual Sustainability Report under the chapter "Climate Change Governance." In terms of business strategy, TSTI focuses on developing low-carbon solutions, such as ESG AIoT and cloud services, to drive revenue growth. The financial impacts are categorized as follows: • Short-term (within 1 year): Increased management costs associated with ISO assurance, equipment replacement, and awareness campaigns (e.g., green procurement reached NT$3.3 million in 2025). • Medium-to-long term (post-2027/FY116): Operational costs are expected to rise due to carbon fees and electricity price hikes. Additionally, extreme weather events may lead to supply chain disruptions and increased repair expenses or insurance premiums.
3. Describe the financial impact of extreme weather events and transition actions.	These include increased operational costs (e.g., compliance costs, ISO 14064-1 consulting and verification fees), capital expenditures for low-carbon technologies, potential declines in demand for certain products or services, higher R&D investments in alternative or emerging technologies/services, adoption of new operating practices and procedures, and fluctuating energy costs that may impact operational expenditure. Details are disclosed in the “Climate Change Governance” chapter of the most recent Sustainability Report. Physical Risks: Extreme weather events, such as typhoons and floods, may decrease the production capacity of original equipment manufacturers (OEMs) and cause supply chain disruptions, hindering product deliveries. Such events may also damage operating sites, leading to higher repair expenditures and insurance premiums. Transition Risks: To facilitate the transition, TSTI has invested in equipment replacement, ISO 14064-1 inventory and verification fees, and approximately NT$3.42 million (in 2025) toward the R&D of ACE innovative energy-saving solutions, resulting in higher initial operating and R&D costs.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	TSTI adopts a comprehensive risk management framework that covers environmental (including climate), social, governance, and technological dimensions. In 2023, we enacted the “Risk Management Policy and Procedure” to enhance risk identification, assessment, response strategies, and monitoring, supporting long-term sustainable operations and stakeholder interests. The Risk Management Team is responsible for identifying climate-related risks and opportunities annually, setting response strategies and targets. The Environmental Sustainability Team oversees the execution of climate and environmental management programs. The Sustainability Promotion Task Force reports climate-related planning and execution performance to the Board of Directors at least once per year.

	The Board of Directors is the highest authority on risk management, responsible for approving policies, reviewing frameworks, and ensuring effective implementation. Please refer to the latest annual TSTI Sustainability Report, specifically the chapters on "Business Continuity and Risk Management" and "Climate Change Governance."
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and primary financial impacts employed should be explained.	Aligned with international frameworks such as TCFD, SASB, and GRI, TSTI identifies climate-related risks and opportunities, and develops adaptation strategies. Scenario analysis, assumptions, parameters, and financial impact assessments are ongoing. We have also established the “Emergency Disaster Response Management Regulations” to ensure employee safety and uninterrupted service during crises through regular drills and inspections. Although no material financial impact has been observed, we continue to assess: According to the WRI Aqueduct Water Risk Atlas, Taiwan has a “Low–Medium” water risk level. Nonetheless, TSTI actively promotes water conservation and uses water-efficient equipment and practices. According to the Ministry of Economic Affairs’ Soil Liquefaction Potential Inquiry System, TSTI’s Taipei HQ is in a high-potential area. We conduct regular fire safety inspections and evacuation drills to mitigate future disaster impacts. Details are disclosed in the “Climate Change Governance” chapter of the most recent Sustainability Report.
6. If there is a transition plan to manage climate-related risks, describe the contents of the plan and the indicators and objectives used to identify and manage physical risks and transition risks.	In response to managing climate-related risks, DAXES has initiated a transformation plan and reviewed its content to identify and manage both physical and transition risks, along with relevant indicators and targets. Adaptation and mitigation actions include: the introduction of ISO 14064-1 consultancy and completion of third-party verification, implementation of energy-saving systems, provision of sustainability-related training to enhance employees' expertise and technical capabilities, organizational restructuring, enhancement of product and service competitiveness, active stakeholder engagement, and proactive responses to customer supplier self-assessments and ESG initiatives—thereby co-creating sustainable value and enhancing corporate reputation. TSTI also discloses information on corporate governance and environmental performance, and continues to implement sustainability measures. Please refer to the latest annual TSTI Sustainability Report, chapter on “Climate Change Governance,” for more details. The transition plan encompasses five key pillars: Green Procurement, Green Emission Reduction (e.g., LED lighting upgrades, migrating data centers to the cloud, and paperless operations), Green Recycling, Green Disclosure (ISO 14064-1 verification), and Green Initiatives. The established management metric and target are: Reduce Greenhouse Gas (GHG) emissions (Scopes 1 and 2) by 20% by 2030 (FY119) compared to the base year of 2023 (FY112).
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	TSTI has not yet implemented internal carbon pricing, we actively monitor related developments.
8. If climate-related goals are set, details should be provided on the activities covered, scope of greenhouse gas emissions, planning schedule, annual progress achieved, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve these goals, information should be provided on the source and quantity of the offset carbon emissions or the quantity of RECs used.	TSTI environmental and climate-related goals include: green emissions reduction, transparent disclosures, green procurement, resource recycling, and green advocacy. Through company-wide participation, we aim to reduce emissions and pollution, conserve resources, and promote energy efficiency. GHG Reduction Milestones Using 2023 (FY112) as the base year, the inventory scope covers seven office locations across the headquarters and Taiwan subsidiaries. • Target (2030): A total reduction of 20% in Scopes 1 and 2 (averaging a 1% reduction annually). • Specific Goals: Scope 1: 5%–10% reduction; Scope 2: 10%–15% reduction; Scope 3: 10%–20% reduction. • Current Status: TSTI currently does not utilize carbon offsets or Renewable Energy Certificates (RECs) but continues to monitor market developments. Waste Management Performance In 2025 (FY114), the total volume of waste and resource recycling was 1.668 metric tons, a significant reduction of approximately 48.2% compared to the previous year. This decrease was primarily due to the absence of major office renovation projects, which significantly reduced construction-related waste.

	Please refer to the "Environmental Sustainability Policy" and "Sustainability for Shared Value and Science-Based Carbon Reduction" announcement on the official website. TSTI has not yet utilized carbon offsets or Renewable Energy Certificates (RECs) but continues to observe their development.
9. Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans (also filled in sections 1-1 and 1-2).	TSTI successfully passed the ISO 14064-1:2018 third-party verification on June 5, 2025 (FY114). Moving forward, TSTI is committed to maintaining this standard by conducting annual ISO 14064-1 verifications. Voluntary Disclosure and Methodology. Since 2021 (FY110), TSTI has referenced the methodologies of the International Organization for Standardization (ISO) 14064-1:2018 to voluntarily disclose GHG emission data for TSTI and its Taiwan-based subsidiaries. This initiative enables TSTI to implement rigorous GHG inventories, identify primary CO2 emission sources, and execute effective carbon reduction measures. In 2023 (FY112), TSTI independently completed its inaugural GHG report for the 2022 fiscal year and performed internal verification. To gain a comprehensive understanding of TSTI's emission patterns, TSTI continues to dispatch personnel to participate in ISO 14064-1:2018 GHG internal auditor training. This program aims to cultivate "seed personnel" across all business units to drive the implementation of a GHG information management system that meets international standards across all offices and subsidiaries. Currently, project progress regarding GHG initiatives is reported to the Board of Directors on an annual basis. Detailed information regarding GHG inventory results, assurance status, reduction targets, strategies, and specific action plans is provided in the table below.

1-1 TSTI's greenhouse gas inventory and verification status for the past two years.
1-1-1 Greenhouse gas inventory information.

Describe the greenhouse gas emissions for the past two years in terms of emissions volume (metric tons CO2e), intensity (metric tons CO2e per million dollars), and the scope of data coverage.		
Basic information of TSTI: Capital of less than NT$5 billion.	**Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies: Inventory for all consolidated entities.**	
Total emissions	**2025**	**2024**
Scope 1	82.0372	110.0963
Scope 2	945.5097	1081.4353
Scope 3	349.8412	322.2572
Total emissions (metric tons CO2e)	1377.3881	1513.7888
Revenue (in millions of dollars)	5,010.638	3,930.226
Intensity (metric tons CO2e per million dollars)	0.2749	0.3852

Note 1: Although TSTi's paid-in capital is below NT$5 billion—thus only required to disclose greenhouse gas inventories for the parent company according to the ESG Disclosure Roadmap for TWSE/TPEx Listed Companies—TSTI has voluntarily expanded its disclosure scope to include its subsidiaries.
Note 2: Scope 1 (Direct Emissions): Greenhouse gas emissions from sources that are owned or controlled by TSTI. Scope 2 (Energy Indirect Emissions): Emissions resulting from the generation of purchased electricity, steam, heating, and cooling consumed by TSTI. Scope 3 (Other Indirect Emissions): Emissions that occur as a consequence of TSTI's activities but arise from sources not owned or directly controlled by TSTI.

1-1-2 Greenhouse gas assurance information.

Describe the assurance status for the most recent two years as of the date of the annual report printing, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

Since 2023 (FY112), TSTI has independently conducted GHG inventories for itself and its subsidiaries for the 2022 (FY111) fiscal year. To enhance data reliability and implement sustainability goals, TSTI evaluated the adoption of ISO 14064-1 in 2023, introduced consultant services in 2024 (FY113), and has since completed annual third-party verification through government-compliant institutions.

Organizational Boundaries and Scope

Methodology: The reporting organizational boundaries are established with reference to ISO 14064-1:2018 and the requirements/recommendations of the Greenhouse Gas Protocol (GHG Protocol).

Consolidation Approach: The Operational Control approach is adopted. The organization recognizes 100% of the GHG emissions from facilities under its management or operational control.

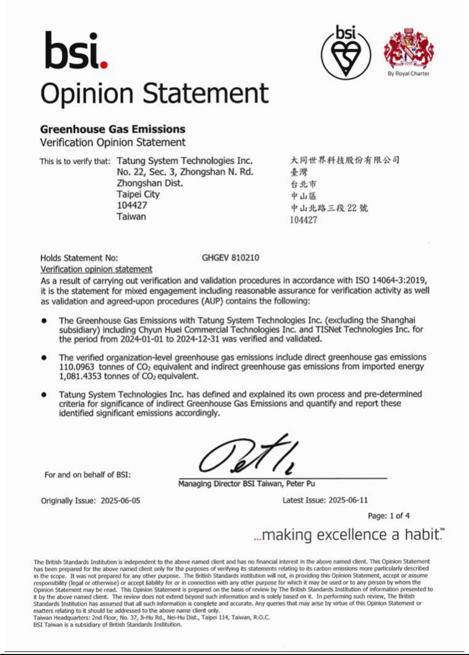
Scope of Inventory: The scope encompasses Tatung System Technologies Inc. (TSTI), Chyun Huei Commercial Technologies Co., Ltd., and Tisnet Technology Co., Ltd. for the annual inventory.

Third-Party Verification and Assurance

Detailed information on the assurance status for the most recent two fiscal years is available in the ESG section of the TSTI official website (Corporate Sustainability > Environmental Sustainability > Green Disclosure).

- FY2024 Inventory (Reported 2024): ISO 14064-1 GHG Inventory Opinion Statement — GHGEV 810209 (Dated: 2024-08-13).
- FY2025 Inventory (Reported 2025): ISO 14064-1 GHG Inventory Opinion Statement — GHGEV 810210 (Dated: 2025-06-05).

The GHG inventory report for the 2025 fiscal year (FY114) is scheduled to pass third-party verification before the end of Q2 2026 (FY115). Updates will be announced in the ESG Sustainability section of the official website.



bsi.

Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that: Tatung System Technologies Inc.
No. 22, Sec. 3, Zhongshan N. Rd.
Zhongshan Dist.
Taipei City
104427
Taiwan

大同世界科技股份有限公司
臺灣
台北市
中山區
中山北路三段 22 號
104427

Holds Statement No: GHGEV 810210

Verification opinion statement

As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity as well as validation and agreed-upon procedures (AUP) contains the following:

- The Greenhouse Gas Emissions with Tatung System Technologies Inc. (excluding the Shanghai subsidiary) including Chyun Huei Commercial Technologies Inc. and TISNet Technologies Inc. for the period from 2024-01-01 to 2024-12-31 was verified and validated.
- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 110.0963 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 1,081.4353 tonnes of CO_2 equivalent.
- Tatung System Technologies Inc. has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

Originally Issue: 2025-06-05

Latest Issue: 2025-06-11

Page: 1 of 4

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards institution will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. The review does not extend beyond such information and is solely based on it. In performing such review, The British Standards Institution has assumed that all such information is complete and accurate. Any queries that may arise by virtue of this Opinion Statement or matters relating to it should be addressed to the above name client only.
Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans.

Describe the baseline year and data, reduction targets, strategies, and specific action plans for greenhouse gas reduction, as well as the status of achieving the reduction targets.

In 2024, TSTI launched a dual transformation strategy focusing on digital and sustainability transitions. As part of this initiative, TSTI engaged external consultants to implement the ISO 14064-1 Greenhouse Gas (GHG) Management System. The project included redefining organizational boundaries, identifying emission sources, and revising emission data across Categories 1 to 6. TSTI designated 2023 as the GHG emissions baseline year and commissioned a third-party verification body to conduct ISO 14064-1 certification, ensuring the accuracy and comparability of the quantified data.

Going forward, TSTI will conduct annual GHG inventories to monitor emission reduction performance and disclose results transparently. TSTI is committed to obtaining ISO 14064-1 verification statements annually. In fulfilling corporate social responsibility and mitigating operational risks and costs, TSTi and its subsidiaries will continue to implement energy-saving and carbon reduction initiatives, aiming for a minimum annual reduction of 1% as part of its sustainable management goals.

Promoting Sustainable Governance		Implementation Status in 2025	Short-term Goals (by 2026)	Medium to Long-term Goals (from 2027to 2031)
Green Procurement	Following the key points of green procurement operations, establishing a green supply chain and knowledge base, developing green suppliers, actively promoting and prioritizing	1. The reported green procurement amount reached NT$ 3,308,279.	1. Maintain green procurement at over NT$ 3 million. 2. Sustain local procurement	Promote green procurement initiatives within subsidiary companies.

		the purchase of environmentally certified products, and increasing the proportion of green procurement. This includes refrigerants, paper, building materials, LED lights, information equipment, etc.	2. Local procurement accounted for 94.06% of the total procurement amount.	at over 90% of total expenditures.	
	Green Emissions Reduction	Implement energy conservation and carbon reduction measures, actively understand TSTI's carbon emissions, monitor energy usage and carbon inventories, and promote internal operational processes to go paperless and external customer service to go digital. Conduct assessments of water usage and total waste weight, and formulate management policies for reduction and minimization: Replace inefficient and energy-consuming equipment; regularly maintain and update cooling systems in machine rooms to ensure their efficient operation; gradually migrate TSTI's data and systems to more energy-efficient cloud servers; in office environments, implement energy-saving activities and replace existing lighting, air conditioning, and electrical equipment with energy-efficient alternatives. Centralize office and operational areas and shut down unnecessary air conditioning and lighting equipment.	1. Continued to promote subsidy measures for using private electric vehicles (cars and motorcycles) for business purposes. 2. Conducted air-conditioning equipment maintenance and cleaning in April and September 2025, effectively enhancing energy efficiency and reducing equipment load.	1. Continuously review and execute systematic carbon reduction plans. 2. Replace legacy equipment with energy-efficient models. 3. Replace 3rd-floor lighting at HQ with LED fixtures, estimated to save over 60% in lighting energy. 4. Optimize e-document workflows and HR systems to phase out paper. 5. Implement Green IT management: Consolidate server room equipment following the lease termination of the 4th-floor office. Decommission idle or inefficient machines to reduce power loss and optimize resource allocation.	1. Continuously optimize electronic document management and approval processes to reduce paper usage and minimize environmental impact. 2. Enhance management systems: By developing intelligent monitoring and management systems, effectively gather and grasp information on TSTI's carbon emissions and electricity usage, identify issues, and set improvement goals.
	Green Resource Acquisition	Promoting waste management and resource recycling: Each office and floor is equipped with recycling bins and garbage sorting facilities. Information equipment materials for recycling are effectively sorted and processed, enhancing energy efficiency through reuse. Implementing disposal and recycling of computers and toner cartridges; media containing personal information (such as hard drives) undergo data deletion and physical	1. Approved and implemented the "Waste Management Measures" on December 20. 2. The total volume of waste and resource recycling reached 1.668 metric tons.	1. Strengthen waste management by tracking vendor receipts for precise statistical monitoring of waste flow. 2. Adopt eco-friendly consumables to promote the circular economy.	1. Reduce environmental impact by using recycled materials. 2. Continuously promote garbage sorting and resource recycling.

		destruction before disposal. This not only complies with data protection regulations but also adheres to the principles of environmental resource recycling.			
	Green Disclosure	Proactively disclose greenhouse gas emissions ahead of regulatory requirements and actively formulate carbon reduction strategies. Evaluate the potential risks and opportunities of climate change for TSTI and take relevant response measures.	1. Maintained the ISO 14064-1:2018 third-party verification for the Greenhouse Gas (GHG) Report. 2. Disclosed green emission reduction initiatives in the Sustainability Report for three consecutive years.	1. Maintain annual ISO 14064-1 third-party verification.	1. Continuously maintain ISO 14064-1 certification. 2. Introduce ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) standards.
	Green Advocacy	In response to environmental advocacy, in addition to short-term goals in various initiatives, Daseke responds to the Science Based Targets initiative (SBTi) for carbon reduction. We advocate and encourage all colleagues to cherish the Earth and lead by example in responding to public environmental protection activities, taking action to practice environmental conservation.	1. Completed 30 written self-assessment surveys and 4 on-site visits for supplier ESG evaluations. 2. Conducted ESG sustainability training courses with 540 participants completing the training, totaling 267 cumulative hours, strengthening awareness of environmental protection and resource conservation. 3. Organized a biodiversity and natural environment course titled "Discovering the Beauty of Wetlands," followed by stream cleaning and mountain hiking activities near office locations, translating environmental protection from "knowledge" to "action." A total of 283 participants joined, accumulating 934 hours.	1. Continue promoting ESG implementation among supplier partners, targeting 5 on-site audits annually. 2. Conduct regular training programs to strengthen employee awareness of environmental protection and resource conservation.	1. Long-term planning aims to achieve a 20% reduction in carbon emissions by 2030. 2. Reduce fuel consumption of official vehicles in Scope 1 by 5 to 10%. 3. Reduce carbon emissions from purchased energy sources in Scope 2 by 10 to 15%. 4. Decrease carbon emissions in Scope 3 by 10 to 20%.

(VI) Fulfillment of ethical management, deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies," and reasons for such deviations

Item	Status			Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
I. Development of ethical management policies and programs (1) Are TSTI's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the senior management team demonstrated their commitments to implement the policies? (2) Has TSTI established an evaluation mechanism for the risk of dishonest behaviors? Does TSTI regularly analyze and evaluate business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonesty behaviors, which at least covers Paragraph 2 of Article 7 in the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies"? (3) Does TSTI establish procedures, behavioral guidelines, disciplinary actions and complaint systems in action plans against unethical conduct? Are the plans implemented thoroughly and reviewed and modified regularly?	V V V		(1) TSTI upholds the business philosophy of integrity and honest, sets up good corporate governance: and risk management mechanisms, and takes compliance with TSTI Act, Securities and Exchange Act, Business Entity Accounting Act, regulations governing TWSE/TPEx listed companies, or other laws and regulations governing commercial activities as the premise of TSTI's ethical management, and implements it properly in the internal management and external commercial activities. A recusal system applicable to the directors is defined in the "Rules of Procedures for Board of Directors Meeting." In addition to practicing self-discipline strictly, a doctor may not participate in the discussion of or voting on the proposals that are involved in his/her own interest or the interest of the juristic person represented by him/her at a given Board meeting, if his/her participation is likely to prejudice the interest of TSTI. In these circumstances, the director may not exercise voting rights as a proxy for another director. (2) To advocate and promote ethical behavior, TSTI has established the "Employee Self-Discipline Agreement," "Employee Self-Discipline and Code of Ethical Conduct," "CSR Best-Practice Principles," "Code of Ethical Conduct," "Ethical Management Best-Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct," and made related regulations public on the intra-net of TSTI for the employees to look up. Promotion of TSTI's core value and legal compliance is conducted among the employees and relevant education and training courses are provided on a regular basis. TSTI also requests the stakeholders who have business relationship with us, such as suppliers and customers, to observe the same ethical standards as those imposed on the employees of TSTI. The internal audit unit of TSTI performs audit of TSTI, suppliers, and customers whenever necessary to ensure compliance with relevant laws and regulations. (3) To avoid unethical conduct, TSTI performs dissemination and request officers to identify (potential) concerns about conflict of interest and professional ethics.	Implemented as required by the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations
II. Implementation of ethical management (1) Does TSTI evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the	V		(1) To ensure the employees can uphold the principles of ethics in the fulfillment of their duties, observe laws and regulations, and comply with the code of professional ethics, TSTI has established the "Employee Code of Conduct" and turned the business philosophies and values of TSTI into institutionalized regulations.	Implemented as required by the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM

Item	Status			Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
agreements TSTI signs with business partners? (2) Has TSTI set up dedicated unit in charge of promotion and execution of TSTI's corporate conduct and ethics, and report to the Board about any operation policies, and plans and supervision on honesty and integrity and prevention of dishonesty on a regular basis (at least once a year)? (3) Does TSTI have established policies to prevent conflict of interest, provided adequate communication channels, and substantiated the policies? (4) Has TSTI established effective accounting and internal control systems for the implementation of policies, prepared audit plans according to the evaluation result of dishonesty risks, and audit such execution and compliance, or hire external auditors to audit such execution and compliance? (5) Does TSTI organize internal or external education and training on a	V V V V		(2) The Human Resources Department takes the responsibility for promotion of the corporate ethical management. It shall report the implementation status to the Board of Directors on a regular basis every year. The Board of Directors adopted the "Procedures for Ethical Management and Guidelines for Conduct" on December 19, 2014 and announced them on the intranet and extranet. The implementation results were reported to the Board of Directors on December 15, 2022 to demonstrate the proper implementation of the ethical management. (3) To improve the efficiency and effectiveness of the implementation and enhance the interaction between the employees, investors and other stakeholders of TSTI, an Audit Committee mailbox is set up on our official website. It provides a channel for them to raise their suggestions or complaints to TSTI's management, Audit Committee, any director, and the Board of Directors. (4) TSTI has established an accounting system and an internal control system to realize the spirit of the ethical management, reasonably maintain the effectiveness and efficiency of the operations, ensure the reliability of the financial reporting, and comply with relevant laws and regulations. (5) In 2025 (FY114), TSTI organized internal and external training sessions related to Ethical Corporate Management. These programs encompassed integrity advocacy, supplier management and acceptance procedures, as well as finance and internal audit-related courses. A total of 1,083 enrollments were recorded, with a cumulative duration of 277 hours.	Listed Companies" and relevant laws and regulations
III. Functioning of the whistleblowing system (1). Has TSTI set up a specific whistleblower reporting and reward system and a convenient reporting channel and designated appropriate personnel to deal with the reported matters?	V		(1) To effectively implement our ethical management system, the Company has established the "Procedures for Handling Whistleblowing Cases Involving Unlawful, Unethical, or Dishonest Conduct." To encourage both internal and external personnel to report dishonest or misconduct behaviors, a reward mechanism is in place. Upon verification of the reported facts, whistleblowing bonuses or other rewards may be granted depending on the severity of the case. ● Accessible Whistleblowing Channels: The Company has set up a "Stakeholder Section" on its official website. Internal independent whistleblowing email addresses and hotlines have been established and publicly disclosed. Alternatively, external independent institutions may be entrusted to provide reporting channels for use by internal and external personnel. Anonymous reporting is permitted. ● Designated Handling Personnel: The Company has defined clear designated personnel and reporting hierarchies for whistleblowing cases. Upon receiving a	Compliant with the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies

Item	Status			Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Has TSTI developed any standard investigation procedures for reported misconduct, defined follow-up actions to be taken following the completion of the investigation, or had confidentiality systems in place? (3) Has TSTI adopted any measures to protect whistleblowers from being improperly handled due to whistleblowing?	V V		report, the case shall be submitted to the General Manager for approval to assign a dedicated unit responsible for investigation and verification. ● Reporting Hierarchies:If the case involves regular employees, it shall be reported to the respective department head. If the case involves directors or senior management, it must be reported directly to the Independent Directors to ensure the independence and appropriateness of the investigation. (2) Upon receiving a report, the Company's dedicated unit and the reported supervisors shall immediately investigate and clarify the relevant facts. If necessary, other relevant departments shall provide assistance. The respondent (the accused) shall be given an opportunity to present their statement during the investigation process. All records regarding the acceptance, investigation process, and results of the whistleblowing case shall be retained in written form (which may be maintained electronically) and preserved for five years. In the event of litigation related to the case, the records shall continue to be preserved until the conclusion of the lawsuit. ● Follow-up Measures: If the investigation confirms illegal conduct or a violation of integrity regulations, the Company will immediately demand the respondent cease the relevant behavior and handle the matter in accordance with the Company's disciplinary regulations. ● Escalation and Remediation: In cases involving major violations, potential material damage to the company, or involving directors and managers, a report shall be prepared immediately and submitted to the Board of Directors. If necessary, the matter will be reported to the competent authorities, referred to judicial authorities for investigation, or pursued through legal proceedings for damages. Following the incident, relevant units must review the internal control systems and operating procedures, proposing corrective actions to prevent the recurrence of similar behavior. The dedicated unit shall report the handling methods and subsequent review and improvement measures to the Board of Directors. (3) Whistleblower Protection Mechanism All whistleblowing cases shall be handled with strict confidentiality. Personnel involved in handling whistleblowing matters within the Company must sign a written statement committing to maintain absolute confidentiality regarding the whistleblower's identity and the content of the report.	
IV. Enhancement of information disclosure Has TSTI disclosed its ethical management principles and	V		TSTI discloses the ethical management principles, relevant regulations, and dissemination information on the intranet for the employees to look up whenever necessary.	Compliant with the Ethical Corporate Management Best-

Item	Status			Deviations from "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
implementation results on the website and MOPS?			TSTI discloses the detailed information on ethical Management in the annual report that TSTI makes public on the official website, and announces it on MOPS in accordance with the laws.	Practice Principles for TWSE/GTSM Listed Companies
V. If TSTI has established ethical management principles based on the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies," please describe any difference between the principles and the established principles: No difference				
VI. Other important information that is helpful to understand the implementation of the ethical corporate management: TSTI requests the suppliers having business relationships with us to uphold the spirit of the ethical management. As for the implementation status of the corporate governance, please visit MOPS or the website of TSTI. As for the Corporate Governance Best-Practice Principles and relevant regulations, please visit the website of TSTI: Corporation Governance under the Investor Relations.				

(VII) Other important information that is helpful to understand the implementation of the corporate governance

As for the implementation status of the corporate governance, please visit MOPS or the website of TSTI.

(VIII) Implementation status of the internal control system

1. Statement of Internal Control : Please visit the Market Observation Post System (MOPS) to inquire. Full path: MOPS > Listed Company > Corporate Governance > Corporate Charter/Internal Control > Internal Control System Statement Announcement

Website: https://mops.twse.com.tw/mops/#/web/t06sg20

2. If review of the internal control system has been conducted by CPAs, the CPAs' review report must be disclosed: None.

(IX) Important resolution made at the Board of Directors meeting in the most recent year (2025) up to the publication date of this annual report

Meeting time	Important resolution	Resolution results and implementation status
2025.03.03	(1) Approval of the 2024 distribution of remuneration for employees and directors. (2) Approval of the 2024 Business Report and Financial Statements. (3) Approval of the 2024 earnings distribution proposal. (4) Approval of the 2024 proposal for the capitalization of earnings and issuance of new shares. (5) Approval of the 2024 Internal Control System Statement. (6) Approval of the amendment to TSTI's "Articles of Incorporation." (7) Approval of the by-election of two Independent Directors. (8) Approval of the removal of non-compete restrictions on Directors. (9) Approval of the convening of the 2025 Annual General Shareholders' Meeting and related matters. (10) Approval of the operational procedures for accepting shareholder proposals and director nominations.	(1): General Manager, Wen-Hung Huang, and CFO, Chiu-Chan Hsu, recused themselves from the discussion and voting due to conflicts of interest. Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented. (2) ~ (10): Following the Chairperson's inquiry of all attending directors, the proposals were passed unanimously as presented.
2025.03.18	(1) Approval of the appointment of TSTI's General Manager. (2) Approval of the salary and remuneration proposal for TSTI's General Manager.	(1): Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented. (2): General Manager Ying-Hsiu Liu, General Manager Wen-Hung Huang, and CFO Chiu-Chan Hsu recused themselves from the discussion and voting due to conflicts of interest. Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2025.04.24	(1) Approval of the nomination and qualification review of Independent Director candidates for the current term. (2) Approval of the removal of non-compete restrictions on the newly appointed Independent Directors. (3) Approval of the removal of non-compete restrictions on TSTI's managerial officers. (4) Approval of the 2025 audit fees and the assessment of the external auditor's independence. (5) Approval of the amendment to TSTI's "General Principles of Pre-Approval Policy for Non-Assurance Services."	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2025.05.08	(1) Approval of TSTI's consolidated financial statements for the first quarter of 2025. (2) Approval of the proposal for the definition and scope of "Non-Managerial Employees."	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2025.07.02	(1) Approval of the appointment of the Remuneration Committee members.	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.

Meeting time	Important resolution	Resolution results and implementation status
	(2) Approval to authorize the Chairman to determine the ex-dividend date, ex-rights date, record date, payment date, and other relevant dates for the distribution of cash dividends and the issuance of new shares through the capitalization of earnings.	
2025.08.07	(1) Approval of TSTI's consolidated financial statements for the second quarter of 2025. (2) Approval of the preparation and issuance of TSTI's 2024 Sustainability Report.	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2025.10.09	(1) Approval of the election of the Chairman of the Board of Directors.	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2025.11.07	(1) Approval of TSTI's consolidated financial statements for the third quarter of 2025. (2) Approval of the custody and management of official seals for endorsement and guarantee procedures.	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2025.12.19	(1) Approval of the review of the "Regulations Governing the Performance Evaluation of the Board of Directors" and the "Remuneration System for Directors, Independent Directors, and Functional Committee Members." (2) Approval of the amendment to the "Remuneration System for Managerial Officers." (3) Approval of the 2025 performance bonus distribution for TSTI's managerial officers. (4) Approval of the promotion of TSTI's managerial officers. (5) Approval of the salary adjustment proposal for TSTI's managerial officers. (6) Approval of the appointment of the 6th term Remuneration Committee members. (7) Approval of the proposed amendments to certain articles of the "Internal Control System," including the "Implementation Rules for Internal Audit." (8) Approval of the removal of non-compete restrictions on TSTI's Directors. (9) Approval of the acquisition of right-of-use assets (real estate) from Tatung Asset Development Co., Ltd. (10) Approval of the establishment of the Sustainability and Risk Management Committee, including the formulation of its Charter, the appointment of its members, and the amendment of relevant management documents. (11) Approval of TSTI's annual business goals for 2026. (12) Approval of TSTI's annual audit plan for 2026. (13) Approval of the amendment to the "Table of Authority" (Delegation of Authority). (14) Approval of the credit line applications with banks and bills finance companies. (15) Approval of the provision of endorsements and guarantees for the bank credit lines of the subsidiary, Teamsworld Co., Ltd. (16) Approval of the provision of endorsements and guarantees for the credit lines (banks and bills finance companies) of the subsidiary, Hsieh Chi Co., Ltd.	Following the Chairperson's inquiry of all attending directors, the proposal was passed unanimously as presented.
2026.03.04	(1) Approval of the amendment to the definition and scope of "Non-Managerial Employees." (2) Approval of the 2025 distribution of remuneration for employees and directors. (3) Approval of the amendment to the "Remuneration Policy for Directors, Independent Directors, and Functional Committee Members." (4) Approval of the salary and remuneration proposal for the Chairman of the Board. (5) Approval of the removal of non-compete restrictions on Directors (including Independent Directors) and their legal representatives.	(1)–(2), (5)–(9), and (11)–(17): Following the Chairperson's inquiry of all attending directors, the proposals were passed unanimously as presented. (3)–(4): Chairman Jung-Hua Chang recused himself from the discussion and voting due to conflicts of interest. Acting Chairperson and Director Ming-Huei Kao inquired of the remaining attending directors, and the proposals were passed unanimously as presented. (10):

Meeting time	Important resolution	Resolution results and implementation status
	(6) Approval of the appointment of the new Chief Accounting Officer, Chief Financial Officer, Corporate Governance Officer, Spokesperson, and Deputy Spokesperson. (7) Approval of the salary adjustment proposal for TSTI's managerial officers. (8) Approval of the removal of non-compete restrictions on TSTI's managerial officers. (9) Approval of the "2026 Employee Stock Option Issuance and Exercise Measures" and authorization for subsequent issuance matters. (10) Approval of the disposal of certain right-of-use assets (real estate) to Tatung Asset Development Co., Ltd. (11) Approval of the 2025 Business Report and Financial Statements. (12) Approval of the 2025 earnings distribution proposal. (13) Approval of the 2025 Internal Control System Statement. (14) Approval of the amendments to the "Procedures for Acquisition or Disposal of Assets" and the relevant "Table of Authority." (15) Approval of the by-election of one Independent Director. (16) Approval of the convening of the 2026 Annual General Shareholders' Meeting and related matters. (17) Approval of the operational procedures for accepting shareholder proposals and director nominations.	Chairman Jung-Hua Chang and Director Ming-Huei Kao recused themselves from the discussion and voting due to conflicts of interest. Acting Chairperson and Director Song-Bin Chang inquired of the remaining attending directors, and the proposal was passed unanimously as presented.

(X) Resolutions at the shareholders' meeting in the most recent year

1. At the Annual General Shareholders' Meeting held on June 16, 2025, the total number of shares represented by the shareholders present in person or by proxy was 64,415,661 shares (including 7,448,946 shares from solicitation and 56,810,711 shares through electronic voting), representing 72.73% of TSTI's total outstanding shares with voting rights (88,560,000 shares).

Proposal	Resolution result	Implementation status
TSTI's 2024 business report and financial reports (including parent company only and consolidated financial reports)	There were 62,344,232 rights for the proposal, occupying 96.78% of the total rights represented by the shareholders present at the meeting. The proposal was adopted without change.	Completed.
The proposal for distribution of the 2024 earnings	There were 62,346,171 rights for the proposal, occupying 96.78% of the total rights represented by the shareholders present at the meeting. The proposal was adopted without change.	The Shareholders' Meeting has authorized the Board of Directors to handle matters related to the ex-dividend and ex-rights process. The Board subsequently resolved to authorize the Chairperson to determine the relevant dates. Accordingly, the ex-dividend/ex-rights record date has been set for September 28, 2025, and the payment date for both stock and cash dividends is scheduled for October 28, 2025. (The distribution includes a stock dividend of NT$0.8 per share and a cash dividend of NT$1.3 per share.)
Proposal for the 2024 Capitalization of Earnings and Issuance of New Shares	There were 62,319,241 rights for the proposal, occupying 96.74% of the total rights represented by the shareholders present at the meeting. The proposal was adopted without change.	Completed.

<table>
<tr><th>Proposal</th><th>Resolution result</th><th>Implementation status</th></tr>
<tr><td>The proposal for amendment of TSTI's "Articles of Incorporation"</td><td>There were 62,344,241 rights for the proposal, occupying 96.78% of the total rights represented by the shareholders present at the meeting. The proposal was adopted without change.</td><td>Completed.</td></tr>
<tr><td>By-election of two Independent Directors</td><td>Election Results (List of Elected Candidates):<table><tr><th>Position</th><th>Name</th><th>Number of votes received for election</th></tr><tr><td>Independent Director</td><td>Tai-Feng Huang</td><td>62,124,931 rights</td></tr><tr><td>Independent Director</td><td>Chun-Ju Chen</td><td>62,120,915 rights</td></tr></table></td><td>Completed.</td></tr>
<tr><td>Proposal for the Removal of Non-Compete Restrictions on Directors</td><td>There were 62,232,727 rights for the proposal, occupying 96.61% of the total rights represented by the shareholders present at the meeting. The proposal was adopted without change.</td><td>Completed.</td></tr>
</table>

(XI) Records or written statements made by any director or supervisor who expressed dissent to important resolutions adopted by the Board of Directors in the most recent year up to the publication date of this annual report: None.

III. Information on CPA's Professional Fees

(I) Disclosure of the amount of the audit and non-audit fees paid to CPAs, the accounting firm and any of its affiliated companies that the CPAs worked for, and the details of the non-audit services

Amount Unit: NTD thousands

<table>
<tr><th>Accounting firm</th><th>CPA</th><th>CPA's audit period</th><th>Audit fee</th><th>Non-audit fee</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">KPMG</td><td>Hsin-Ting Huang</td><td rowspan="2">2025/1/1-2025/12/31</td><td rowspan="2">2,130</td><td rowspan="2">730</td><td rowspan="2">2,860</td><td rowspan="2">Non-audit fee including
1.Review and translation of annual individual and consolidated financial statements NT 160 thousand.
2.Review and translation of the Q1 to Q3 consolidated financial reports NT 180 thousand.
3.Review of the Full-Time Employee Salary Information Verification Form for Non-Managerial Positions NT 30 thousand.
4.Transfer pricing reporting NT 230 thousand.
5.Review of bonus share issuance NT130 thousand.</td></tr>
<tr><td>Li-Chen Lai</td></tr>
</table>

(II) When TSTI changes the accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(III) If the audit fees are reduced by more than 10% as compared with the previous year, the amount, proportion and reason for reduction of the audit fee shall be disclosed: None.

IV. Information on Change of CPAs

(I) Former CPA: None.

(II) Succeeding CPA: None.

(III) The former CPA's written response to the matters in Article 10(6)(1) and (2)(c): None.

V. TSTI's Chairman, Chief Executive Officer, or the managerial officer in charge of finance or accounting matters was an employee in the most recent year at the accounting form or any of its affiliated companies which the CPAs worked for, his/her name, title and the employment period at such firm or affiliated company must be disclosed: None.

VI. Details of equity transferred or pledged by directors, supervisors, managerial officers, or shareholders with more than 10% ownership interest in the most recent year up to the publication date of this annual report. Where the counterpart involved in the transfer or pledge of equity is a related party, the name of such counterpart, his/her relations with TSTI, directors, supervisors, managerial officers, or shareholders with more than 10% ownership interest, and the number of shares acquired or pledged must be disclosed.

1. Changes in equity of directors, supervisors, managers and major shareholders

Title	Name	2025		Up to March 31, 2026		Remarks
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	
Major shareholder / Director	Tatung Company	4,990,244	-	-	-	
Chairman	Tatung Company Representative: Jung-Hua Chang	-	-	-	-	Appointed as new legal representative on Oct. 9, 2025.
Director	Tatung Company Representative: Ming-Hui Kao	-	-	-	-	Appointed as new legal representative on Oct. 9, 2025.
Director	Tatung Company Representative: Sung-Pin Chang	-	-	-	-	Appointed as new legal representative on Feb. 24, 2026.
Director	Tatung Company Representative: Shih-Hong Kuo	-	-	-	-	Appointed as new legal representative on Sep. 22, 2025.
Director	Twinbot Fintech Consultants Limited	755,400	-	-	-	
	Twinbot Fintech Consultants Limited Representative: Pei-Jan Sheng	-	-	-	-	Appointed as new legal representative on Jun. 5, 2025.
Corporate Director	Tai Sheng Ocean Development Co., Ltd.	1,950	-	-	-	

Title	Name	2025		Up to March 31, 2026		Remarks
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	
	Shih-Hung Yang	-	-	-	-	Resigned as corporate director's representative and replaced by a newly appointed representative on May 7, 2026.
Independent Director	Tai-Feng Huang	-	-	-	-	By-election appointment on June 16, 2025; resigned on April 14, 2026.
Independent Director	Jung-Ying Tai	-	-	-	-	
President	Yin-Hsiu Liu	15,600	-	-	-	Newly appointed on Mar. 21, 2025.
Vice President	Ming-Chang Chiang	91,631	-	-	-	Promoted to Vice President on January 1, 2026.
Corporate Governance Officer and Chief Financial Officer	Shu-Chuan Hung	NA	NA	-	-	Promoted to CGO and CFO on Mar. 4, 2026.
Chief Accounting Officer	Tsung-Yu Yen	NA	NA	-	-	Promoted to Chief Accounting Officer on Mar. 4, 2026.
Assistant VP	Ming-Te Yu	74,869	-	-	-	
Assistant VP	Wen-Hua Tang	143	-	-	-	
Assistant VP	Zhong-Ting Yu	-	-	-	-	
Assistant VP	Chun Ren Duan	663	-	-	-	
Assistant VP	Chih-Hseng Kao	1,910	-	-	-	
Chairman	Tatung Company Representative: Chun-Lung Wu	-	-	NA	NA	Terminated as legal representative on Oct. 9, 2025.
Director	Tatung Company Representative: Kuan-Ling Lai	-	-	NA	NA	Terminated as legal representative on Sep. 22, 2025.
Director	Tatung Company Representative: Yuan-Chung Hsin	-	-	NA	NA	Terminated as legal representative on Sep. 22, 2025.
Director	Tatung Company Representative: Pei-Chun Lu	-	-	NA	NA	Terminated as legal representative on Feb. 24, 2026.
Director	Twinbot Fintech Consultants Limited Representative: Kuan-Chih Tseng	NA	NA	NA	NA	Terminated as legal representative on Jun. 5, 2025.
Independent Director	Chun-Ju Chen	NA	NA	NA	NA	Newly elected on Jun. 16, 2025; Resigned on Oct. 13, 2025.
Vice President	Chiu-Chan Hsu	2,834	-	NA	NA	Retired on Mar. 16, 2026.
Senior Vice President	Chih-Hung Chen	27,541	-	NA	NA	Retired on Feb. 25, 2026.
Assistant VP	Shu-Hui Lai	170	-	NA	NA	Retired on Feb. 25, 2026.
Special Assistant to the General Manager	Chang-Chien, Jen-Cheng	NA	NA	NA	NA	Resigned on Oct. 28, 2025.

2. Information on transfer of shares: None.

3. Information on pledge of shares: None.

VII. Information on the mutual relationship of the Top 10 shareholders in terms of proportion of shareholding if they are a related party, spouse, or a relative within the second degree of kinship referred to in SFAS No.6.

April 13, 2026; unit: share; %

Name	Shareholdings of shareholder		Shareholdings of spouse and minor		Shareholdings in the name of others		The title/name and relationship of the Top 10 shareholders having a mutual relationship as a related party, spouse or a relative within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Tatung Company	43,376,743	43.34	-	-	-	-	None	None	
Representative: Jung-Hua Chang	-	-	-	-	-	-			
Genesis Technology Inc.	8,136,000	8.13	-	-	-	-	Shin Fong Trading Co., Ltd./ Chia-Chuan Wu	Note1.2	
Representative: Shin Fong Trading Co., Ltd.	2,363,640	2.36	-	-	-	-	Chia-Chuan Wu	Note2	
I-Yin Hsu	6,922,800	6.91	-	-	-	-	Twinbot Fintech Consultants Limited	Investee Company	
Twinbot Fintech Consultants Limited	6,644,400	6.64	-	-	-	-	I-Yin Hsu	The Chairperson (or Representative) of Twin Bottles Technology Investment Consulting Co., Ltd.	
Representative: I-Yin Hsu	6,922,800	6.91	-	-	-	-	I-Yin Hsu	Herself	
Employee Stock Ownership Trust Account managed by CTBC Bank in trust	3,354,475	3.35	-	-	-	-	None	None	
Representative: Hung-Ta Hsiao	-	-	-	-	-	-			
Shin Fong Trading Co., Ltd.	2,363,640	2.36	-	-	-	-	Genesis Technology Inc. / Chia-Chuan Wu	Note1.2	
Representative: Shu-hua Yang	-	-	-	-	-	-	None	None	
Standard Chartered Bank (Taiwan) Limited, Business Department, in its capacity as Custodian for J.P. Morgan Securities PLC Investment Account	1,444,810	1.44	-	-	-	-	None	None	
Chia-Chuan Wu	1,319,840	1.31	-	-	-	-	Genesis Technology Inc./ Shin Fong Trading Co., Ltd.	Note 2	
Yan-Jie Li	1,232,500	1.23	-	-	-	-	None	None	
Su-Chu Chen	1,154,000	1.15	-	-	-	-	None	None	

Note 1: Shin Fong Trading Co., Ltd. is the Chairperson and a major shareholder of Genesis Technology Inc.

Note 2: Chia-Chuan Wu is a major shareholder of Genesis Technology Inc. and a director of Shin Fong Trading Co., Ltd.

VIII. The total number of shares and total equity stake held in the same invested business by TSTI, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by TSTI

December 31, 2025; Unit: NTD thousands

Invested business (Note)	Investment of TSTI		Investment of directors, supervisors, managerial officers and directly or indirectly controlled business		Total investment	
	Number of shares/amount of contribution	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares/amount of contribution	Shareholding ratio
Chyun Huei Commercial Technologies Inc.	7,500 (thousand shares)	100%	-	-	7,500 (thousand shares)	100%
Tisnet Technology Inc.	6,750 (thousand shares)	100%	-	-	6,750 (thousand shares)	100%
Tsti Technologies (Shanghai) Co., Ltd.	Amount of contribution: RMB 16,700	100%	-	-	Amount of contribution: RMB 16,700	100%

Note: TSTI's long-term investment under the equity method.

Three.Fundraising Status

I. Capital and Shares

(I) Type of shares issued in the most recent year up to the publication date of this annual report

1. Capital sources:

March 31, 2026

Month/ year	Issue price (NTD)	Authorized capital stock		Paid-in capital		Remarks						
		Number of shares	Amount	Number of shares	Amount	Capital sources (NTD thousands)					Investment by property other than cash	Others
		(share)	(NTD thousands)	(share)	(NTD thousands)	Cash Capital increase	Capitalization of retained earnings into new shares	Capitalization of employee bonus into new shares	Capitalization of capital reserve	Total		
May 2000	10	50,000,000	500,000	30,000,000	300,000	-	-	-	-	-	-	Note 1
September 2000	10	50,000,000	500,000	37,500,000	375,000	75,000	-	-	-	75,000	-	Note 2
June 2001	10	50,000,000	500,000	41,315,600	413,156	-	37,500	656	-	38,156	-	Note 3
June 2002	10	50,000,000	500,000	45,600,000	456,000	-	20,658	22,186	-	42,844	-	Note 4
August 2003	10	50,000,000	500,000	50,000,000	500,000	-	22,800	21,200	-	44,000	-	Note 5
July 2004	10	75,000,000	750,000	54,200,000	542,000	-	25,000	17,000	-	42,000	-	Note 6
July 2005	10	75,000,000	750,000	57,468,000	574,680	-	21,680	11,000	-	32,680	-	Note 7
June 2006	10	75,000,000	750,000	60,000,000	600,000	-	8,620.2	16,699.8	-	25,320	-	Note 8
July 2007	10	75,000,000	750,000	64,270,000	642,700	-	30,000	12,700	-	42,700	-	Note 9
September 2008	10	75,000,000	750,000	67,200,000	672,000	-	19,281	10,019	-	29,300	-	Note 10
August 2019	10	100,000,000	1,000,000	70,560,000	705,600	-	33,600	-	-	33,600	-	Note 11
January 2020	10	100,000,000	1,000,000	88,560,000	885,600	180,000	-	-	-	180,000	-	Note 12
September 2021	10	200,000,000	2,000,000	88,560,000	885,600	-	-	-	-	-	-	Note 13
October 2025	10	200,000,000	2,000,000	100,072,800	1,000,728	-	115,128	-	-	115,128	-	Note 14

Note 1: Letter Jing (2000)-Shou-Shang-Tzu No. 0892025283 of the Ministry of Economic Affairs, dated May 5, 2000
Note 2: Letter (2000) Tai-Tsai-Cheng (1) No. 60079 of the Securities and Futures Commission, Ministry of Finance, dated July 17, 2000
Note 3: Letter (2001) Tai-Tsai-Cheng (1) No. 136925 of the Securities and Futures Commission, Ministry of Finance, dated June 12, 2001
Note 4: Letter (2002) Tai-Tsai-Cheng (1) No. 0910132138 of the Securities and Futures Commission, Ministry of Finance, dated June 13, 2002
Note 5: Letter (2003) Tai-Tsai-Cheng (1) No. 0920128949 of the Securities and Futures Commission, Ministry of Finance, dated June 30, 2003
Note 6: Letter Zheng-Ji-Yi-Tzi No. 0930129390 of the Securities and Futures Commission, Ministry of Finance, dated July 5, 2004
Note 7: Letter Jin-Guan-Zheng-Yi-Tzu No. 0940122850 of the Financial Supervisory Commission, Executive Yuan, dated June 8, 2005
Note 8: Letter Jin-Guan-Zheng-Yi-Tzu No. 0950127765 of the Financial Supervisory Commission, Executive Yuan, dated June 30, 2006
Note 9: Letter Jin-Guan-Zheng-Yi-Tzu No. 0960037254 of the Financial Supervisory Commission, Executive Yuan, dated July 17, 2007
Note 10: Letter Jin-Guan-Zheng-Yi-Tzu No. 0970050246 of the Financial Supervisory Commission, Executive Yuan, dated September 22, 2008
Note 11: Letter Jing-Shou-Shang-Tzu No. 10801115060 of the Department of Commerce, Ministry of Economic Affairs, dated August 26, 2019
Note 12: Letter Jing-Shou-Shang-Tzu No. 10801196220 of the Department of Commerce, Ministry of Economic Affairs, dated January 13, 2020
Note 13: Letter Jing-Shou-Shang-Tzu No. 11001162970 of the Department of Commerce, Ministry of Economic Affairs, dated September 3, 2021
Note 14: Letter Jing-Shou-Shang-Tzu No. 11430161250 of the Department of Commerce, Ministry of Economic Affairs, dated October 17, 2025

2. Type of share

March 31, 2026

Types of shares	Authorized capital stock (share)			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	100,072,800	99,927,200	200,000,000	TPEx companies' stock (Code: 8099)

3. Information on shelf registration system: None.

(II) Major shareholders

April 13, 2026

Names of major shareholders \ Share	Shares held	Shareholding ratio
Tatung Company	43,376,743	43.34%
Genesis Technology Inc.	8,136,000	8.13%
I-Yin Hsu	6,922,800	6.91%
Twinbot Fintech Consultants Limited	6,644,400	6.64%
Employee Stock Ownership Trust Account managed by CTBC Bank in trust	3,354,475	3.35%
Shin Fong Trading Co., Ltd.	2,363,640	2.36%
Standard Chartered Bank (Taiwan) Limited, Business Department, in its capacity as Custodian for J.P. Morgan Securities PLC Investment Account	1,444,810	1.44%
Chia-Chuan Wu	1,319,840	1.31%
Yan-Jie Li	1,232,500	1.23%
Su-Chu Chen	1,154,000	1.15%

Note: The aforementioned are the shareholders who hold five percent or more of TSTI's shares or the Top 10 shareholders in terms of shareholding.

(III) TSTI's dividend policy and implementation status:

1. Dividend policy stipulated in the Articles of Incorporation

The dividend policy specified in Article 31 of the Articles of Incorporation: The total amount of the earnings to be distributed shall not be less than 50% of the distributable earning in the current year. The ration of the cash dividend to stock dividend shall be determined in consideration of the earnings in the current year, the arrangement of the funds, and the rights of the shareholders. The amount of the cash dividend shall not be less than 10% of the total dividends. Where the cash dividend per share is less than $0.1, it will not be distributed and shall be replaced with the stock dividend.

5% to 15% of the current pre-tax net profit prior to deduction of the remuneration to the employees and directors shall be appropriated as the remuneration to the employees, and not more than 5% shall be appropriated as the remuneration to the directors. However, an amount of the earnings shall be reserved to make up cumulative losses (including adjustment of undistributed earnings), if any.

The net profit after tax of TSTI in current period, if any, in the final account at the end of any fiscal year shall be used to make up the losses (including adjustment of undistributed earnings) of the previous years. TSTI shall then set aside 10% of the said earnings as a legal reserve, unless such legal reserve amounts to the total paid-up capital of TSTI. TSTI shall provide or reverse a special reserve pursuant to laws or the regulations of the competent authority. When TSTI sets aside special reserves in accordance with the law, The net increase in the fair value of investment properties and other net decreases in equity accumulated in previous periods should be recorded as a special reserve in the same amount as the previous period's undistributed earnings, and if there is still a shortfall, and if there is still a shortfall, the same amount should be recorded in the current period's undistributed earnings other than the current period's net income after tax.If there is any residual balance, it shall be, together with the undistributed earnings at the beginning of the period (including adjustment of undistributed earnings), used as accumulated dividends for shareholders. The Board of Directors shall draft an earnings distribution proposal and submit it to the shareholders' meeting for approval.

2. Dividend distribution proposed at the current shareholders' meeting

   TSTI proposes to distribute dividends of NT$210,152,880 from the 2025 earnings, with a proposed cash dividend of NT$2.1 per share.

3. Anticipated significant changes to dividend policy: The dividend policy of TSTI did not change significantly.

(IV) Effect of the allocation of bonus shares proposed at the current shareholders' meeting on TSTI's business performance and earnings per share: Not applicable.

(V) Remuneration to employees and directors:

1. The percentage or scope of the remuneration to employees and directors according to the Articles of Incorporation: Refer to (III).
2. The basis of the calculation for the remuneration to employee and directors, the calculation of the number of shares for the share-based remuneration to employees, and the accounting treatment of any discrepancies between the actually distributed calculated amounts:
   TSTI calculates the distribution amount by multiplying the amount of the pre-tax net profit in 2025 prior to the deduction of the remuneration to employees and directors by the distribution percentage specified in the Articles of Incorporation. However, if the Board of Directors adopts a resolution to allow the discrepancy between the actually distributed calculated amounts, it will be treated as the changes in accounting estimates and stated as loss or profit in 2026.

3. The distribution of remuneration approved by the Board of Directors:
   (1) The amount of the remuneration to employees, directors and supervisors distributed in cash or share: If there is any discrepancy from the estimated amount of the expenses recognized in the year, the discrepancy, the reason for the discrepancy, and the status of the treatment shall be disclosed:
   The proposal for the distribution of 2025 remuneration to directors and employees was discussed by the Remuneration Committee and approved by the Board of Directors on March 4, 2026. The proposed cash distribution consists of NT$6,890,968 for director remuneration and NT$25,000,000 for employee remuneration.
   (2) The amount of the remuneration to the employees in the form of stocks, and share of that amount as a percentage of the sum of the net income after tax stated in the separate or individual financial reports for the current period and total employee remuneration:
   TSTI did not distribute share dividends to the employees in the current year.

4. The actual distribution of the remuneration to employees and directors in the previous year (including the number and amount of shares distributed and the stock price); if there is any difference from the recognized amount of the remuneration to the employees and directors, the difference, the reason for the difference, and the treatment shall be disclosed:

Unit: NTD

Distribution	2024			
	Actual number of shares distributed under resolution of the Board	The number of shares to be distributed as approved by the Board	Difference	Reason
Cash dividend to employees	20,000,000	20,000,000	-	-
Share dividend to employees	0	0	-	-
Number of shares	0	0	-	-
Remuneration to directors	5,569,875	5,569,875	-	-

(VI) Buyback of TSTI's share: None.

II. Issuance of Corporate Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Overseas Depository Receipts: None.

V. Issuance of Employee Stock Option Certificates: None.

VI. Status of the Employee Restricted Stock Acquired by Managerial Officers, the name of the Top 10 Employees in Terms of the Acquisition, and the Acquisition Status up to the publication date of this annual report: None.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions of or Succession to Shares of Other Companies

1. Issuance of new shares in connection with mergers or acquisitions of or succession to shares of other companies in the most recent year up to the publication date of this annual report: None
2. Issuance of new shares in connection with mergers or acquisitions of or succession to shares of other companies and approved by the Board of Directors in the most recent year up to the publication date of this annual report: None

VIII. Implementation of Capital Utilization Plan

1. Plan: Analysis on any uncompleted plans for private placement of securities or completed plan within the most recent three years with unrealized benefit up to the quarter directly prior to the publication date of this annual report: None
2. Implementation: Not applicable.

Four. Overview of Business Operations

I. Business of TSTI

(I) Business scope

1. Main items:

Business code	Business	Business code	Business
CC01110	Computer and Peripheral Equipment Manufacturing	E701010	Telecommunications Engineering
F113050	Wholesale of Computers and Clerical Machinery Equipment	E701020	Satellite Television KU Channels and Channel C Equipment Installation
F113070	Wholesale of Telecommunication Apparatus	E701030	Controlled Telecommunications Radio-Frequency Devices Installation Engineering
F118010	Wholesale of Computer Software	E605010	Computer Equipment Installation
F213030	Retail Sale of Computers and Clerical Machinery Equipment	E701040	Simple Telecommunications Equipment Installation
F213060	Retail Sale of Telecommunication Apparatus	F108031	Wholesale of Medical Devices
F601010	Intellectual Property Rights	F208031	Retail Sale of Medical Apparatus
I103060	Management Consulting	J601010	Arts and Literature Service
I301010	Information Software Services	JB01010	Conference and Exhibition Services
I301020	Data Processing Services	IG03010	Energy Technical Services
I301030	Electronic Information Supply Services	E6030310	Cable Installation Engineering
JE01010	Rental and Leasing	E6030350	Automatic Control Equipment Engineering
IZ13010	Internet Certificates Service	EZ05010	Instrument and Meters Installation Engineering
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	F401021	Restrained Telecom Radio Frequency Equipment and Materials Import

2. Operating revenue percentage

Unit: NTD thousands; %

Major product / Year	2025		2024	
	Revenue	%	Revenue	%
Modern Data Center	1,748,384	34.89%	1,013,133	25.78%
Smart Terminals & Peripherals	844,837	16.86%	796,595	20.27%
Network & Cybersecurity	475,522	9.49%	457,902	11.65%
Software, Tech Services & Engineering	1,716,770	34.26%	1,439,612	36.63%
Others	225,125	4.50%	222,984	5.67%
Total	5,010,638	100.00%	3,930,226	100.00%

3. Product and service items of TSTI

TSTI's primary products and services are categorized into two major classes: "Digital Transformation & Intelligent Solutions" and "Sustainability & Smart Applications." These cover enterprise AI infrastructure, ICT integration, cybersecurity protection, and industrial applications integrating AIoT and data technologies, assisting clients in enhancing operational efficiency, risk management capabilities, and sustainable governance standards.

I. Digital Transformation & Intelligent Solutions

Focused on assisting enterprises in constructing AI and cloud infrastructure, strengthening information security protection, and optimizing operational processes through intelligent system integration.

- **OneAi Full Solution** Integrates computing power infrastructure, MLOps management platforms, data services, and AI applications (including LLM, RAG, and other technologies). It provides end-to-end services ranging from enterprise-grade AI expert assistants to industry-specific AI platforms, helping enterprises systematically implement and scale AI applications.

- **ibo.ai Intelligent Service Integration Expert** Utilizes LLM and RAG technologies to create enterprise-grade AI Agents. With ibo.XaaS as the core, it integrates Azure OpenAI and diverse Large Language Models (LLM) to provide application services covering Human Resources (HR), Information HelpDesk, and marketing recommendations (Buy), enhancing internal corporate operational efficiency and customer interaction experiences.

- **tiCC Enterprise Integrated Communication and Collaboration Platform** Built upon the Avaya Aura architecture, it supports pure software virtualization deployment. Its derived "Omnichannel Intelligent Customer Service System" can integrate various communication channels such as telephone, text, and social media, assisting enterprises in improving customer service efficiency, service flexibility, and management performance.

- **Cyber Security (Zero Trust Security)** Adopts the "Never Trust, Always Verify" zero-trust architecture. Service scope covers Identity and Access Management (IAM), Endpoint Security (EDR/XDR), network micro-segmentation, and data protection, providing holistic cybersecurity defense from endpoints and networks to the cloud.

- **Modern Work (Modern Workspace)** Adopts a user-centric approach, combining AI PC smart terminals and cloud collaboration tools to enhance employee productivity and organizational connectivity, while supporting information security requirements under remote and hybrid work models.

- **Modern DC (Modern Data Center)** Provides containerized information platforms (such as Red Hat OpenShift), Big Data hybrid clouds, and High-Performance Computing (HPC) infrastructure, assisting enterprises in constructing efficient, flexible, and data-resilient modern data centers.

II. Sustainability & Smart Applications

Focuses on utilizing AIoT and data technologies to solve specific industrial needs and supports clients in implementing ESG and sustainable development goals.

- **AIoT Low-Carbon Smart Restroom** Integrates sensing technologies such as odor detection, consumable replenishment notification, people counting, and fall detection. It effectively reduces inspection and O&M (Operation and Maintenance) costs, conserves water and electricity energy, and strengthens data governance. This solution has been applied in multiple public venues (such as the Taipei Performing Arts Center) as an ESG practice case.
- **FHIR Smart Healthcare and tiCare Telehealth** Provides telehealth systems integrating video consultation, virtual health insurance cards, and electronic prescriptions. It constructs FHIR-compliant smart healthcare platforms combined with AI medical assistants and other applications. Service targets include hospitals, long-term care institutions, and rural medical care settings.
- **Smart Surveillance**Integrates surveillance cameras, IoT sensors, and access control systems. Through Digital Twin technology and AI data analysis, it performs real-time alerting and situational assessment, assisting in the improvement of public safety governance and decision-making efficiency.
- **ESG Ecosystem Integration Services** Combines green data center (energy saving, energy storage, energy creation) consulting services with greenhouse gas inventory (ISO 14064-1) guidance. Utilizing technology and data methods, it assists clients in promoting decarbonization actions and sustainable operations.

Note: For a more detailed introduction, please refer to TSTI's official website: http://www.etatung.com

(Subsidiary) Chyun Huei Commercial Technologies's product and service item

Major product (service)	Function
AI Workstation Products	Sells professional workstation products with Generative AI computing capabilities and acts as an agent for NVIDIA graphics and computing-related products. It provides hardware equipment required for high-speed computing, image processing, and professional graphics across various industries. Additionally, it collaborates with CAD and CAM software vendors to provide integrated hardware and software solutions and consulting services to meet design, manufacturing, and engineering application needs.
Zebra Barcode Scanning and RFID Smart Label Solutions	Acts as an agent for Zebra Technologies' barcode scanning equipment, fixed and handheld readers, and RFID smart label solutions. Its product line covers barcode printing, enterprise printing, asset tracking, Internet of Things (IoT) applications, as well as mobile and location-sensing technologies, which are widely used in industries such as retail, logistics, manufacturing, and public services.
Professional Output Equipment	Acts as an agent for the sale of Canon, ROWE, and HP wide-format printers, scanners, and folding machines, providing high-quality printing, copying, and engineering drawing storage solutions. The product line covers various scale requirements from low-speed to high-speed and low-volume to high-volume, assisting customers in enhancing output efficiency and overall productivity.
Asset Management, Security Control, and Operation Management	In addition to acting as an agent for the Sierra library services platform from Innovative Interfaces Inc. (USA), it also provides asset management, smart operation and maintenance (O&M), and cybersecurity management platforms. These platforms can generate quantitative data reports to assist in preventing risks such as malware, ransomware, and unauthorized software, reducing the probability of cybersecurity incidents, and improving equipment utilization and resource efficiency.

Major product (service)	Function
Bingle E-commerce Platform	Establishes and operates the BiNGLE e-commerce platform (www.bingle.com.tw), integrating domestic and international IT brands and the service resources of the TSTI Group. It provides diverse product information, system integration, and management consulting services to assist small and medium-sized enterprises (SMEs) in improving procurement efficiency and supporting their growth needs.

Note: For more information, please visit the official website of TSTI http://www.chci.com.tw

(Subsidiary) Tisnet Technology's product and service item

Major product (service)	Function
ISP and IDC operation service	Provides domain name application and management services. In response to website and data transmission security requirements, it acts as an agent for the sale of SSL certificate-related services to strengthen Web security protection and form a stable subscription-based service income.
Network and website integration service	Assists customers with integration services for system migration to cloud platforms and provides development and O&M services for websites, systems, and mobile applications (Apps). It also integrates third-party services such as payment gateways and SMS to support corporate digitalization and online operational needs.
Cloud service	As a Microsoft Cloud Service Partner (CSP), it provides implementation, management, and technical support for Microsoft cloud services. It integrates diverse cloud solutions to help enterprises improve operational efficiency and system flexibility.
Intranet security and compliance management service	Centered on enterprise internal network security and compliance requirements, it provides services such as intranet access control, environmental monitoring management, endpoint security protection, and asset security management, assisting enterprises in reducing internal cybersecurity risks and complying with management and auditing requirements.
Cybersecurity—Privileged Account Management and Auditing Services	Provides centralized management and auditing mechanisms for privileged accounts, covering Single Sign-On (SSO), operation trail records, session history reports, and audit process management, assisting enterprises in strengthening account governance and internal cybersecurity control systems.

Note: For more information, please visit the official website of TSTI http://www. tisnet.com.tw/

(Subsidiary) Tsti Technologies (Shanghai)'s product and service item

Major product (service)	Function
IT infrastructure solution	Enterprise data center construction, enterprise backup center construction, network infrastructure, data backup and storage, server fault-tolerant cluster, and server and desktop virtualization.
ICT integration solution	IP Voice communication, audio and video conferencing integration solutions, and network monitoring security.

Note: For more information, please visit the official website of TSTI http://www.tsticn.com/

(II) Industry overview

1. Economic profile

The global economic growth rate for 2026 is projected to be approximately 2.69%, a slight decrease compared to 2025 (2.82%). The global inflation rate is expected to drop to 2.97%, with monetary policies of major countries anticipated to shift toward easing. The U.S. "Tariff 2.0" and MAGA policy changes, geopolitical instability, and low-price dumping caused by overcapacity in mainland China remain the primary variables disrupting global trade. If AI investments fail to translate into commercial adoption, technology companies may reduce capital expenditures. Influenced by the high base effect of 2025, Taiwan's economic growth momentum in 2026 is expected to moderate. GDP growth rate forecasts from various institutions range between 2.60% and 4.14% (CIER: 4.14%; Academia Sinica: 3.71%; DGBAS: 3.54%; TIER: 2.60%).

2. Industry development trend

In 2026, Taiwan’s information service industry will enter the "Deep Water Zone of AI Implementation." The industry's focus is shifting from technical experimentation to the systematic reconstruction of operational processes, with total revenue expected to reach NT$720 billion. The following are four key trends:

I. Scaling and Agentization of AI Applications: 2026 is regarded as the "Year One of Agentic AI." AI will evolve from a simple content output tool into a "new type of digital labor" capable of autonomous reasoning, proactive planning, and cross-system task execution. Enterprises will shift toward using "Domain-Specific Language Models (DSLM)" fine-tuned for specific industries to meet the accuracy and compliance requirements of professional tasks.

II. Modernization of Cloud Architecture and Sovereignty Trends: Influenced by geopolitical risks, a trend of "Geometrization" has emerged, where enterprises move virtual workloads from global public clouds back to sovereign clouds or regional cloud service providers. Cloud services are shifting toward "Industry-Specific Clouds," where information service providers no longer just provide computing space but intelligent platforms that integrate AI computing power with local regulations.

III. Escalation of Cybersecurity Offense and Defense and Trust Governance: Generative AI has expanded the scale of attacks, driving the output value of Taiwan's cybersecurity sector to grow strongly at an annual rate of nearly 12%. Information service providers will strengthen "AI Security Platforms" and "Digital Provenance" technologies, providing automated detection (AI SOC) and Software Bill of Materials (SBOM) verification to address supply chain cybersecurity threats.

IV. Structural Challenges and Architecture Overhaul: Enterprises currently face two major obstacles: first, the "Dirty Data Dilemma," where as many as 44% of enterprises believe internal data must be cleaned before it can be used by AI; second, the "Talent Shortage," where the average recruitment time for IT positions is too long, leading teams into a "firefighting" culture. Overall, information service providers in 2026 will transform from "technology builders" into "intelligent operation enablers," using IT modernization to turn technology into a core engine for creating operational value.

3. Correlation among upstream, midstream and downstream in the industry

As for the configuration of the industry chain in the IT service industry in Taiwan, the upstream players (manufacturers – international and domestic leading companies) play the role of product and technology providers, and implement advanced information application technologies. The downstream players, including software consultants and independent software providers, software sales service providers and system integrators, play the roles of technology application integrators. They develop their respective service models based on their experience and understanding in the professional domains of the industry to which their customers belong. They provide solutions (or services) or integrate the advanced technologies provided by the upstream players for the end customers to meet their demands.

The midstream players are usually distributors or wholesalers. In addition to the major role of stocking, warehousing and distribution, they assist manufacturers in distribution of goods to the downstream distributors, who will resell them to end customers. Standard software and hardware products with a huge sales volume are attractive to them. Some companies provide software and hardware spares, testing devices and supports, and training on sale of products. Most of the manufacturers take a multi-agent strategy. They have multiple distributor and agency channels to ensure extending to more end customers. Most of the agents sell goods for multiple brands to meet the demands of the customers and increase their revenue.

TSTI's role as a contracted agent is an integrated direct seller of information services based on hardware, software, and network technologies. Upstream companies for the products represented include ICT software and hardware vendors such as Avaya, Aruba, Cisco, Dell EMC, HPI, HPE, Honeywell, Informatica, Microsoft, NetAPP, NVIDIA, Qualtrics, Redhat, Veeam, Vmware, etc. The scope of marketing and sales business includes system integration services related to cloud computing and integrated communications, such as virtualization consulting and system construction, data backup and storage equipment construction, commercial switch planning and construction, high-performance computing (HPC) servers, network equipment and cybersecurity planning and construction, graphic workstations, commercial terminal computers, highway tolling software, customer service center-related equipment and desktop integration software, warranty services, data center relocation, education and training, etc. Users are distributed across various industries, including telecommunications, logistics, manufacturing, transportation, medical care, finance and securities, educational institutions, and government agencies.

4. Development trend of products and their competition status

(1) Development trend of products

TSTI is one of the leading information service providers in Taiwan. Our business scope includes modern data centers, smart terminal peripheral equipment, network products, cybersecurity services, information and application software, professional consulting services, professional after-sales and maintenance services, personal computers, and computer peripheral products, providing a full range of integrated information service solutions. In response to the rapid development and application of digital transformation, sustainability transformation, and AI intelligence, TSTI leverages professional talents' integration capabilities and experience in project management, software development, and industry applications to provide: **Digital Transformation and Intelligent Solutions** (OneAi Full-Stack Solutions, Cybersecurity Services, "Wanshi Da" Smart Communication Applications, OneService Comprehensive Services); and **ESG and Smart Applications** (ESG Ecosystem Integration Services, Smart Medical Applications, etc.). For trends of related products, please refer to Section IV, Operational Overview, I. Business Content, (I) Business Scope, 3. Current Products and Services of this annual report.

(2) Competition status

Driven by the trend of digital transformation (smart manufacturing, smart medical, fintech, smart retail, etc.), topics such as mobile applications, smart analytics, cloud computing, social collaboration, and cybersecurity continue to deepen their influence on enterprise operations, thereby dictating the information investment layout and direction of enterprises in recent years. The rapid development of these trends is reshaping the innovative applications and service models of the entire ICT system integration service industry. While the trend of "the big get bigger" is likely a foregone conclusion, application services are highly context-specific and their scenarios are very diverse, meaning large manufacturers cannot satisfy all needs with a single standardized solution. Therefore, the way to survive is to differentiate application services, transform company resource advantages into developed application service solutions, thereby opening up a "blue ocean," clarifying one's positioning, and choosing appropriate application scenarios.

(III) Overview of technology and R&D

1. TSTI’s R&D expenses invested in the most recent fiscal year (FY2025) amounted to NT$ 46,770 thousand.

2. Technology or product developed successfully

Fiscal Year	Name of Technology or Product
2025	Multimodal Generative AI Dialogue System
2025	AIoT Low-Carbon Smart Restroom Cloud Management System

3. Subject of R&D project

Multimodal Generative AI Dialogue System

With the advancement of Generative AI technology, the applications of RAG (Retrieval-Augmented Generation) and Knowledge Graphs have become increasingly mature, leading to further improvements in robots' capabilities in natural language understanding and knowledge retrieval. This year's R&D will focus on multimodal application technologies to enhance the robot's ability to extract key information from diverse data types, thereby increasing the application value of TSTI’s proprietary brand robots across various fields and providing customers with more efficient intelligent services.
The core development directions and results for this year are as follows:
(1) Enhance RAG’s knowledge processing capabilities: Beyond existing PDF retrieval functions, support will be expanded to include formats such as Word, PowerPoint, images, and videos to enhance knowledge retrieval and content generation effects.
(2) Improve the intelligence of the product recommendation module: Multi-dimensional feature analysis will be conducted through product information to refine the recommendation mechanism and accurately provide product recommendations that better meet user needs.
(3) Strengthen intelligent query functions of the Knowledge Graph via API integration: By connecting multiple data sources, the system will identify key elements of user needs and proactively ask questions to ensure data integrity, thereby providing more accurate answers.
(4) Research on the integrated application of heterogeneous models: Aimed at exploring the connection and collaboration mechanisms between different types of AI models. Through multi-model fusion technology, robots will be empowered with the ability to integrate knowledge from audio-visual content and enhance understanding, expanding their service application range and increasing the depth and breadth of intelligent interaction.

AIoT Low-Carbon Smart Restroom Cloud Management System

IAs global emphasis on environmental protection and sustainable development continues to rise, public facility management has gradually become an important field for achieving low-carbon goals. Among these, toilets are an indispensable part of daily life, and their management efficiency and resource usage are directly related to environmental impact and user experience. In response to the era's demand for green development, we have developed the AIoT Low-Carbon Smart Toilet Cloud Management System. It aims to integrate data-driven management models into toilet operations through advanced Artificial Intelligence of Things (AIoT) technology, achieving maximized resource utilization, minimized emissions, and a comprehensive improvement in user satisfaction.

TSTI’s investment directions and results are explained below:

- **System Function Development and Optimization**

- **Traffic Parameter Statistics:** Develop functions for detailed statistics of real-time and cumulative data returned by sensors to further analyze venue utilization and improve cleaning efficiency.
- **Cleaning Notification upon Exceeding Traffic Thresholds:** Add the function to set traffic thresholds to achieve proactive maintenance through real-time notifications to cleaning personnel, ensuring user experience.
- **Sensor Battery Alert:** Improve hardware management functions by adding a notification mechanism for low battery alerts (below 20%) for short-range sensors.
- **Alert Notification Services:** Integrate mainstream social media software to provide more diverse alert service notification mechanisms, improving the efficiency of venue managers in management and emergency response.

- **User Interface Optimization and Internationalization Support**
  - **UI Adjustment:** Optimize the design of repair reporting and traffic information displays to make the interface more intuitive and friendly, further enhancing user experience.
  - **Multi-language Support:** Provide Traditional Chinese and English language options to better meet international requirements and expand market application scope.
- **Backend Integrated Data Visualization and Dashboard Functions**
  - **Water and Electricity Data Integration:** Develop backend visualization functions to tally water and electricity usage data in toilets, providing data support for energy saving and carbon reduction.
  - **War Room Management Dashboard:** Display real-time and cumulative data for toilet areas, floors, and venues to support rapid decision-making.
- **Hardware and Sensor Performance Optimization**
  - Strengthen the performance of edge computing controllers and sensors (such as traffic, ammonia, falls, and stay duration) to ensure accurate data detection and timely response.

The AIoT Low-Carbon Smart Toilet Cloud Management System not only integrates various advanced sensors and cloud management technologies to provide real-time monitoring, data analysis, and proactive maintenance but also focuses on creating friendly and intelligent interactive interfaces to promote the digitalization and sustainable transformation of facility management. The product is positioned to provide intelligent management solutions for enterprises, public facilities, and multi-scenario applications, contributing to a green future by reducing resource waste, optimizing cleaning efficiency, and improving user experience.

4. R&D Schedule and Annual R&D Expenses

(1) Multimodal Generative AI Dialogue System

This project has been invested in since January 1, 2025 (FY2025), and was completed before December 31, 2025 (FY2025), with a total R&D expenditure of approximately NT$ 10,000 thousand.

(2) AIoT Low-Carbon Smart Toilet Cloud Management System

This project has been invested in since January 1, 2025 (FY2025), and was completed before December 31, 2025 (FY2025), with a total R&D expenditure of approximately NT$ 8,000 thousand.

(IV) The long and short-term plans for business development of TSTI

<u>Short-term development plan</u>:

TSTI takes "Integrating global technology to create value for customers" as its core mission, continuously deepening its capabilities in cloud technology, ICT integration, and professional consulting services, while actively advancing toward becoming a "Leading provider of AI-driven ICT integrated services." Short-term development will focus on "Strengthening core capabilities, accelerating AI transformation, enhancing service value, and expanding revenue structure" as key directions to improve operational efficiency and market competitiveness.

Through digital technology, TSTI assists government agencies and enterprises in promoting digital transformation, implementing AI applications, data governance, and intelligent decision-making mechanisms, thereby enhancing customer operational efficiency and data-driven decision-making capabilities, and gradually establishing sustainable service operation models.

Currently, the products and solutions represented or partnered with cover international leading brands such as Avaya, Aruba, Cisco, Check Point, Dell EMC, Honeywell, HPI, HPE, Microsoft, NetApp, NVIDIA, Palo Alto Networks, Qualtrics, Red Hat, Veeam, and VMware, establishing a complete enterprise-grade ICT and cloud technology ecosystem. In the short term, we will continue to strengthen the depth of cooperation with key strategic partners (such as leaders in AI computing power, cloud platforms, and cybersecurity), increase the proportion of high-margin products and solutions, and develop a "Product + Solution + Service" integrated sales model to stabilize existing markets while enhancing overall revenue quality and profitability.

TSTI continuously invests in technical refinement and talent cultivation related to represented products, collaborating with sales and marketing teams to drive market expansion. The Group has accumulated nearly thirty years of service experience in Information Technologies (IT) and Communication Technologies (CT), long assisting enterprises and government agencies in constructing stable and forward-looking computer and communication system platforms. Our customer base spans telecommunications, financial holdings, manufacturing, media, distribution, military/government, and educational/research units. We will further focus on high-potential industries (Smart Manufacturing, Smart Medical, Government AI projects), strengthen deep engagement with key customers and cross-selling, and promote AI, cybersecurity, and cloud integration solutions to enhance Customer Lifetime Value (CLV) and market penetration.

The current operational organization includes the System Integration Business Unit, OneService Business Unit, ICT Integration Business Unit, Cybersecurity & Consulting Services Business Unit, Digital Sustainability Business Unit, Digital Finance Business Unit, Smart Terminal Services Business Unit, and Central & South Region Business Unit. Each unit collaborates according to its professional division of labor, focusing on strategic execution and steady growth to provide customers with comprehensive system integration and professional services.

Summary of Short-term Development Plans by Unit:

Business Unit	Short-Term Project Summary
System Integration Business Group (SIG)	● Deepen engagement with large enterprises and key accounts, expanding market depth and breadth; drive sales model upgrades toward solution-oriented strategies; focus on Software-Defined Data Center (SDDC), AI computing power and applications, Big Data, and other solutions to increase service penetration. ● Strengthen cooperation with original manufacturers (vendors) on digital transformation solutions while developing differentiated proprietary integrated solutions; expand into new markets and enhance customer stickiness through integration capabilities and consulting services. ● Develop industry-specific solutions focusing on key areas such as Smart Manufacturing, Smart Medical, Smart Distribution and Retail, and the Telecommunications industry; provide integrated services ranging from system planning consultancy to implementation, strengthening industry-specific expertise.
OneService Business Group (OSG)	● Continuously cultivate a competitive professional service team; maintain a customer-centric and service-oriented approach to enhance the overall customer experience. ● Construct the OneService Platform, incorporating automation and AI technology to provide high-efficiency and high-quality service experiences. ● Standardize the O2C (OneService Operation Center) maintenance center, providing the "3M" service model: Monitor, Maintain, and Managed. ● Adjust the organizational structure by establishing a professional consulting-led sales team; develop a consultative service model to maximize customer value.
ICT Integration Business Group (ICG)	● Continuously consolidate existing advantages in the enterprise voice communication market; respond to trends in multimedia customer service and hybrid office environments to explore new market opportunities. ● Provide comprehensive solution planning and sales for hybrid office, network, and ICT security to enhance customer operational efficiency. ● Respond to market demand for Experience Management (XM); develop solutions related to Customer Experience (CX) and Employee Experience (EX) to expand new service applications.
Cybersecurity & Consulting Services Business Group (CPG)	● Adhere to the "Never Trust, Always Verify" principle by adopting a Zero Trust cybersecurity architecture; provide holistic protection services covering endpoints, networks, and the cloud. Integrate Identity and Access Management (IAM), data protection mechanisms, and AI-driven threat monitoring to ensure the confidentiality, integrity, and availability of corporate digital assets. ● Continue to represent internationally competitive cybersecurity brands and combine them with proprietary technical capabilities to build AI SI (System Integration) and Cyber Security SI service models. ● Develop market-differentiated integrated cybersecurity solutions, specifically incorporating SASE (Secure Access Service Edge) architecture; unify network functions like SD-WAN with security services (including ZTNA, SWG, CASB, FWaaS) via cloud-native delivery to replace traditional perimeter defense and VPNs, providing efficient and secure access solutions for hybrid, remote, and multi-cloud environments.
Digital & Sustainability Business Group (DSG)	● Develop financial and medical application solutions; deepen relationships with key accounts and promote software cross-selling and project cooperation with ecosystem application partners. ● Expand projects related to intelligent customer service and data integration; combine business intelligence applications to create IT operation opportunities.

	● Focus on cloud AIoT applications such as Smart Medical (FHIR, tiCare), Smart ESG Zero-Carbon Management Systems, AI intelligent text chatbots, and Smart Public Toilets. ● Strengthen sales and value-added services for represented software products; enhance AI data integration and analysis capabilities. ● Develop diverse proprietary AI innovative application products; deeply cultivate vertical industries and continue investing in AI applications and NVIDIA-related advanced technologies.
Digital Finance Business Group (DFG)	● Continuously cultivate financial industry clients; through close collaboration with vendor partners, strengthen technical integration capabilities and drive the implementation of integrated solutions tailored for financial scenarios, consolidating TSTI's advantages in the financial market and deepening customer relationships. ● Regarding emerging technologies, actively layout strategic business directions such as AI and Big Data platforms; strengthen technology introduction and application scenario expansion to help customers improve operational efficiency, optimize processes, and enhance decision-making quality, laying a solid foundation for future growth. ● Simultaneously strengthen network and cybersecurity technical service capabilities; deepen cybersecurity protection technology and professional service systems, and actively expand the cybersecurity market to enhance overall corporate security resilience and market competitiveness.
Edge Solutions Business Group (ESG)	● Take customer needs as the core to develop smart terminal integrated solutions; enhance production efficiency and user experience while balancing cybersecurity protection. ● Focus on three major development pillars: AI PC and application sales, nationwide terminal equipment support services, and endpoint security planning and implementation. ● Develop high-value-added terminal products and integrated solutions to drive simultaneous growth in sales scale and profitability.
Central & Southern Area Business Group (CSG)	● Focus on expanding system integration and smart terminal businesses in the Central and South regions; develop smart surveillance applications using AI technology to provide proactive and intelligent solutions that address customer needs for new construction, replacement, and upgrades.
Subsidiary – Chyun Huei Commercial Technologies Inc.	● Expand markets for Zebra barcode printing, enterprise printing, RFID asset tracking, and IoT solutions. ● Promote professional workstation products with Generative AI capabilities to boost sales momentum for NVIDIA graphics and computing products. ● Strengthen market promotion for asset management and smart O&M cybersecurity management platforms. ● Utilize the BiNGLE (www.bingle.com.tw) e-commerce platform to enhance the brand awareness and sales competitiveness of TSTI's professional workstation products.
Subsidiary – Tisnet Technology Inc.	● Continuously develop cloud sales, software licensing, professional technical services, website development, domain/SSL services, and cybersecurity services. ● Cybersecurity services focus on security testing, account security, document and data protection, ransomware defense, and cybersecurity talent training, while simultaneously expanding cloud services and integrated business opportunities.
Subsidiary – Tsti Technologies (Shanghai) Co., Ltd.	● Collaborate with the parent company to provide system integration services. ● Expand cloud-based solutions and capture cloud service business opportunities.

Long-term development plan:

In response to the dual-axis drivers of global digital transformation and sustainable development, as well as the trend of the AI industry shifting from training to inference and application implementation, TSTI is actively mapping out a long-term development blueprint of "Service-oriented, Platform-based development, AI-driven, and Sustainable Innovation." We are progressively upgrading from a traditional system integration service provider to an "AI Infrastructure and Application Integration Service Provider," establishing differentiated competitive advantages and capturing high-growth market opportunities.

In the future, TSTI will take "AI Computing and Application Integration, Cloud Platform Deepening, Proprietary Products and Solutions, Smart Field Integration, International Market Expansion, and ESG Sustainable Development" as its core development axes. We will continue to increase the proportion of high-value-added and Recurring Revenue to create long-term value for customers and shareholders.

1. Deepen AI Computing Power and AI Application Services

As enterprises accelerate AI adoption, the use of AI computing power within an organization has become a cornerstone for enhancing its own competitiveness. Leveraging years of experience and capability in AI Data Center planning, implementation, and O&M management, TSTI has upgraded to an "AI Infrastructure and Application Integration Service Provider." We develop full AI value chain capabilities, actively assisting enterprises in building self-owned AI computing centers, GPU computing platform construction and management, computing power leasing, AI model deployment, and enterprise AI Agent application implementation services.

TSTI also possesses years of technical foundations in cloud-native container platforms, AIoT smart city solutions, and the cloudification of software services. We have successively launched proprietary brands, such as the "tsti OneAi" full-stack solution, to enter the market. We are actively penetrating the enterprise cloud and AI application markets, providing enterprises with comprehensive solutions ranging from basic computing power and data governance to application implementation.

The SaaS products currently promoted by TSTI primarily include: ibo.ai intelligent dialogue robots, tiCC cloud customer service, low-carbon smart toilets, and ESG zero-carbon integrated management. We will continue to represent and integrate products from renowned domestic and international SaaS providers, expanding our service portfolio to establish a "tripartite" AI service operation model of "Construction + Platform + Operation."

2. Continuous R&D of Proprietary Software

TSTI actively invests in R&D for AI applications and advanced ICT technologies, as well as the development of proprietary brand software. We aim to develop proprietary software and solutions with differentiated competitiveness while focusing on the value-added integration of represented international and domestic brand software. Currently, our "Customer Experience Solutions" include: intelligent cloud customer service, intelligent dialogue robots, enterprise knowledge base management platforms, data-aided AI platforms, AI Agent applications and automated services, and smart medical care (FHIR standard data platforms, tiCare smart medical solutions). Our "ESG Zero-Carbon Sustainability Solutions" include: low-carbon smart toilets, energy management, AIoT integrated applications, and telehealth. We are progressively promoting productization, platformization, and international export under the "tsti OneSoftware" and "OneAi" brands, increasing the proportion of high-margin and scalable revenue to build a mid-to-long-term growth engine.

3. Develop Smart Terminal Integrated Solutions and Create Smart Surveillance Applications

With customer field applications at the core, we develop smart terminal integrated solutions by integrating AIoT, edge computing, and cybersecurity technologies to provide efficient, secure, and scalable application architectures.

Smart surveillance solutions utilize an open platform architecture combined with AI edge computing technology to provide customized surveillance system integration services. These can combine AI video recognition, behavioral analysis, and real-time alerting technologies to create a comprehensive security management mechanism. This assists enterprises in enhancing plant O&M efficiency, reducing operational costs, ensuring critical business continuity, and accelerating digital transformation to create a sustainable security environment characterized by both efficiency and resilience.

4. Develop a Comprehensive Digital Service Brand

TSTI established the "tsti OneService" brand, providing "ABCDE" services from AI to Edge, including: AI (Artificial Intelligence) platform applications based on network security services, Big Data management, Cloud & Container services and management, Data Center and AI Data Center modernization, and Edge Computing with AIoT applications. OneService builds an integrated service architecture with "Cybersecurity as the foundation, Data as the core, and AI as the driver," advancing toward a "Service-oriented (XaaS), Platform-based, and Sustainably Operable" model to enhance customer stickiness and long-term service value.

5. Diversified Industry Layout and Expansion into the Southeast Asian Market

TSTI will continue to deepen its presence in digital finance, smart manufacturing, smart medical care, government and telecommunications, distribution, and SME markets. We aim to establish a balanced industrial development structure to mitigate the risks of economic fluctuations in specific industries. We will focus strategies on promoting service transformation, cloud transformation, AI transformation, and operational digital transformation to innovate value, achieve excellent customer experience, and create new revenue. Furthermore, we plan to become the preferred system integration service provider for Taiwanese companies establishing overseas plants. By leveraging deep ICT integration capabilities and our proprietary "OneAi" solutions, we aim to enter the Southeast Asian market and evolve into an international regional cloud service and ICT integrator.

Based on sustainable operations, TSTI actively practices corporate ESG. Not only do we strive internally for excellence in corporate governance, social care, and environmental sustainability, but we also actively link ESG topics and sustainability goals in the development of digital services and integrated solutions. This forms an ESG sustainable business ecosystem, realizing the creation of value for customers, shareholders, employees, and society.

II. Overview of Market and Production/Marketing

(I) Market analysis

1. Sales region for major products

Unit: NTD thousands; %

Item \ Year	2025		2024	
	Amount	%	Amount	%
Domestic sales	4,937,066	98.53	3,887,268	98.91
International sales	73,572	1.47	42,958	1.09
Total	**5,010,638**	**100.00**	**3,930,226**	**100.00**

2. Market share

According to the "TOP5000 Study: Rankings of Large Enterprises in Taiwan" published annually by CRIF (China Credit Information Service), TSTI has consistently ranked within the top 500 in terms of business performance in the service industry over the years. The CRIF TOP5000 study collects data on 5,000 large enterprises with annual net revenues exceeding NT$100 million. In addition to revenue rankings, it evaluates enterprises based on four representative indicators: revenue, profit, return on investment, and productivity. This comprehensive index includes net revenue, net income after tax, revenue growth rate, net profit margin, return on equity (ROE), return on assets (ROA), sales per employee, and productivity indicators to further assess corporate performance. In the category of computer system integration services, TSTI has consistently ranked within the top 25 over the years.

TSTI was honored with two major awards from CIO Taiwan: the "2026 Elite Vendor" in the Cloud & Platform Engineering category and the "2026 Outstanding Service Provider" award. TSTI has been selected as an "Outstanding Service Provider" for five consecutive years, affirmed by Taiwan's CIOs as one of the most important and long-term cooperative IT service providers alongside original manufacturers. Furthermore, according to the "Top 2000 Survey" published by CommonWealth Magazine every May, TSTI has been selected as a benchmark enterprise in the "Service Industry" category under "Information Equipment Sales and Services." These accolades demonstrate that TSTI possesses a significant market share in nationwide customer sales.

3. Future supply and demand in this market and growing potential

In recent years, Taiwan's information service industry has continued to benefit from digital transformation, cloudification, and the deepening of AI applications, with the market scale showing a steady growth trend. According to relevant market research institutions and the Market Intelligence & Consulting Institute (MIC), the revenue scale of Taiwan's information service industry—encompassing broad sectors such as system integration, cloud services, cybersecurity, and AI applications—has the potential to reach NT$720 billion, indicating a structural basis for continuous expansion.

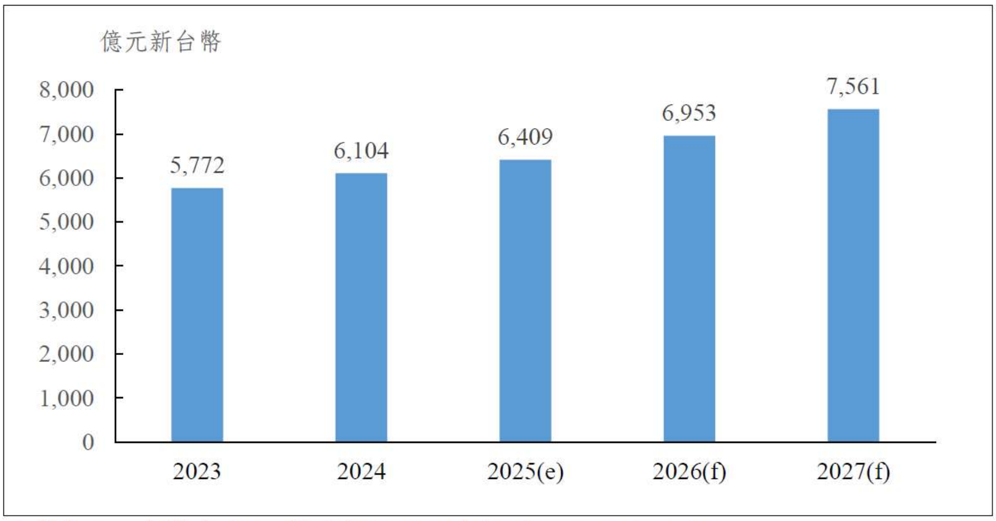
Looking ahead to market development in 2026, as demand for AI and digital transformation continues to grow, the overall information service market scale is expected to expand further. The output value of cybersecurity services continues to scale up, while the information outsourcing market is seeing a breakthrough, reflecting enterprises' increasing demand for long-term professional services and operational support.

On the demand side, enterprise requirements for information services have shifted from early-stage system construction and hardware implementation to mid-to-long-term layouts centered on Generative AI (GenAI), Hybrid Cloud architectures, cybersecurity compliance, and data governance. GenAI applications are moving from Proof of Concept (PoC) and pilot stages toward large-scale implementation, driving significant demand for customized system development, model integration, and AI system maintenance. This further pushes the demand for multi-cloud integration, cloud management, and cybersecurity services.

Additionally, compliance and sustainability have become key factors driving market growth. With the official implementation of carbon fee systems, enterprises' demand for carbon inventory, carbon management, and ESG data governance has significantly increased. This has led to the rapid emergence of new types of information services such as "AI-driven carbon emission management" and "sustainable information system construction," creating new growth momentum for the information service industry.

On the supply side, information service providers are progressively transforming from project-based operation models to platform-based, service-oriented, and subscription-based (XaaS) models. Providers with AI system integration capabilities, hybrid/multi-cloud architecture design skills, holistic cybersecurity protection, and industry-specific solution experience will hold a superior competitive advantage. However, the limited supply of high-end technical talent also continues to raise industry entry barriers, with the market gradually moving toward specialization and concentration.

Overall, the growth momentum of Taiwan's information service industry has shifted from short-term cyclical factors to being supported by long-term trends such as AI, Cloud, Cybersecurity, and Sustainable Governance. Whether the industry can maintain steady growth in the future depends on whether providers can continue to strengthen their technical integration capabilities, enhance service added value, and promptly respond to the increasingly diverse and deepening information service needs of enterprises and government sectors.



資料來源：資策會 MIC 經濟部 ITIS 研究團隊，2025 年 9 月

2023-2027 年臺灣資服產業營業額

4. Competitive niche

(1) Comprehensive Product Matrix and Forward-Looking Tech Navigation, Leading Enterprises in IT Modernization Integration

TSTI represents top-tier global leading brands, closely aligning with the strategic core of "IT Modernization" in 2026. We dynamically adjust our product layout to meet the requirements of advanced processes and AI infrastructure. TSTI emphasizes the professional cultivation of technical personnel, ensuring the team possesses certified expertise that leads industry trends, serving as the strongest technical backbone for customer transformation. Leveraging years of excellence in executing large-scale projects, TSTI transforms its system integration and consulting experience into high-value-added intelligent solutions, helping clients across various industries establish absolute competitive advantages on the foundation of the digital economy.

(2) Integration and Application Technology Capabilities, Utilizing AI Solutions to Help Customers Rapidly Deploy Digital Transformation

Throughout the promotion of containerization, TSTI's mature software development team and extensive experience in large-scale project development are major competitive advantages—capabilities that other system integrators cannot establish in the short term. Transitioning to containerization involves not only infrastructure updates but also changes in resource management mindsets and system development lifecycle management. Through AI-driven intelligent resource management, combined with infrastructure construction experience and large-scale software project development capabilities, TSTI provides enterprises with intelligent resource allocation, real-time computing power scheduling, and AI-optimized flexible resource management required during digital transformation, along with diverse resource support for Big Data, GPU, edge computing, and hybrid cloud. TSTI's "OneAi" comprehensive solution ensures that enterprises can deploy rapidly, scale flexibly, and enhance digital transformation efficiency, helping them secure a competitive edge in the intelligent era.

(3) AI-Empowered 24/7 Premium O&M Services with Guaranteed Quality via ISO 20000 Certification

TSTI's services cover servers, storage, communications, and networks. Specifically for industries with extremely high demands for high performance and uninterrupted operations—such as large-scale data centers or contact centers—we provide AI-empowered operations and maintenance (O&M) solutions to ensure system stability and operational efficiency. With hundreds of professional technical engineers and the ability to implement AI-automated monitoring and predictive maintenance as needed, we can detect anomalies in real-time and perform diagnostic and preventive maintenance, significantly shortening troubleshooting time and improving system availability. Since 2014, TSTI has continuously maintained ISO 20000 Information Service Management certification, reflecting our extreme pursuit of digital resilience and operational stability, ensuring customers remain free from worries in the race for intelligence.

(4) Deepening Global Ecosystem Collaboration with Vendors to Co-Create New Strategic Market Value

TSTI is not only the best sales partner for original manufacturers (vendors) but also a core node in cross-domain ecological alliances. By regularly holding marketing seminars with vendors, TSTI provides customers with real-time feedback on the world's most cutting-edge market technology intelligence, achieving a win-win model of "International Technical Partner + Vertical Industry Expert." This close cooperative relationship enables TSTI to accurately formulate sales strategies for each stage and collaborate with customers to expand into new markets, securing strategic leadership in the context of global supply chain restructuring.

(5) Continuous Improvement of Internal Operational Digitalization and Talent Development

TSTI continues to digitalize various operations, strengthening the intelligence of internal information systems. By integrating various corporate systems such as CRM, ERP, BPM (Business Process Management), KM (Knowledge Management), EIP (Enterprise Information Portal), and tiCC (Omnichannel Contact Center), TSTI makes information flows smoother and smarter, aiming to provide more effective operational information to improve overall efficiency and quality. Regarding talent development, we will deeply develop competency models for various positions, effectively linking and implementing performance, competency, and knowledge management. This establishes a comprehensive management mechanism covering talent identification, KPI promotion, competency assessment, internal rotation, performance coaching, technical heritage, and exit management.

5. Favorable and unfavorable factors for future development and the countermeasures

(1) **Favorable factors**

① The core technology of TSTI is in line with the development trend of the cloud applications and IC integration.

The demand for cloud services grows every year. The public cloud services that foreign companies provide run into fierce competition. In addition to providing companies with private cloud, TSTI provides virtualization management, containerization technology, cloud computing and their integration, setup and services for which we have leading advantages in technology based on our system integration specialties. TSTI continues inputting software technology talents and acquires Microsoft, VMware, Cisco, and HPE technology certificates. We have solid technology strength in the integration of virtual hosts and cloud-based automated management.

② Comprehensive and diverse solutions and product lines

TSTI provides a complete set of products, professional consultation and after-sales services in six professional service and solution fields of cloud service, mobile commerce, big data analytics, contact center system, integration service, and intelligent application. This way, we can meet the requirements of the customers and improve the competitive strength of the customers with our value-added software and digital transformation technologies.

③ Collaboration with Chyun Huei Commercial, Tisnet Technology and tsti Technologies (Shanghai) to ensure solid regional deployment of products

TSTI and three subsidiaries are engaged in marketing of products under agency, including IT Infra equipment, software development, after-sales services, cloud services, IoT applications, co-location, Dell workstations, and Zebra/Motorola products. The sales and service locations of TSTI are in Taiwan (a total of six locations in northern, central, and southern Taiwan) and Shanghai. Sales representative with extensive experience are arranged to provide customers with premium services in a timely manner.

④ Quality service teams

TSTI provides online after-sales repair request services and twenty-four-seven contracted services. We respond to the requirements of the customers and maintain their information system environment at any time, and win their trust and recognition.

⑤ Dedicated R&D unit

The R&D units are dedicated to developing in-house products and inputting new technologies, facilitating the control over solutions and the improvement in gross margin.

(2) Disadvantages and counter measures

① The scale of domestic demand market is limited, resulting in fierce competition in the industry.

The usage of domestic cloud services continues to increase, compressing the market of outsourced services and reducing the opportunities for physical sales. The entry thresholds of the IT service industry is not high, leading to a disadvantage for the industry’s development, which is low-price competition.

Here are the counter measures of TSTI: In addition to the continuous accumulation of project experience in all industries, TSTI insists on doing research and making development. We develop new products and create differentiated products/services, continue to increase the added value of the original products and services, and expand the scope of business in an aggressive manner. Not only that, but we also provide the best support services from every aspect, such as planning, setups, consultation, and installation and maintenance. We also closely follow the development trend of the market, and create advantages by using the digital transformation technology to improve competitiveness.

② Technology is innovated constantly; talent cultivation is not easy and takes time, while international suppliers start talent poaching.

The key to the long-term development of the IT service industry is attracting professional talents and project management teams with profits. Tech talents need long-term cultivation and experience learned to possess highly professional knowledge, and they need to accumulate special, core skills through projects. Thus, professional talents are important assets. However, when domestic and international suppliers failed to cultivate long-term talents or focus on specific fields, they poach talents with considerably valuable incentives, and thus causing distress on local system integrators.

The counter measures of TSTI are as follows: We see talents as the most important asset of TSTI, and believe that only with good employee satisfaction can we achieve good customer satisfaction. TSTI makes every effort to provide each employee with favorable wages and benefits. We uphold the idea of sharing the profits with employees to attract, cultivate, develop and encourage talents in all fields. We also implement the learning organization culture by combining the core values of TSTI with the competency-based learning maps for 36 professional positions. Moreover, TSTI strive for promoting professional certifications. We increase budget in employee training, provide well-established welfare schemes, and cultivate and improve the professional literacy of the employees through educational training. With employee compensations and shareholder rewards, TSTI shares operating profits and consolidates the strength of the employees. TSTI participates in industry–academia collaboration and applies academic research resources to the business applications.

③ Lower budgets of the government for information expenses and lack of training and incentive effects in the Government Procurement Act for premium information service companies

The budgets of the government for information expenses are lower in the general budget of the central government and the Government Procurement Act prefers to the price proposal policy based on the lowest price. The requirements of a software design procurement agreement cannot often be confirmed because the contact person is changed, resulting in losses arising from the entire project. This may lead to lower participation willingness of the premium information service companies. In addition, since the government does not have a significant policy of ICT applications and industries, information service providers usually contact with individual companies directly and thus cannot produce the overall application value in the industry.

TSTI takes the following countermeasures: We will continue enhancing the confidence of the corporate customers to use the IC system solutions of TSTI by promoting successful application cases and verifying the technology performance, in the hope to grasp the opportunity to become a premium system setup and service company when the government can improve the government procurement environment reasonably and enhance its support of the ICT industry.

(II) Key purpose and manufacturing process of major products

For the information on the key purpose of TSTI's major products, please refer to IV. Overview of Business Operations I. Business of TSTI (I) Business Scope 3. "Product and service items of TSTI." In addition, we are an information service company and do not have the manufacturing process of the manufacturers.

(III) Supply of major products

TSTI's primary products and services cover fields such as cloud service deployment and management, AI computing power, IoT applications, network and cybersecurity, information infrastructure integration planning, ICT multimedia integration, contact center solutions, and enterprise-grade business software applications, while providing comprehensive system integration and O&M (Operation and Maintenance) services.

TSTI has maintained stable cooperative relationships with multiple international leading brands for a long time. Primary suppliers include Avaya, Aruba, Cisco, Checkpoint, Dell Technologies, HPI, HPE, Honeywell, Microsoft, NetApp, NVIDIA, Palo Alto, Qualtrics, Red Hat, Veeam, and VMware, among others. Long-term partnerships have been established through official agency or distribution cooperation mechanisms, forming a comprehensive and diversified product and technology supply system.

Over the past three fiscal years, TSTI's overall supply chain operations have remained stable, with no significant supply disruptions or source shortages occurring. In response to global ICT industry supply chain fluctuations, TSTI continues to strengthen its supply chain management and risk diversification mechanisms. Through diversified brand cooperation, diversified procurement strategies, and long-term strategic partnerships, TSTI enhances its supply chain resilience and delivery capabilities to ensure the continuous and stable development of project execution, customer service, and business operations.

(IV) The name of the customer that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years, the proportion of the purchase (sales) amount, and the reason for the changes:

1. Information on major customer of sales in the most recent two years Unit: NTD thousands; %

	2025				2024			
Item	Title	Amount	Percentage in annual net sales (%)	Relationship with the issuer	Title	Amount	Percentage in annual net sales (%)	Relationship with the issuer
1	Company F	960,190	19%	None	None			

Note: The financial information for the most recent period, which is the first quarter of fiscal year 2026, up to the printing date of the annual report, has not yet been audited by the accountant. Therefore, there is no need to disclose the financial information for that period.

2. Information on major suppliers in the most recent two years Unit: NTD thousands; %

	2025				2024			
Item	Title	Amount	Percentage in annual net purchase (%)	Relationship with the issuer	Title	Amount	Percentage in annual net purchase (%)	Relationship with the issuer
1	Company M	826,219	22%	None	Company U	416,477	15%	None
2	Company U	524,606	14%	None	Company B	288,477	11%	None

Note: The financial information for the most recent period, which is the first quarter of fiscal year 2026, up to the printing date of the annual report, has not yet been audited by the accountant. Therefore, there is no need to disclose the financial information for that period.

III. Employees

Overview of employees

Statistics of the labor structure up to the end of February 2025:

Unit: Person; year; %

Year		2025	2024	2023	As of Feb 28, 2026
Number of employees	Sales personnel	102	103	120	106
	R&D personnel	370	365	397	363
	Administrative personnel	89	92	91	84
	Total	561	560	608	553
Average age		41.6	42.08	39.6	41.3
Average years of service		9.5	9.2	7.2	9.2
Educational background	Doctor	0%	0.2%	0.5%	0%
	Master	14.1%	15.4%	14.5%	14.5%
	College	82.5%	81.6%	82.2%	82.3%
	Senior high school	3.4%	2.9%	2.8%	3.3%

IV. Information on environmental protection expenditure

Total losses and penalties incurred by TSTI due to environmental pollution in the most recent fiscal year and up to the date of publication of the annual report, along with future countermeasures and potential expenditures: **None**.

In response to government environmental policies, TSTI is committed to implementing energy-saving and carbon-reduction strategies. In April and September 2025 (FY2025), maintenance and cleaning of air-conditioning equipment were conducted, effectively enhancing cooling efficiency and reducing equipment load. Regarding waste removal and resource recycling, TSTI commissioned government-certified and qualified waste removal firms to handle subsequent recycling and sorting to mitigate environmental hazards, totaling 1.668 metric tons. Furthermore, TSTI actively participated in government green procurement, with an annual procurement amount reaching NT$3.308 million. TSTI will continue to strive toward corporate social responsibility and sustainable operations as core goals, consistently promoting energy conservation, carbon reduction, and greenhouse gas (GHG) inventories.

TSTI actively responds to the low-carbon transformation. In FY2025 (2025), total GHG emissions were 1,377.3811 metric tons of CO_2e, representing a decrease of approximately 9.01% compared to 1,513.7888 metric tons in FY2024 (113). In terms of operational efficiency improvement, the emission intensity for 2025 significantly dropped to 0.1103 metric tons CO_2e per million NTD, a reduction of approximately 28.63% compared to 0.3852 in the previous year. These figures demonstrate that while TSTI's production value grew, it effectively lowered its carbon emission intensity. Looking ahead, we will continue to monitor various emission sources, actively optimize energy usage efficiency, and fulfill our corporate commitment to sustainable development.

V. Labor–Management Relationship

Harmonious labor-management relations are the cornerstone of TSTI's sustainable operations. Under the concerted efforts of all managers and colleagues, TSTI's labor-management relations have maintained a harmonious and mutually prosperous state for many years.

The website features a communication area, and physical suggestion boxes are also available for anonymous feedback from colleagues. Labor-management meetings are held quarterly to encourage colleagues to express their thoughts, providing a flexible space for speaking and ideation, establishing a positive consensus, and promoting labor-management cooperation. Therefore, there have been no labor disputes within TSTI.

TSTI's various employee benefit measures, advanced studies and training, retirement system, and their implementation status are as follows:

(I) Benefit Measures

From the date of employment, TSTI provides every colleague with a comprehensive life insurance policy (including illness, accident, cancer, and occupational injury) to ensure their safety. Additionally, an Employee Welfare Committee (EWC) has been established, with representatives from both labor and management regularly discussing and negotiating various benefit measures to enhance the sense of well-being among colleagues.

The primary items under the employee benefit regulations established by TSTI’s "Employee Welfare Committee" include:

1. Subsidies for marriage and childbirth.
2. Hospitalization consolation gifts for colleagues, parents, and spouses.
3. Funeral consolation payments (including for the employee, parents, spouse, children, and relatives eligible for funeral leave)
4. Funeral consolation payments (for colleagues with less than one year of service)
5. Funeral flower baskets for immediate family members.
6. Childcare subsidies.
7. Education subsidies (including for the employee and their children).
8. Subsidies for club activities and group competitions.
9. Organization and subsidization of employee trips to relieve stress and enhance work efficiency.
10. Organization of Family Day activities to promote a win-win situation for work and family.
11. Discounted merchants covering food, clothing, housing, transportation, education, and entertainment.
12. Birthday bonuses.
13. Chongyang Festival senior respect bonuses.
14. Bonuses for the three major traditional festivals.
15. Various sports clubs.

We uphold the philosophy of caring for employees and enhancing workplace happiness, continuously optimizing benefit policies, providing diversified benefit measures, and promoting digital distribution mechanisms to improve administrative efficiency and fulfill environmental sustainability goals.

Key welfare optimizations this year include:

1. **Upgrade of Marriage, Childbirth, and Senior Care:** Launched the "Good Pregnancy Hug" activity, providing moon pillows for pregnant colleagues, and adjusted marriage/childbirth subsidies and Chongyang Festival gifts/bonuses to bring care closer to employee needs.

2. **Enhanced Flexibility for Education Subsidies:** If both spouses are employees of TSTI, both can apply for children's education subsidies to jointly support the growth of the next generation.

3. **Optimization of Employee Travel Policy:** If both spouses are employees of TSTI, travel subsidies can be combined to enhance the travel experience and participation.

TSTI recognizes that employees are a major driving force for growth. In addition to the welfare matters handled by the EWC, other relevant benefit measures are as follows:

1. Performance bonuses based on operational status.
2. Annual outstanding performance trophies and incentives.
3. Quarterly outstanding service performance incentives.
4. Special leave incentive subsidies.
5. Year-end banquet (Wei-ya) and lucky draws.)
6. Diversified employee education and training.
7. Employee compensation (profit sharing).
8. Stress-relief massage services.
9. Company anniversary celebration activities.
10. Company anniversary souvenirs.
11. Stock Ownership Committee to encourage employee participation in TSTI′ s stock subscription.
12. Subsidies for use of private vehicles for business (including pure electric cars and motorcycles)

We will continue to listen to the needs of our colleagues, deepen the welfare system, and build a working environment that emphasizes both happiness and sustainability!

(II) Advanced Studies and Training

TSTI places great importance on employee education and training, firmly believing that employees are TSTI's most important capital. In addition to internal professional and management courses, TSTI arranges for employees to attend external training for original manufacturer (vendor) technical advancement to enhance competitiveness and service capability. In FY2025 (2025), training courses conducted by TSTI totaled 11,976 participants, with total hours reaching 17,737. The courses provided include:

- **General Education:** To help new hires integrate faster, general education courses are arranged within the first three months of employment. The orientation includes classroom and online sessions covering corporate culture, organizational introduction, and regulations. Publicity courses on company systems and workplace etiquette are also available for all employees.
- **Management Competency:** To strengthen managerial talent, various management competency courses are planned according to different levels and positions to continuously improve leadership and ensure organizational performance. Preparation courses for elite talents to become leaders, as well as soft courses like leadership charisma and reading clubs, are also provided.
- **Technical Competency:** For software development, hardware maintenance, and system integration, in addition to vendor workshops, professional technical courses from external training institutions are provided. Internal hands-on experience sharing and small-class teaching are also conducted to ensure stable service capabilities.
- **Personal Effectiveness:** To help colleagues improve work efficiency and maintain high organizational performance, practical personal effectiveness courses such as project management, presentation skills, and 360-degree communication are planned annually.
- **Professional Competency:** Based on sales competency maps, senior sales managers are invited to share techniques and success stories. Workshops for hardware technical services and software development focus on a "customer-first" approach for service and product design. Professional instructors are also invited to guide professional attire and etiquette, enhancing the "quality" perceived by customers.

(III) Retirement System

TSTI's retirement system is handled entirely in accordance with the Labor Standards Act and the Labor Pension Act. Every month, a certain percentage of the total salary is contributed to a retirement reserve fund, which is stored and managed in a dedicated account of the Labor Retirement Reserve Fund Supervision Committee, or 6% of the employee's monthly salary is contributed to the individual labor pension account. In FY2025 (2025), 2 colleagues applied for retirement.

(IV) Work Environment and Personal Safety Protection Measures

TSTI's employee water dispensers have their filters replaced regularly, and water towers and air-conditioning environments are maintained periodically to provide a healthy working environment. Access control management is implemented in office buildings with 24-hour security personnel on duty. Occupational injury protection equipment is provided to ensure the personal safety of colleagues.

TSTI has an Emergency Disaster Response Manual and provides necessary equipment. In addition to fire safety and earthquake disaster prevention training, in January 2020, in response to COVID-19 prevention, pandemic response measures were added to include biological pathogen hazards in the Emergency Disaster Response Management Measures. Employees report their temperature and health status through a self-developed app, which is tracked by TSTI's occupational nurse. Split-shift and remote-work arrangements were made to ensure employee health and business continuity.

To safeguard the physical and mental health of employees, TSTI officially passed the **ISO 45001:2018** Occupational Health and Safety Management System certification at the end of November 2020, becoming the first ICT system integrator in Taiwan to obtain this verification. In December 2024 (113), TSTI passed the external audit again, obtaining a new three-year valid certificate. By the end of 2025 (2025), TSTI has passed external audits for the occupational health and safety management system for six consecutive years.

(V) Employee Participation

TSTI will continue to promote diverse programs for employee communication, welfare, and health.

- **Employee Communication:** TSTI values two-way communication and strives to provide open and transparent channels. An annual employee satisfaction survey is conducted, and results are reported to management and all colleagues to formulate optimization projects. Quarterly labor-management meetings are held for effective dialogue. Electronic and physical suggestion boxes and online discussion areas are also provided for both identified and anonymous suggestions.
- **Employee Benefits:** TSTI continuously optimizes the working environment, providing various group discounts and thoughtful activities to create memories for colleagues and their families.
- **Employee Health:** TSTI provides regular health checkups in cooperation with major hospitals. Quarterly, occupational physicians provide health consultations, and full-time nurses provide tiered care and emergency assistance. Health lectures and professional visual-impaired massage services are also provided.
    - To prevent chronic diseases and create an inclusive healthy workplace, four health lectures were held in FY2025: "Cardiovascular Diseases and Prevention" (Feb 14), "The Art of Communication" (May 9), "Workplace Sexual Harassment" (Aug 1), and "Financial Management" (Oct 31), totaling 527 participants. In FY2025, 266 people participated in employee health checkups, and 6 completed health consultations.
- **Employee Rewards:** Diverse incentive programs recognize outstanding teams and individuals, such as the Outstanding Operational Contribution Award, Service Excellence Award, Model Employee, Best Newcomer, and sales target achievement awards.

(VI) Losses from Labor Disputes

Losses suffered due to labor disputes in the most recent fiscal year and up to the date of publication of the annual report, and estimated amounts and response measures likely to occur at present and in the future: None.

VI. Cyber Security Management

(1) Cybersecurity Risk Management Framework, Policies, Specific Management Plans, and Resources Invested

1. Cybersecurity Security Risk Management Framework

TSTI attaches great importance to cybersecurity, ensuring the confidentiality, integrity, and availability of information assets while implementing personal data protection.

Cybersecurity Governance History and Evolution

- **2018**: Implemented the Information Security Management System (ISMS) in accordance with ISO/IEC 27001:2013 to enhance governance capabilities.
- **2019**: Established the “Information Security Steering Committee” to oversee security policies and report to the Board of Directors.
- **2021**: Renamed as the “Information Security and Privacy Protection Committee” to emphasize data privacy and apply the PDCA cycle for continuous improvements.
- **2023**: Restructured into the “Information Security and Privacy Management Task Force,” with a cross-departmental security team reporting periodically to the Board.

- **2024**: Introduced ISO/IEC 27701:2019 to establish a Privacy Information Management System (PIMS), enhancing personal data governance.
- 2025: Successfully obtained ISO/IEC 27001:2022 and ISO/IEC 27701:2019 international standard certifications, strengthening management energy for information security and personal data protection.

<u>**Cybersecurity Risk Management Mechanism**</u>

- **Risk Identification & Assessment**: Conducted in accordance with ISO/IEC 27005 and the NIST Cybersecurity Framework, including risk classification and evaluation.
- **Risk Monitoring & Response**: Adopted SIEM technologies to enhance threat detection, implemented incident response mechanisms, and ensured supply chain cybersecurity.
- **Continuous Improvement**: Regular internal and external audits are conducted with reports submitted to the Board. Employee training programs strengthen awareness and implementation.

2. Cybersecurity policy

TSTI aims to foster a security-centric culture, enhance governance capabilities, ensure supply chain information security, and safeguard business continuity and data protection. Adopting ISO/IEC 27001 and ISO/IEC 27701 standards, the policy ensures the security and compliance of information and personal data throughout its lifecycle, covering operations, clients, employees, and partners.

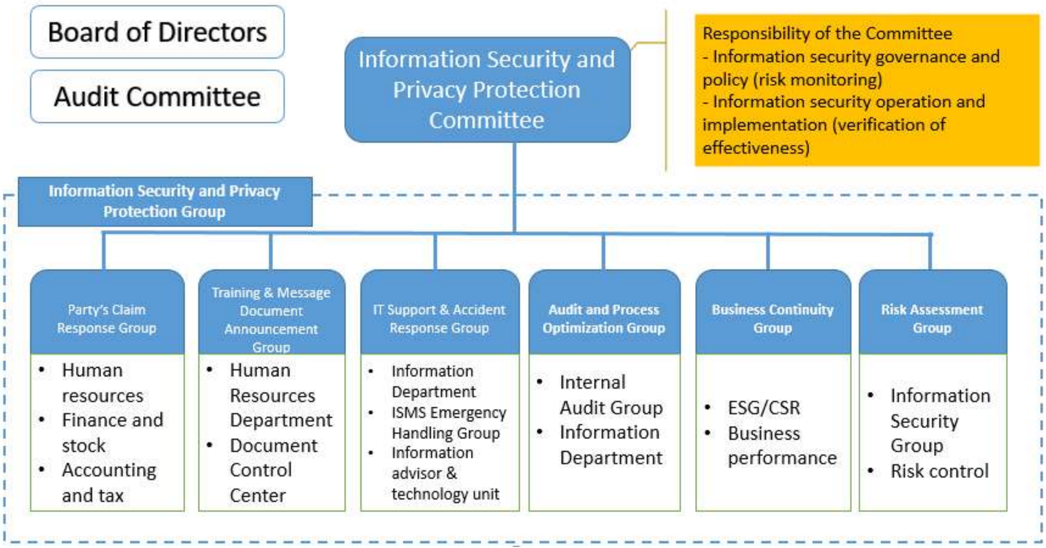


Figure: tsti Information Security Organization Structure

3. Specific Management Plans

TSTI adopts a Plan-Do-Check-Act (PDCA) cycle for cybersecurity, implementing multi-layered security defenses to safeguard critical assets and personal data.

Key Measures in Each PDCA Phase

1. Plan: Established ISMS, obtained ISO/IEC 27001 certification, implemented PIMS to comply with GDPR and Taiwan's Personal Data Protection Act.
2. Do: Adopted a multi-layered defense strategy, enforced supply chain cybersecurity, and ensured personal data safety.
3. Check: Conducted regular monitoring and drills to verify the effectiveness of security controls.
4. Act: Performed internal audits, implemented corrective actions, enforced violation response protocols, and strengthened security awareness through training.

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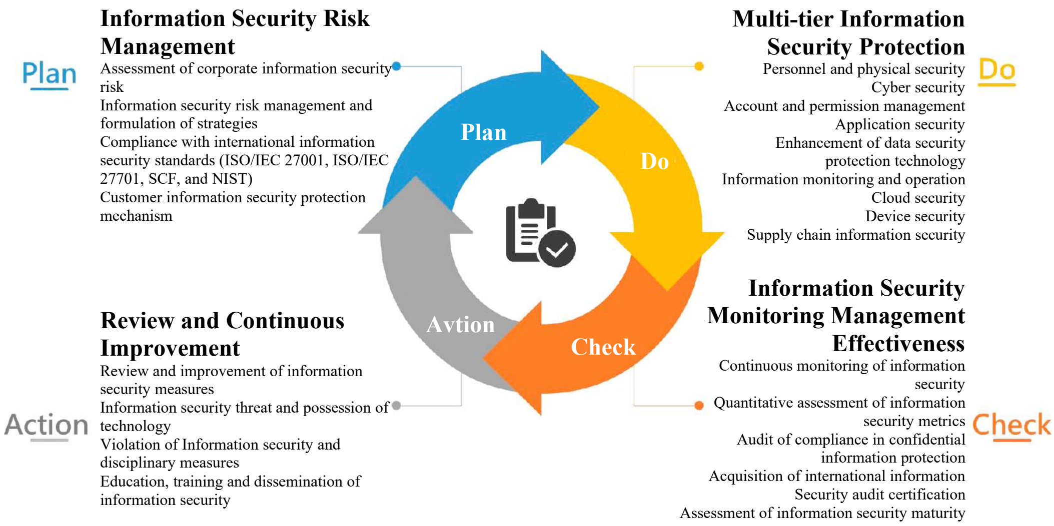

Figure: Cyber Security Policy, Information Security Risk Management, and Continuous Improvement Structure

4. Resources Allocated for Cybersecurity Management

TSTI continuously allocates resources to ensure the effectiveness of security mechanisms, periodically reviewing budgets and upgrading technologies to enhance its cybersecurity defenses.

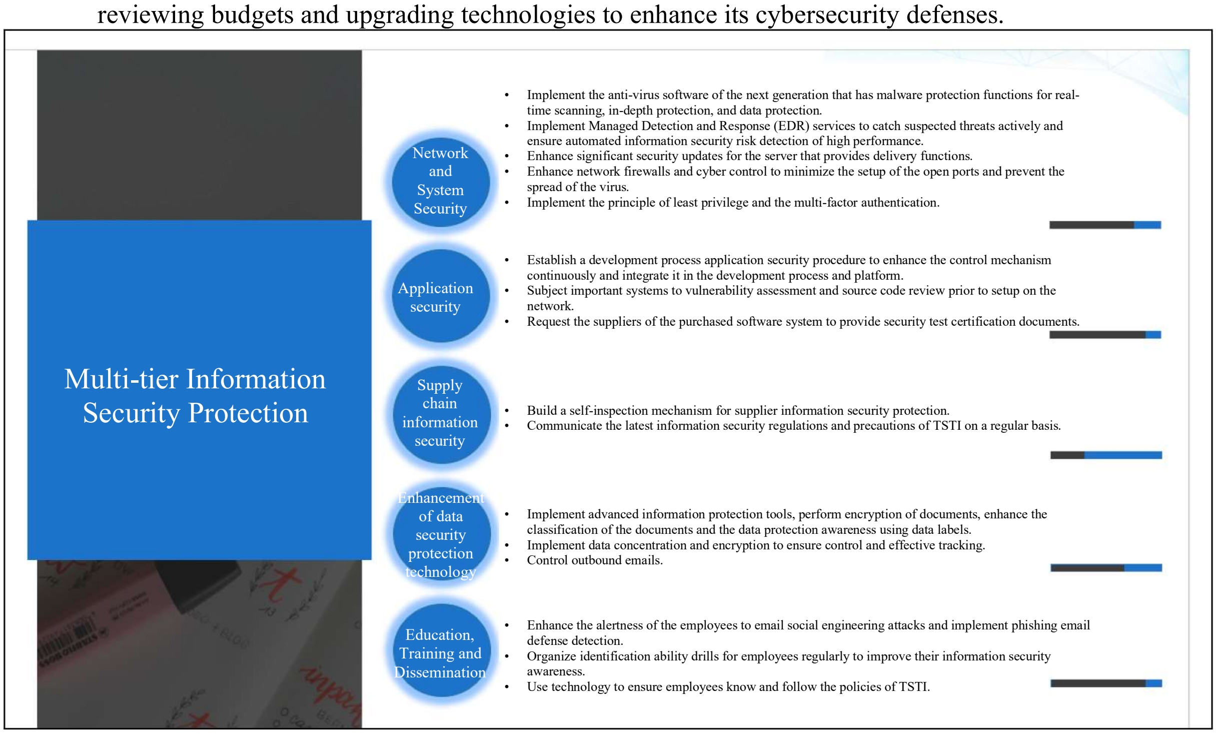

Figure: Cybesecurity and Multi-tier Information Security Protection Management Solution

Invested Resources, Cybersecurity Project Investment Expenses

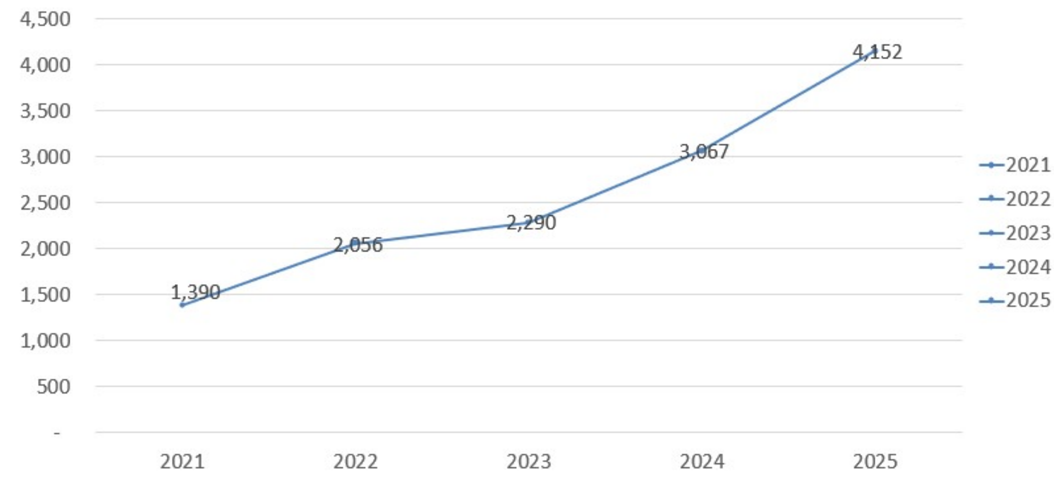

Chart: Invested Resources, Cybersecurity Project Investment Expenses (NT$ thousands)

(2) Impact of Major Cybersecurity Incidents, Response Measures, and Descriptions

In the fiscal year 2025, TSTI experienced no incidents requiring the activation of internal cybersecurity crisis handling mechanisms, nor any cybersecurity accidents reaching the statutory reporting standards for competent authorities; furthermore, no verified data leakage incidents occurred. Most potential threats were effectively intercepted at the first instance by endpoint protection systems, deep defense-in-depth architectures, and other cybersecurity control measures, ensuring the continuous stability of company operations.

Cybersecurity Risk Management and Mitigation
TSTI has established a comprehensive network and information security protection mechanism to ensure the stability and continuity of corporate operations. Cybersecurity risks always exist—"cybersecurity cannot be 100% protected"—and it is impossible to completely avoid malicious cyberattacks or illegal intrusions from external sources that could lead to operational disruption or affect TSTI’s reputation.

To mitigate such risks, we strictly guard against potential threats from computer viruses, malware, ransomware, and hackers attempting to steal trade secrets and other sensitive information, such as customer data, business partner information, or employee personal data. Therefore, we continuously invest resources to optimize cybersecurity policies, processes, and systems to enhance overall defensive capabilities and strengthen resilience through preventive measures.

Strengthening Cybersecurity Protection Mechanisms
In response to evolving cyber threats, TSTI has implemented and continuously upgraded a multi-layered cybersecurity defense architecture, covering endpoint protection, network security, data protection, and incident response:

- **Endpoint Protection**: Introduced next-gen antivirus and MDR technologies for real-time threat detection.
- **Network Security**: Enforced least privilege access, multi-factor authentication to minimize risk.
- **Cybersecurity Awareness Training**: Regular training and social engineering drills to boost employee vigilance.
- **Data Protection & Backup**: Adopted 3-2-1 backup strategy to ensure business continuity.
- **Incident Response**: Established real-time monitoring and response systems for prompt threat handling.

Zero Trust Architecture

With the popularity of cloud technology, TSTI actively promotes the "Zero Trust" security model to ensure the security of corporate digital assets. As of 2025, we continue to drive the Zero Trust deployment plan for Microsoft 365, including:

1. **Zero Trust Identity and Device Management:** Completed the reinforcement of identity identification architecture; established conditional access policies through Microsoft Entra ID and Microsoft Intune to ensure all access behaviors meet security requirements.
2. **Microsoft 365 Defender Deployment:** Comprehensive detection of threat incidents across endpoints, email, identities, and the cloud, integrated with external threat intelligence to enhance malicious behavior detection.

3. **Information Protection Mechanism:** Implemented Microsoft Purview to establish sensitivity labels and compliance policies, managing confidential and personal data according to ISO 27001 and ISO 27701 requirements.

4. **Implementation of Micro-segmentation and Network Zero Trust:** Adopted micro-segmentation and least-privilege network access principles at the network level, combined with SD-WAN, NGFW (Next-Generation Firewall), and integrated security policies to reduce the risk of lateral movement attacks.

5. **Personal Data and Privacy Protection:** Ensured compliance with Taiwan’s Personal Data Protection Act and international standards like ISO/IEC 27001:2022 and ISO/IEC 27701:2019.

The Zero Trust security model adopts the principle of "Never Trust, Always Verify," ensuring that every access request is verified and authorized, achieving comprehensive protection through integrated security policies.

Information security is an important cornerstone for sustainable operations. TSTI will continue to invest resources to strengthen the cybersecurity system, establishing a resilient and adaptive security environment through technical innovation and strategic planning.

VII. Important agreements

Nature	Party	Duration	Contents	Restrictive clauses
tsti as an agent	Hewlett-Packard Enterprise Taiwan Ltd.	Effective from 12.24.2010	Value-added reseller of servers, storage equipment, network equipment, and professional services	None
tsti as an agent	HP Taiwan Information Technology Ltd.	Effective from 12.24.2010	Value-added reseller of commercial computers, workstations, and printers	None
tsti dealer agreement	NVIDIA CORPORATION	Effective from 8.1.2015	Authorized dealer of Quadro/Tesla/vGPU/DGX	None
tsti as an agent	Avaya International Sales Ltd.	Effective from 2.1.2011	Sales and services of Avaya enterprise communication and contact center solutions	None
tsti dealer agreement	RED HAT, Inc.	Effective from 9.27.2010	Red Hat dealer	None
tsti as an agent	Dell Technologies Inc.	Effective from 8.24.2017	Dell Series products and services	None
tsti as an agent	INFORMATICA agent in Taiwan	Effective from 10.1.2018	Agent of all the INFORMATICA product lines in Taiwan	None
tsti as an agent	NICE Systems Ltd.	Effective from 12.11.2019	NICE products and services	None
tsti dealer agreement	Cisco Systems, Inc	Effective from 06.21.2021	Cisco products and services	None
tsti dealer agreement	Broadcom	01.01.2026–12.31.2026	VMware products and services	None
Chyun Huei Commercial as an agent	Zebra Technologies Taiwan Co., Ltd.	01.01.2026–12.31.2030	Agent of Zebra label (barcode) printers, RFID printers, handheld terminal equipment, and advance data collection equipment	None
Chyun Huei Commercial as a dealer (Gold)	Dell B.V., Taiwan Branch (Netherlands)	Valid until Jan. 30, 2027	Solution provider	None
Chyun Huei Commercial is a member of the NVIDIA Partner Network (NPN).	NVIDIA CORPORATION	Effective from 6.22. 2017	NVIDIA® Quadro® Professional Graphics Card	None
Chyun Huei Commercial as an agent	Innovative Interfaces Incorporated	Nov. 24, 2025 – Nov. 23, 2027	Automated library system	None
Chyun Huei Commercial as a dealer	Workaround GmbH	Effective from July 1, 2022, for a term of two years, and thereafter shall remain in effect indefinitely unless either party terminates it with six months' prior notice.	ProGlove Smart Glove Scanner Products	None

Chyun Huei Commercial as an agent	Canon Taiwan Co., Ltd.	Jan. 1, 2024 – Dec. 31, 2025	LFP, PSV, and PST series products and their functional combination kits, consumables, and related parts.	None
Chyun Huei Commercial as an agent	HP Taiwan Information Technology Ltd.	From Mar. 12, 2019	Wide-format inkjet printers.	None
Chyun Huei Commercial as an agent	Motorola Solutions Malaysia Sdn. Bhd.	Jun. 15, 2022 – Jun. 14, 2025	Radio equipment and image recognition products belonging to the Motorola Solutions Systems Division.	None
Chyun Huei Commercial as an agent	Canon Singapore Pte. Ltd.	04.01.2024–12.31.2026	TDS Series products and their function packages, consumables, and related components	None
Tsti Technologies (Shanghai) as an agent	New H3C Technologies Co., Ltd.	From 01.01.2018	Certified agent of the product lines including all the previous HEP and H3C products; territory: China	None
Tsti Technologies (Shanghai) as an agent	Cisco Systems (China) Network Technology Co., Ltd.	From 01.17.2022	Dealer partner; territory: China	None
Tsti Technologies (Shanghai) as an agent	Dell China Co., Ltd.	From 04.02.2014	All the DELLEMC products; territory: China	None
Tisnet Technology as an agent	Microsoft Taiwan Corporation	From 05.2015	Cloud Service Provider(Tier 1)	None
Tisnet Technology as an agent	UBIS Co., Ltd	From Jan. 2024	UPAS ZTA Intranet Management.	None
Tisnet Technology as an agent	Virtuozzo International Company	From Oct. 2025	Cloud Hyper-Converged Infrastructure.	None
Tisnet Technology as an agent	GoTrustID Inc.	From Oct. 2025	Zero Trust Solution.	None
Tisnet Technology as an agent	Taisys Technologies Co., Ltd.	From Mar. 2026	Log and Report Management System.	None

Five. Review and Analysis of Financial Status and Operational Results, and Risk Assessment

I. Financial status

Unit: NTD thousands

Item \ Year	End of 2025	End of 2024	Difference	
			Amount	%
Current assets	3,219,339	2,379,679	839,660	35.28%
Non-current assets	442,944	607,194	(164,250)	(27.05%)
Total assets	3,662,283	2,986,873	675,410	22.61%
Current liabilities	1,798,388	1,273,893	524,495	41.17%
Non-current liabilities	178,501	204,661	(26,160)	(12.78%)
Total liabilities	1,976,889	1,478,554	498,335	33.70%
Capital stock	1,000,728	885,600	115,128	13.00%
Retained earnings	607,933	545,861	62,072	11.37%
Other equity	(4,055)	(3,930)	(125)	3.18%
Total equity	1,685,394	1,508,319	177,075	11.74%

Explanation of Significant Changes (For fluctuations exceeding 20% and an amount reaching NT$10 million or more)

1. Current Assets

Mainly due to the recognition of large-scale projects during the current period, which resulted in a significant increase in contract assets and accounts receivable.

2. Non-current Assets

Primarily due to the reclassification of long-term receivables into accounts receivable based on the expected maturity dates stipulated in the contracts.

3. Current Liabilities

Mainly due to the increase in purchase payments required for large-scale projects during the current period, leading to a significant increase in accounts payable.

II. Financial Performance

Unit: NTD thousands

Item \ Year	2025	2024	Increase (decrease) amount	Change ratio %
Revenue	5,010,638	3,930,226	1,080,412	27.49%
Operating cost	(3,960,265)	(2,976,825)	(983,440)	33.04%
Gross profit (net)	1,050,373	953,401	96,972	10.17%
Operating expense	(742,463)	(734,894)	(7,569)	1.03%
Operating profit	307,910	218,507	89,403	40.92%
Non-operating revenue and expense	3,888	31,670	(27,782)	(87.72%)
Net Profit Before Taxes	311,798	250,177	61,621	24.63%
Income tax expense	(58,995)	(45,809)	(13,186)	28.78%
Net profit in current period	252,803	204,368	48,435	23.70%
Other comprehensive income in current period (net after tax)	(4,880)	1,839	(6,719)	(365.36%)
Total comprehensive income in current period	247,923	206,207	41,716	20.23%

(I) Description of significant changes (Analysis of deviation over 20% and exceeding NT$10 million):

1.Operating Revenue and Costs

Mainly due to the recognition of large-scale projects during the current period, which led to a significant increase in both revenue and costs.

2. Non-Operating Income and Expenses

(1) Exchange rate fluctuations resulted in foreign exchange losses in the current period, compared to foreign exchange gains recognized last year.

(2) Due to the decline in stock prices of equity investments, valuation losses on financial assets were recognized in the current period, compared to valuation gains recognized last year.

(II) Possible impact of the expected sales volume and its basis on the future finance and business of TSTI and countermeasures:

Please refer to the Letter to Shareholders.

III. Cash flow

(I) Analysis of liquidity in the most recent two years

Year / Item	2025	2024	Increase (decrease) ratio
Cash flow ratio	14.34%	27.06%	-47.01%
Cash flow adequacy ratio	149.70%	146.47%	2.21%
Cash reinvestment ratio	9.20%	9.45%	-2.65%

Description of significant changes (Analysis of deviation over 20%):

Cash Flow Ratio / Cash Flow Adequacy Ratio Increase: Primarily due to the decrease in net cash flow from operating activities in 2025 (FY2025) compared to 2024 (FY113).

(II) Improvement plan for insufficient liquidity: Not applicable.

(III)Cash liquidity analysis for the next fiscal year

Unit: NTD thousands

Cash balance at the beginning of the year (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual net cash flow from investment and financing activities (3)	Estimated cash surplus (deficit) amount(1)+(2)+(3)	Expected cash deficiency remedies	
				Investment plan	Financing plan
702,978	176,865	(321,842)	558,001	-	-

IV. The Impact of the Major Capital Expenditures in the Most Recent on Finance and Business

(I) Usage of major capital expenditures and the source of funds: None.
(II) Expected benefits: None.

V. Reinvestment Policy in the Most Recent Year, Main Reasons for Its Profit/Loss, Improvement Plan, and Investment Plan for the Next Fiscal Year

(I) Reinvestment policy in the most recent year

In recent years, TSTI has established three subsidiaries: Chyun Huei Commercial, Tisnet Technology Inc., and Tsti Technologies (Shanghai). Future investment policies will primarily focus on intelligent applications that combine new technologies with industries, such as Artificial Intelligence (AI) applications, "Internet+," and Industrial Internet of Things (IIoT) applications. Strategic investments will be made based on market and resource complementarity. The objective is to establish strategic positioning for market expansion, industrial value chain integration, and the enhancement of overall corporate value.

(II) Main reasons for the profit/loss and improvement plan

Unit: NTD thousands

Item \ Description	Book value	Profit (loss) from investees in 2025	Policy	Main reason for profit or loss	Improvement plan
Chyun Huei Commercial Co., LTD	113,956	15,122	Integrated sale of software and hardware; acting as an agent for leading brands	Stable business in the sale of hardware and agency business	-
Tisnet Technology Inc.	89,679	14,815	Sales and services in the fields of network ISP connection, domain registration, and network engineering	Stable cyber security business	-
Tsti Technologies (Shanghai) Co., Ltd.	(481)	(2,558)	System integration and information security solutions	Looking for new product agency and business models	1. Focus on major customers 2. Grasp of the information security opportunities

(III) Investment plan for the next fiscal year

Investment decisions will be formulated by evaluating and introducing complementary solutions and new business models.

1. The Focus on various enterprise AI needs and application services as the primary direction for resource commitment and investment, covering scopes such as AI infrastructure and AI application services to capture AI market opportunities.
2. Smart Manufacturing and Smart Healthcare are market opportunities emphasized on both sides of the Taiwan Strait, warranting investment in regional and product positioning. Additionally, cloud technical services, cybersecurity services, and software services are key areas for TSTI to enhance value and profitability. We will seek to invest in companies that align with TSTI's strategic direction to strengthen TSTI's overall value chain and market layout.
3. Resources will be allocated for construction and development based on market conditions and enterprise demand to expand the scale of operations.

(IV) Analysis and Assessment of the following Risk Particulars in the Most Recent Year and up to the Publication Date of This Annual Report

(I) Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on Company Profit and Loss, and Future Countermeasures:

1. Interest Rate Fluctuations

TSTI maintains multiple fundraising channels and select the financing instruments with lower capital cost rate to control the cost.

2. Exchange Rate Fluctuations

A portion of TSTI's products is procured directly from foreign suppliers and sold in the domestic market. Therefore, the appreciation of the TWD will reduce TSTI's costs and increase profits, creating higher competitiveness.

TSTI closely monitors the trends of major world currencies and has implemented the following measures in response to exchange rate fluctuations:

(1) Finance personnel refer to daily bank exchange rate fluctuations and professional consultations to stay abreast of exchange rate trends.

(2) Maintain foreign exchange accounts and adjust foreign currency holdings at appropriate times to reduce the impact of exchange rate fluctuations on TSTI

(3) For sales and purchases denominated in foreign currencies, foreign currency expenditures are paid directly from foreign currency income to reduce the exchange rate risk incurred by currency conversion.

3. Inflation

There is currently no impact on TSTI. Furthermore, TSTI maintains close and favorable cooperative relationships with all represented vendors/agents, enabling TSTI to obtain supplies at the most favorable prices and with sufficient supply volume.

(II) Policies on engaging in high risk and high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main reasons for profit and loss, and countermeasures in the future:

1. As of the present date, TSTI has not engaged in high-risk or highly leveraged investments or derivative commodity transactions.
2. TSTI adopts a conservative approach to financial operations and does not engage in high-risk or highly leveraged investments. Loans to others and endorsements/guarantees are primarily provided to assist subsidiaries with working capital, establish credit lines with banks, and obtain agent credit limits. In addition to rigorous evaluation, these activities are handled in accordance with the regulations of the competent authorities and TSTI’s relevant rules, with regular audits and public announcements/filings made according to law.
3. Loans to others and endorsements/guarantees are handled in accordance with TSTI’s “Procedures for Loaning Funds to Others” and “Procedures for Endorsements and Guarantees.”

(III) Future R&D Plans and Estimated R&D Expenses:

1. The R&D plan in the most recent year and the current process

R&D plan in 2026	Schedule	Progress
Data-Aided AI Query Platform	Jan. 1, 2026 – Jun. 30, 2026	Expected completion by the end of June 2026.
AI Agent Management Platform	Jan. 1, 2026 – Sep. 30, 2026	Expected completion by the end of September 2026.

Data-Aided AI Query Platform

With the development of Generative AI technology, robots have further improved their capabilities in natural language understanding and data retrieval cognition. This year's R&D will focus on AI data query applications to enhance the ability to extract key information from diverse data types, providing customers with more efficient intelligent services.

The core development directions and expectations for this year include:

(1) Response to ad-hoc requests: Shorten the waiting time required to apply to IT for data queries.

(2) External data silos: Integrate data stored in Excel, enabling it to enter databases for correlation analysis.

(3) Reduce "Digital Portering": Minimize the need for employees to act as "digital porters," downloading data from different systems and manually comparing, aggregating, and graphing with Excel. Establish a "Single Entry Platform" where employees no longer need to learn complex commands; they can obtain required analysis results directly from the system through a Chinese conversational interface similar to chatting.

(4) Comprehensive Monitoring and Logging: A complete logging system that records in detail who, when, and for what reason accessed which data, ensuring every query is traceable to meet audit compliance requirements.

AI Agent Management Platform

As Continuously optimize the functions of this AI Agent application product to provide enterprise users with more efficient intelligent management services.

This project aims to break "Information Silos" and achieve "Functional Expansion." By integrating the Model Context Protocol (MCP) promoted by Anthropic and the Agent-to-Agent (A2A) protocol led by Google, TSTI will construct and optimize an AI ecosystem with high scalability and autonomous collaboration capabilities, enabling AI assistants to cross software boundaries and achieve true "Automated Task Chains."

(1) Construct and optimize a flexible integrated MCP architecture, providing AI Agents with more robust integration capabilities.

(2) Shorten deployment time: Through the standardized MCP interface, the system integration time for enterprises adopting AI is expected to decrease by 50%.

(3) Enhance decision accuracy: Through cross-functional integration via Agent-to-Agent (A2A), reducing erroneous biases generated by AI working in isolation.

(4) Ultimate automation experience: Users only need to issue a single command to trigger the construction of the desired AI Agent and subsequently adjust collaborative workflows across systems.

2. Estimated R&D Expenses

The estimated R&D expenses for the fiscal year 2026 (FY115) are NT$ 68,467 thousand.

(IV) Impact of the change in domestic/foreign important policies and laws on the finance and business of TSTI and countermeasures:

TSTI’s finance and business have not been affected by major domestic or foreign policy and legal changes. However, TSTI continues to monitor the domestic and international political/economic environment and legal trends and prepares various countermeasures at any time.

(V) Impacts of the change in technology and industry on the finance and business of TSTI and countermeasures:

TSTI is able to grasp and analyze technological trends in related industries in a timely manner. No impact on finance or business has occurred due to technological or industrial changes.

(VI) Impact of the change in cooperate image on the crisis management of TSTI and countermeasures:

We have upheld “Innovation, Service, Team, Integrity” as the core value since our foundation, and have not encountered any changes in cooperate image that have had brought about crisis to TSTI.

(VII) Expected benefits and potential risks from merger or acquisition:

We keep watching the companies that may be helpful to the operation of TSTI. The potential strategic investments or vertical integration will be subjected to the benefit assessment and risk aversion in accordance with the internal control procedure.

(VIII) Expected benefits and potential risks from expanding of plants:

N/A

(IX) Risks from concentration of purchases or sales:

TSTI's sales are progressively diversifying as it strives to expand the market and acquire new customers. Additionally, TSTI's largest supplier accounts for approximately 22% of the total purchase amount, primarily because TSTI procures represented products through this vendor. Currently, the risk of purchase concentration is mitigated by increasing the diversity of products sold.

(X) Impact and risk from large transfer of shares held by directors, supervisors, and large shareholders holding more than 10% of the shares:

TSTI's shareholder structure is diversified. Although there have been transfers or changes in the shareholding of directors, supervisors, or major shareholders with over 10% stake in recent years, TSTI has established sound corporate governance and a professional management system, resulting in limited impact on operations. Shareholding changes continue to be monitored to mitigate related risks.

(XI) Impact and Risks of Changes in Management Control:

TSTI has established a comprehensive professional management system responsible for daily operations and management. Business decision-making is institutionalized and continuous, resulting in limited impact on TSTI's overall operations. Related risks are mitigated through sound corporate governance mechanisms and internal control systems to maintain operational stability.

(XII) Litigious or Non-litigious Matters:

Related litigious or non-litigious matters and their impacts have been fully disclosed in the financial reports.

(XIII) Other significant risks: None.

VII. Risk Management Framework and Operations

TSTI integrates and manages all potential risks that may impact operations and profitability in a prudent and cost-effective manner. In recent years, we have strengthened our management of corporate risks, including risk detection, assessment, reporting, and handling. We adhere to the regulations of the Financial Supervisory Commission's "Regulations Governing Establishment of Internal Control Systems by Public Companies," aiming to enhance the steady operation and sustainable development of our company. We have established sound risk management mechanisms and formulated risk management policies and procedures to evaluate and supervise our risk tolerance, current risk exposure, determine risk response strategies, and ensure compliance with risk management procedures. This is in line with our commitment to effective risk management, achieving sustainable business goals, and safeguarding the rights of stakeholders.All the risk assessment matters of TSTI are subject to internal audit for prevention purposes.

Risk Management Organization and Responsibilities

1. The Board of Directors serves as the highest authority for risk management, approving risk management policies and frameworks, and overseeing the effectiveness of risk management policies to ensure their effectiveness.
2. On December 19, 2025 (FY2025), the Board of Directors resolved to establish the "Sustainability and Risk Management Committee" and formulated the "Charter of the Sustainability and Risk Management Committee" as the specialized unit for promoting TSTI's sustainable development and risk management. It is responsible for execution-level matters such as monitoring, measuring, and assessing corporate risks, and reports its operations to the Board at least once a year.
3. The Audit Office, under the Board of Directors, assists in overseeing and managing potential risks associated with decision-making, ensuring effective control of operational risks, and making improvement recommendations in a timely manner.
4. At various organizational levels, including the President, business units, and functional units, regular risk assessments are conducted during operational meetings, with managers responsible for analyzing, monitoring, and reporting relevant risks and implementing risk management mechanisms and procedures.

Risk Management Policy

Our company upholds the principles of sustainable operation and establishes, implements, and maintains proactive risk management mechanisms to continually address internal and external issues, analyze operational impacts, and enhance TSTI's resilience. Through regular self-assessment and continuous improvement, we aim to achieve uninterrupted operations, safeguarding the best interests of customers and stakeholders. To effectively manage operational risks, we aim to cultivate a risk management culture within the organization through mechanisms such as education and training, performance management, early warning notifications, and public disclosure.

Scope of Risk Management

Our risk management encompasses four major dimensions: operational (including climate), social, governance, and technological aspects. We adhere to relevant laws and regulations to evaluate, address, monitor, and disclose significant risk impacts.

Risk Management Procedures

Our risk management process includes risk identification, analysis, monitoring and response, and reporting and disclosure.

1. Risk Identification: The Risk Management Unit identifies and evaluates key and emerging risks annually based on significance, likelihood of occurrence, and impact factors across operational, social, economic, technological, and other dimensions. Each year, an enterprise-level risk identification is conducted and reported to the Sustainability Promotion Team. Risks include but are not limited to operational, market, compliance, information security, environmental, climate change, operational, and other operational-related risks.
2. Risk Analysis: Comprehensive assessments are conducted for identified risks considering risk appetite and tolerance as a basis for management decisions.

3. Risk Monitoring and Response: Risk management indicators are developed for continuous monitoring by business units, which should timely report to the Risk Management Unit. Business units should propose response strategies or implement risk mitigation plans for identified risks. Preventive, contingency, crisis management, and business continuity plans are established as needed to effectively manage risks, with relevant records maintained.
4. Risk Reporting and Disclosure: The Risk Management Unit submits a risk management report to the Sustainability Promotion Team at least once a year, which is also reported to the Board of Directors. Risk management reports or annual risk management execution statuses are publicly disclosed and regularly updated in TSTI's annual reports, official website, or sustainability reports.

On November 3, 2023, the Risk Management Policy and Procedures were approved by the Audit Committee, followed by approval by the Board of Directors on November 7, 2023. A report on the operation of the Risk Management Policy and Procedures was presented to the Board of Directors on December 20, 2023. According to the Risk Management Policy and Procedures, the unit responsible for executing risk management is the "Risk Management Unit" under the Sustainability Promotion Team. This unit is required to submit a risk management report to the Sustainability Promotion Team at least once a year and report to the highest authority in risk management, the "Board of Directors." In 2024, the unit held 5 meetings to discuss relevant issues and reported to the Board of Directors at the end of the year. Details regarding the implementation will be publicly disclosed and regularly updated in TSTI's annual reports, official website, or sustainability reports. For further information on TSTI's risk management, please refer to the "Risk Management Policy and Procedures" section under the "Company Regulations and Related Systems" on the official website.

Risk Management Operations

TSTI's Board of Directors approved the "Risk Management Policies and Procedures" on November 7, 2023 (FY112). In FY2025 (2025), four regular sustainability promotion meetings were held to discuss relevant issues, and a report was submitted to the Board at the end of the year (Dec. 19, 2025).

To strengthen corporate governance, on December 19, 2025, the Board of Directors resolved to establish the "Sustainability and Risk Management Committee" and formulated its charter as the dedicated unit for promoting sustainable development and risk management. The Committee consists of three members, including directors and senior management, meeting the requirement of having three or more members with at least one director. The inaugural committee members were Director Kuo Sih-Hung, Director Lu Pei-Chun, and General Manager Liu Ying-Hsiu. Director Lu Pei-Chun resigned on February 26, 2026, and a replacement will be submitted to the Board of Directors for appointment in due course.

Main Tasks and Responsibilities：

I. Formulate, promote, and strengthen TSTI's sustainable development and risk management policies, annual plans, and strategies.
II. Review, track, and revise the implementation and effectiveness of sustainable development and risk management.
III. Supervise sustainable development and risk management information disclosure and review the Sustainability Report.
IV. Supervise the sustainable development and risk management business or other related tasks resolved by the Board.

List of Committee Members and Their Sustainability Expertise

The members of this Committee consist of directors and senior management, possessing diverse professional backgrounds in sustainability strategy planning, ESG governance, risk management, climate issues, and sustainability information disclosure, ensuring the effective promotion of TSTI's sustainable development and risk management mechanisms. (Data as of Dec. 31, 2025)

Relevant implementation status will be disclosed and updated regularly in the annual report, official website, or corporate sustainability report.

Note: The Sustainability and Risk Management Committee was established on Dec. 19, 2025. As of the data date, no meetings had been held (current year's operation status).

VIII. Other Significant Maters

<table>
<tr><th colspan="2">Risk item / Risk factor</th></tr>
<tr><td colspan="2">Information security: Cybersecurity risk refers to various threats that may affect corporate assets, operational processes, and the operating environment, including events such as malicious attacks, vulnerability exploitation, social engineering, data breaches, and system interruptions.</td></tr>
<tr><th colspan="2">Impact on TSTI in 2025</th></tr>
<tr><td colspan="2">● Implemented TSTI’s cybersecurity policies and the PDCA (Plan-Do-Check-Act) cyclical quality management mechanism to mitigate operational risks and enhance cybersecurity governance maturity.
● Demonstrated TSTI’s professional expertise in the fields of information security and information services by maintaining and upgrading management system certifications such as ISO 27001, ISO 27701, and ISO 20000. Strengthened existing information security measures and incident response capabilities to ensure business continuity and achieve the goals of sustainable corporate operation.</td></tr>
<tr><th colspan="2">Countermeasure</th></tr>
<tr><td>Cybersecurity Policy and PDCA Cycle Reinforcement
● Incorporated the Information Security Management System (ISMS) into the internal control system audit items and conducted education and training for internal information and cybersecurity personnel to ensure the implementation of Company policies.
● Convene regular cybersecurity management review meetings to examine the effectiveness of policy execution and make necessary adjustments.
● Establish a KPI tracking mechanism to regularly review achievement rates and directions for improvement.
● Strengthen the internal audit mechanism to ensure that all departments strictly execute cybersecurity policies.
ISO Certification Maintenance and Enhancement
● Plan the annual audit calendar for ISO 27001, ISO 27701, and ISO 20000, and deploy the required documentation in advance.
● Establish a cross-departmental task force to periodically review the effectiveness of control measures.
● Enhance the document management system to ensure real-time updates of all procedural manuals and records.
● Introduce automated compliance check tools to reduce the risk of human error.
Cybersecurity Incident Response Capability Enhancement
● Implement a comprehensive network security protection mechanism and construct a multi-layered joint defense system. Actively discover and patch system vulnerabilities through continuous vulnerability scanning and penetration testing analysis.
● Utilize TSTI’s Security Information and Event Management (SIEM) system, combined with real-time threat intelligence provided by the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) and equipment vendors, to establish a complete cybersecurity intelligence-sharing platform.</td><td>Cybersecurity Policy and PDCA Cycle Reinforcement
● Incorporated the Information Security Management System (ISMS) into the internal control system audit items and conducted education and training for internal information and cybersecurity personnel to ensure the implementation of Company policies.
● Convene regular cybersecurity management review meetings to examine the effectiveness of policy execution and make necessary adjustments.
● Establish a KPI tracking mechanism to regularly review achievement rates and directions for improvement.
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</table>

Six. Special Notes

I. Information on Affiliated Companies

For the Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Report prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the most recent fiscal year, please refer to the Market Observation Post System (MOPS).

Complete Path: Market Observation Post System (MOPS) > Basic Information > Electronic Books > Consolidated Business Reports and Affiliation Reports of Affiliated Enterprises

URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

II. Any Private Placement of Securities in the Most Recent Year and up to the Publication Date of this Annual Report

None.

III. Other Required Supplementary Information

None.

Seven. Any of the Matters Listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, which May Have Significant Impact on the Shareholders' Equity of the Price of Securities in the Most Recent Year and up to the Publication Date of This Annual Report

None.

大同世界科技股份有限公司

Tatung System Technologies Inc.

董事長(Chairman):