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Largan Precision Co., Ltd

2025 Annual Report

(Translation)

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This is a translation of the 2025 Annual Report of Largan Precision Co., Ltd. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Printed April 20, 2026

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Certified Public Accountant (CPA) and accounting firm for the financial statements of the most recent year:

CPA: Tzu-Hsin Chang & Yen-Hui Chen

Company: KPMG Certificated Public Accountants

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Offshore secondary exchange and disclosure information: Not Applicable

Company Website: <http://www.largan.com.tw>

Largan Precision Co., Ltd.

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Chapter 1. Letter to Shareholders

In 2025, with the increasing penetration rate of smartphones, the growth of the market had started to plateau. The Company's 2025 business results and 2026 business plan are summarized below:

I. 2025 Business Report

- (I) Business results: In 2025, Largan Precision's consolidated revenue was NT\$61,147,888 thousand, a 3% increase from NT\$59,457,553 thousand in 2024; net profit after tax was NT\$21,275,407 thousand, an 18% decrease from NT\$25,915,410 thousand in 2024. Net profit per share after tax was NT\$159.41.
- (II) Financial performance and profitability: Please refer to the Financial Statements in the attachment for the financial overview of 2025.
- (III) Research and development: The Company invested a total of NT\$5,293,321 thousand in research and development for the current year, which represented a 1% growth over NT\$5,246,696 thousand in the previous year.

II. 2026 Business Plan

- (I) Business strategy: Largan Precision upholds the business philosophy of "innovation, professionalism, speed, and flexibility." All employees continuously pursue discipline and growth in the face of a changing business environment, as they commit themselves to product development and quality improvement to create ongoing profit and growth.
- (II) Production and sales forecast: The Company shall remain focused on the production and sales of mobile phone camera lenses, and actively enhance production technology and output, with the aim of maintaining the Company's advantages in production cost and achieving more competitiveness in the overall production and sales cycle and system.
- (III) Research and development plans: The Company shall continue to conduct research and development in mobile phone camera lenses. We will continue to expand our R&D team, product range, launch new product lines, and improve the scale and quality of products. We shall also commit ourselves to the development of new product applications and improvement of manufacturing capabilities to maintain long-term competitiveness in the industry.

Largan Precision shall continue to work hard and adopt a spirit of constant innovation and in the production of each product. We shall fully develop the Company's core expertise and continue to strengthen the Company's competitiveness in all aspects to respond to the competitive environment and overall business environment. At the same time, the Company complies with regulatory requirements and adopts policies and measures in response to changes in the legal environment. We hereby express our most sincere gratitude for the support of all customers, suppliers, shareholders, and employees.

Chairman: En-Ping Lin

Chapter 2. Corporate Governance Report

I. Information on the Company's Directors, Supervisors, President, Vice President, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

(I) Information on Directors																			As of April 11, 2026	
Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected Date	Term	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Persons		Education and Work Experience	Other Position Concurrently Held at the Company and Other Companies Title	Other Supervisory or Director Roles Held by a Spouse or Second-Degree Relative			Note (Note 2)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Mao Yu Commemorate Co., Ltd.	-	2025.06.06	3 years	2019.06.12	18,910,616	14.17%	19,010,616	14.24%	-	-	-	-	-	-	-	-	-	None
	Taiwan	Representative: En-Ping Lin	Male Age 61-70	2025.06.06		2007.6.15	8,000	0.01%	8,000	0.01%	12,000	0.01%	6,011,652	4.50%	Master of Business Administration, Dominican University	Director of Largan (Hong Kong) Limited, Director of Largan (Dongguan) Optronic Ltd., Director Representative of AMTAI, Director Representative of ASTRO, Director Representative of NET, Chairman of Largan Digital, Chairman of Largan Medical, Director of Alpha & Beta, Director of LHT, Director of Largan Health, Director of Mao Yu Commemorate Co. Ltd., Chairman of Largan Industrial Optics, Chairman of Ba Fang International, Director of Largan Education Foundation	Director	En-Chou Lin	Brothers	None
	Taiwan	Representative: En-Chou Lin	Male Age 61~70	2025.06.06		1987.4.4 Note 1	540	0.00%	540	0.00%	-	-	7,790,106	5.84%	Degree in Insurance and Banking, Tamkang University Vice President, Largan Digital Co., Ltd.	Director of LHT, Supervisor of Mao Yu Commemorate Co., Ltd.	Chairman	En-Ping Lin	Brothers	None
Director	Taiwan	You-Chih Huang	Male Age 51-60	2025.06.06		2022.06.08	48,228	0.04%	48,228	0.04%	-	-	-	-	Masters in Mechanical Engineering, National Tsing Hua University	President of Largan Precision Co. Ltd. Chairman of Photonicore Technologies Co. Ltd., Director Representative of Ba Fang International, Chairman of Taiwan Applied Crystal, Director of Largan Education Foundation, Chairman of Largan Energy Material, Chairman of Largan Electronic Tech	-	-	-	None
Director	Taiwan	Chung-Jen Liang	Male Age 71-80	2025.06.06	3 years	2004.6.10	2,091,721	1.57%	2,091,721	1.57%	924	0.00%	11,000	0.01%	Degree in Finance, National Chengchi University	Supervisor of Largan Medical Co. Ltd., Supervisor of Largan Digital Co. Ltd.	-	-	-	None
Director	Taiwan	Ming-Yuan Hsieh	Male Age 41-50	2025.06.06	3 years	1996.10.20	3,606,585	2.70%	3,606,585	2.70%	-	-	-	-	Degree in Applied Mathematics, Feng Chia University	None	-	-	-	None
Director	Taiwan	Chun-Ming Chen	Male Age 41-50	2025.06.06	3 years	2022.06.08	119,446	0.09%	119,446	0.09%	144,000	0.11%	-	-	Ph.D. in Computer Science Ohio State University	Manager of Largan Precision Co. Ltd., Director of Largan Digital Co. Ltd., Director of Largen Medical Co., Ltd., Director Representative of Largan Energy Material	-	-	-	None
Independent Director	Taiwan	Chin-Fang Lin	Male Age 61-70	2025.06.06	3 years	2025.06.06	No shares held	0.00%	No shares held	0.00%	-	-	-	-	Department of Electronic Engineering, Chin-Yi Junior College of Engineering Vice President, Largan Precision Co., Ltd.	None	-	-	-	None
Independent Director	Taiwan	Kuang-Tao Chang	Male Age 61-70	2025.06.06	3 years	2025.06.06	No shares held	0.00%	No shares held	0.00%	-	-	-	-	Master of Business Administration, University of Rochester Chairperson, Chuangyi Investment Co., Ltd.	Chairperson, Chuangyi Investment, Chairperson, IDEAWAY INTERNATIONAL CO., LTD., Director, Min Tong Pharmaceutical, Director, 12CM Taiwan	-	-	-	None
Independent Director	Taiwan	Shu-Min Li	Female Age 51-60	2025.06.06	3 years	2025.06.06	No shares held	0.00%	No shares held	0.00%	-	-	-	-	Master, College of Social Sciences and Management, National Chung Hsing University Vice President, Taishin Securities	Independent Director, SIWARD Crystal Technology Co., Ltd., Independent Director, WINSON Machinery Co., Ltd, Supervisor, Kuen Tong Industrial Co., Ltd., Independent Director, I Jiang Group	-	-	-	None

Note 1: En-Chou Lin did not serve as a Director from July 3, 1993 to November 11, 1997.

Note 2: Where the chairperson and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures: not applicable.

(II) Major Shareholders of the Corporate Shareholder

April 11, 2026

Name of Corporate Shareholder	Major Shareholder of the Corporate Shareholder
Mao Yu Commemorate Co., Ltd.	Yi Kuan International Co., Ltd. (50%), Shih-An Co., Ltd. (50%)

Main shareholders of institutional shareholders

Name of Corporate Shareholder	Major Shareholder of the Corporate Shareholder
Yi Kuan International Co., Ltd.	Fang-Chen Kao (78.65%), Fang-Chen Kao Trust Account (21.35%)

Name of Corporate Shareholder	Major Shareholder of the Corporate Shareholder
Shih-An Co., Ltd.	En-Ping Lin (100%)

(III) Disclosure on the Directors' Professional Qualifications and the Independent

Directors' Independence:

Qualifications Name	Professional Qualification and Work Experience	Independence Criteria	Independent Director Positions Concurrently Held at Other Companies
En-Chou Lin (Director)	1. Please refer to Page 2 of the Annual Report for the Directors' professional qualifications and experiences 2. Not under any of the categories stated in Article 30 of the Company Act.	N/A	None
En-Ping Lin (Director)		N/A	None
You-Chih Huang (Director)		N/A	None
Chung-Jen Liang (Director)		N/A	None
Ming-Yuan Hsieh (Director)		N/A	None
Chun-Ming Chen (Director)		N/A	None
Chin-Fang Lin (Independent Director)		1. Complies with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed" (Note). 2. The person (or in the name of other persons), his/her spouse and minor children do not hold shares in the Company. 3. There are no incidents in the last two years in which the Company or other affiliates were compensated for business, legal, financial, or accounting services provided by the Company.	None

Kuang-Tao Chang (Independent Director)		1. Complies with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and “Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed” (Note). 2. 56,604 shares are held by the person, representing a 0.04% shareholding. 3. There are no incidents in the last two years in which the Company or other affiliates were compensated for business, legal, financial, or accounting services provided by the Company.	None
Shu-Min Li (Independent Director)		1. Complies with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and “Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed” (Note). 2. The person (or in the name of other persons), his/her spouse and minor children do not hold shares in the Company. 3. There are no incidents in the last two years in which the Company or other affiliates were compensated for business, legal, financial, or accounting services provided by the Company.	3

Note:

1. Not a governmental or judicial person or a representative thereof as defined in Article 27 of the Company Act.
2. The number of other public companies where the individual concurrently serves as an Independent Director does not exceed three companies.
3. Is not involved in any of the following conditions during the individual’s term of office and two years prior to the date elected:
 - (1) An employee of the Company or any of its affiliates.
 - (2) A director or supervisor of the company or any of its affiliates.
 - (3) A natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranks as one of its top ten shareholders.
 - (4) Any of the officers listed in (1), or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons listed in (2) and (3).
 - (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's director or supervisor in accordance with Article 27 of the Company Act.
 - (6) A director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights.
 - (7) A director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position.
 - (8) A director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company.
 - (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This does not apply to members of the Compensation Committee.

(IV) Diversification and Independence of the Board of Directors:

1. Diversification of the Composition of the Board of Directors: The specific management objectives of the Company’s diversification policy is to include diversified academic and professional work experiences (including operational judgments, finance, crisis management, management skills, industry knowledge, international perspective, leadership, and decision-making skills) when

considering the composition of the members of the Board of Directors.

The Company focuses on the multi-faceted competencies of its Board members and aims to increase the percentage of directors with at least four competencies to over 50%. This target has been achieved, as more than 78% of the Board members possess at least 4 skills or more out of the 7 skills above.

2. The implementation status of Board member diversity is provided below:

- Ratio of Directors who are concurrent employees of the Company is 44%
- The percentage of independent directors is 33%, and all three independent directors have served for less than 3 years.
- Age of Directors: 1 is aged 71-80; 4 are aged 61-70; 2 are aged 51-60; and 2 are below 50.

Diversified core competences are listed below:

Name	Gender	A Concurrent Employee of the Company	Professional background				Professional knowledge and skills						
			Commerce	Technology	Finance and accounting	Industry	Ability to make sound operational judgments	Accounting & financial analysis capability	Business management	Crisis management	Industry knowledge	Understanding of international markets	Leadership ability
En-Chou Lin	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
En-Ping Lin	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
You-Chih Huang	Male	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chung-Jen Liang	Male		✓		✓	✓		✓			✓	✓	
Ming-Yuan Hsieh	Male		✓		✓	✓		✓			✓	✓	
Chun-Ming Chen	Male	✓	✓	✓		✓		✓			✓	✓	✓
Chin-Fang Lin	Male		✓	✓		✓		✓			✓	✓	✓
Kuang-Tao Chang	Male		✓	✓	✓	✓		✓	✓		✓	✓	✓
Shu-Min Li	Female		✓		✓	✓		✓			✓	✓	✓

- The reasons and improvement measures for the current situation where female directors make up less than one-third of the Company's Board of Directors:
The Company has already appointed an additional female director, and will continue to appoint qualified professionals. When nominating and appointing newly-elected directors, the Company will consider not only their professional background and experience but also gender diversity, aiming to ensure compliance with gender diversity regulations.

3. Independence of the Board of Directors: The election of all directors of the Company have complied with the Company's Articles of Incorporation, Rules for Director Elections, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, Article 14-2 and Article 26-3 of the Securities and Exchange Act. The Board of Directors emphasizes independent operations, and all Directors and Independent Directors function independently in performing their rights and obligations. The nationality of all members of the current term of the Board of Directors is Taiwan R.O.C., and includes 3 seats of Independent Directors. None of the Independent Directors have consecutively served at the Company for more than 3 terms.

(V) Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

April 11, 2026

Title	Nationality	Name	Gender	Appointment Date	Shares Held		Shares Held by Spouse & Minor Children		Shares Held in the Name of Other Persons		Major Education and Work Experience	Other Position Concurrently Held at the Company and Other Companies	Other Managerial Roles Held by Spouse or Second-Degree Relative			Note (Note 2)
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan	You-Chih Huang	Male	2010.01.01	48,228	0.04%	-	-	-	-	Masters in Mechanical Engineering, National Tsing Hua University	Chairman of Photonicore Technologies, Director Representative of Ba Fang International, Chairman of Taiwan Applied Crystal, Director of Largan Education Foundation, Chairman of Largan Energy Material, Chairman of Largan Electronic Tech	-	-	-	None
Vice President	Taiwan	En-Ping Lin	Male	2007.06.15	8,000	0.01%	12,000	0.01%	6,011,652	4.50%	Master of Business Administration, Dominican University	Director of Largan (Hong Kong) Limited, Director of Largan (Dongguan) Optronics Ltd., Chairman of Largan Digital Co., Ltd., Chairman of Largan Medical Co., Ltd., Director of Alpha and Beta, Director of LHT, Director of Largan Health Technology Co., Ltd., Director Representative of Largan Health AI-Tech Co., Ltd., Director Representative of Mao Yu Commemorate Co., Ltd., Chairman of Ba Fang International, Director of Largan Education Foundation	-	-	-	None
Vice President	Taiwan	Chung-Shih Lin	Male	2005.06.01	4,000	0.00%	-	-	-	-	Degree in Industrial Engineering, Tunghai University	Director of Largan (Dongguan) Optronics Ltd., Director of LHT, Director of Largan Education Foundation	-	-	-	None
Assistant Vice President	Taiwan	Sheng-Lien Wang	Male	2011.04.01	0	0.00%	-	-	-	-	Degree in Industrial Engineering, Feng Chia University	Chairman of Largan (Dongguan) Optronics Ltd., Director of Largan (Hong Kong) Limited, Director of LHT, Representative Director of Largan Health & Beauty Corporation	-	-	-	None
Chief Financial Officer	Taiwan	Hsing-Ju Tsaur	Female	2011.05.01	289	0.00%	-	-	-	-	Master in Accounting, National Chengchi University	Accounting Head of Largan Digital Co., Ltd. and Largan Medical Co., Ltd., Director Representative of Ba Fang International, Director Representative of Taiwan Applied Crystal, Director of Largan Education Foundation, Supervisor of Largan Health & Beauty Corporation, Director Representative of Largan Energy Material	-	-	-	None

Note 1: Positions held as of the publication date of the Annual Report

Note 2: Where the chairperson and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or executive officers) must be disclosed.

II. Compensation of Directors, Supervisors, President, and Vice Presidents

(I) Compensation for Directors and Independent Directors

As of December 31, 2025

Unit: NT\$ thousands

Compensation for Directors and Independent Directors

Name		Compensation of Directors										Compensation earned as an employee								Total sums of A, B, C, D, E, F, and G and ratio to net profit after tax		Compensation received from invested companies other than subsidiaries or the parent company
		Compensation (A)		Severance Pay and Pension (B)		Directors' Remuneration (C)		Business Expenses (D)		Total compensation (A+B+C+D) and ratio to net profit after tax (%)		Salary, Bonus and Allowances (E)		Severance Pay and Pension (F)		Employees' Compensation (G)						
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
Cash Amount	Stock															Cash Amount	Stock					
Corporate Director	Mao Yu Commemorate Co., Ltd.	-	-	-	-	127,710	127,710	-	-	127,710 0.60%	127,710 0.60%	-	-	-	-	-	-	-	-	127,710 0.60%	127,710 0.60%	None
Chairman Representative	En-Ping Lin	-	-	-	-	0	4,464	-	-	0 0.00%	4,464 0.02%	5,877	5,877	-	-	52,000	-	52,000	-	57,877 0.27%	62,341 0.29%	None
Director Representative	En-Chou Lin	-	-	-	-	0	0	-	-	0 0.00%	0 0.00%	6,036	6,036	-	-	22,000	-	22,000	-	28,036 0.13%	28,036 0.13%	None
Director	You-Chih Huang	-	-	-	-	0	0	-	-	0 0.00%	0 0.00%	5,933	5,933	-	-	62,000	-	62,000	-	67,933 0.32%	67,933 0.32%	None
Director	Chung-Jen Liang	-	-	-	-	33,421	35,840	-	-	33,421 0.16%	35,840 0.17%	-	-	-	-	-	-	-	-	33,421 0.16%	35,840 0.17%	None
Director	Ming-Yuan Hsieh	-	-	-	-	29,796	29,796	-	-	29,796 0.14%	29,796 0.14%	-	-	-	-	-	-	-	-	29,796 0.14%	29,796 0.14%	None
Director	Chun-Ming Chen	-	-	-	-	92,769	94,275	-	-	92,769 0.44%	94,275 0.44%	2,020	2,020	-	-	7,000	-	7,000	-	101,789 0.48%	103,295 0.49%	None
Independent Director	Chin-Fang Lin	-	-	-	-	1,200	1,200	-	-	1,200 0.01%	1,200 0.01%	-	-	-	-	-	-	-	-	1,200 0.01%	1,200 0.01%	None
Independent Director	Kuang-Tao Chang	-	-	-	-	1,200	1,200	-	-	1,200 0.01%	1,200 0.01%	-	-	-	-	-	-	-	-	1,200 0.01%	1,200 0.01%	None

Independent Director	Shu-Min Li	-	-	-	-	1,200	1,200	-	-	1,200 0.01%	1,200 0.01%	-	-	-	-	-	-	-	-	1,200 0.01%	1,200 0.01%	None
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Table of Compensation Ranges

Compensation Range for Each Director of the Company	Name of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
Less than NT\$1,000,000	En-Chou Lin, En-Ping Lin, You-Chih Huang	En-Chou Lin, You-Chih Huang	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chin-Fang Lin, Kuang-Tao Chang, Shu-Min Li	Same as left	Chin-Fang Lin, Kuang-Tao Chang, Shu-Min Li	Same as left
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	En-Ping Lin	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Ming-Yuan Hsieh,	Same as left	En-Chou Lin, Ming-Yuan Hsieh	Same as left
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	Chung-Jen Liang	Same as left	Chung-Jen Liang	Same as left
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	Chun-Ming Chen	Same as left	En-Ping Lin, You-Chih Huang	Same as left
NT\$100,000,000 and above	Mao Yu Commemorate Co., Ltd.	Same as left	Mao Yu Commemorate Co., Ltd., Chun-Ming Chen	Same as left
Total	9 (Including 1 Corporate Director)	9 (Including 1 Corporate Director)	9 (Including 1 Corporate Director)	9 (Including 1 Corporate Director)

(II) Compensation for President and Vice Presidents

As of December 31, 2025

Unit: NT\$ thousands

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C)		Employees' Compensation (D)				Ratio of the total sums of A, B, C, and D to the net profit after tax (%)		Compensation received from invested companies other than subsidiaries or the parent company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	You-Chih Huang	5,933	5,933	-	-	-	-	62,000	-	62,000	-	67,933 0.32%	67,933 0.32%	None
Vice President	En-Ping Lin	5,877	5,877	-	-	-	-	52,000	-	52,000	-	57,877 0.27%	57,877 0.27%	None
Vice President	Chung-Shih Lin	3,577	3,577	54	54	-	-	25,000	-	25,000	-	28,632 0.13%	28,632 0.13%	None

Table of Compensation Ranges

Compensation Range for Each Supervisor of the Company	Names of Supervisor	
	Total of (A+B+C)	
	The Company	All Companies in the Financial Report
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Chung-Shih Lin	Same as left
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	En-Ping Lin, You-Chih Huang	Same as left
NT\$100,000,000 and above	-	-
Total	3	3

(III) Compensation for Top 5 Management

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C)		Employees' Compensation (D)				Ratio of the total sums of A, B, C, and D to the net profit after tax (%)		Compensation received from invested companies other than subsidiaries or the parent company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	You-Chih Huang	5,933	5,933	-	-	-	-	62,000	-	62,000	-	67,933 0.32%	67,933 0.32%	None
Vice President	En-Ping Lin	5,877	5,877	-	-	-	-	52,000	-	52,000	-	57,877 0.27%	57,877 0.27%	None
Vice President	Chung-Shih Lin	3,577	3,577	54	54	-	-	25,000	-	25,000	-	28,632 0.13%	28,632 0.13%	None
Assistant Vice President	Sheng-Lien Wang	2,744	2,744	41	41	-	-	12,000	-	12,000	-	14,785 0.07%	14,785 0.07%	None
Chief Financial Officer	Hsing-Ju Tsaur	2,211	2,211	101	101	-	-	5,600	-	5,600	-	7,912 0.04%	7,912 0.04%	None

(IV) Name of management to which employees' compensation are distributed, and the status of distribution

As of December 31, 2025

Unit: NT\$ thousands

	Title	Name	Stock Amount	Cash Amount	Total	Ratio of total compensations to the net profit after tax (%)
Management	President	You-Chih Huang	-	156,600	156,600	0.74%
	Vice President	En-Ping Lin				
	Vice President	Chung-Shih Lin				
	Assistant Vice President	Sheng-Lien Wang				
	Chief Financial Officer	Hsing-Ju Tsaor				

- (V) Comparison of compensation paid by the Company and all the consolidated entities in the last two years to the Company's Directors, Supervisors, President and Vice Presidents as a ratio to the net profit after tax. Explanation on compensation policies, standards and procedures for determining compensation, and association with business performance and future risks:

1. Analysis of compensation to the Company's Directors, Supervisors, President and Vice Presidents as a ratio of net profit after tax in the most recent year

	Ratio of total compensation to net profit after tax (%)		Percentage change
	2025	2024	
Director	2.11%	1.95%	0.16%
President and Vice Presidents	0.73%	0.38%	0.35%

Note:

1. The Company's compensation for the Company's Directors, President, and Vice Presidents are determined pursuant to the Company's Articles of Incorporation and Managerial Officer Salary Standards. They are reviewed by the Compensation Committee and authorized by the Board of Directors. There were no material changes in the Company's payment to Director. Total compensation for Directors to net profit after tax increased by 0.16%; Total compensation for the President and Vice Presidents to net profit after tax increased by 0.35%.
2. The Company's compensation for Directors and Managers is determined pursuant to Article 26 of the Company's Articles of Incorporation. If the Company sustains profit for the current year, it shall contribute 1% to 30% of the employee compensation and not more than 5% as director compensation. With regard to the procedures for determining the amount of compensation, in addition to the overall performance of the Company, the future risks and development trends of the industry, we also take into account the position held by the individual, his or her responsibilities, performance achievement rate and contribution to the Company, as well as his or her participation in the Company's operations. In addition, we shall take into consideration the core values of the Company, including the ability to implement and manage operations (e.g., ethics), leadership and communication skills, and overall management indicators, and provide reasonable compensation. Such performance evaluation and the reasonableness of salary and remuneration are reviewed by the Compensation Committee and the Board of Directors. The remuneration system is also reviewed constantly based on actual business operations and applicable laws.

III. Implementation of Corporate Governance

(I) Operations of the Board of Directors

The Company convened a total of 6 Board of Directors meetings in 2025. The attendance was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual Attendance Rate (%)	Note
Chairman	Mao Yu Commemorate Co., Ltd. Representative: En-Ping Lin	6	0	100%	Re-elected
Director	Mao Yu Commemorate Co., Ltd. Representative: En-Chou Lin	6	0	100%	Re-elected
Director	You-Chih Huang	6	0	100%	Re-elected
Director	Chung-Jen Liang	4	0	67%	Re-elected
Director	Chun-Ming Chen	5	0	83%	Re-elected
Director	Ming-Yuan Hsieh	4	0	67%	Re-elected
Independent Director	Shan-Chieh Yen	2	0	100%	Formerly appointed
Independent Director	Ming-Hua Peng	2	0	100%	Formerly appointed
Independent Director	Chun-Yi Lu	2	0	100%	Formerly appointed
Independent Director	Chin-Fang Lin	4	0	100%	Newly appointed
Independent Director	Kuang-Tao Chang	3	1	100%	Newly appointed
Independent Director	Shu-Min Li	4	0	100%	Newly appointed

Other matters to be recorded:

- (1) Matters listed in the Article 14-3 of the Securities and Exchange Act: Article 14-3 of the Securities and Exchange Act is not be applicable because the Company has established the Audit Committee. For relevant information, please refer to the “Operations of the Audit Committee” in this Annual Report.
- (2) Other resolutions of the Board of Directors on which Independent Directors have dissenting or qualified opinions, and that were documented or issued through written statements: None.
- (3) Recusals of Directors due to conflicts of interests: The Directors recused themselves from discussion and voting on their salaries and compensation.

Other matters to be recorded:

- (4) Evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the self (peer) evaluation of the Board of Directors, and implementation of the evaluation of the Board of Directors:

Evaluation Interval	Evaluation Period	Scope	Methodology of Evaluation	Evaluation Contents
Annually	For the Year Ended December 31, 2025	Board of Directors, their individual members, and Functional Committees (including Compensation Committee)	Internal self assessment made by the Board of Directors, their individual members, and Functional Committees (including Audit Committee and Compensation Committee)	The performance assessment of the Board of Directors includes five major aspects: The degree of participation in the Company's operations, the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, selection and appointment of Directors and continuous education and internal control. The performance assessment of the Board members includes five major aspects: Alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education and internal control. The performance assessment of the Functional Committee includes five major aspects: The degree of participation in the Company's operations, the decision-making quality of the Functional Committees, the composition and structure of the Functional Committee, selection and appointment of Committee members and continuous education and internal control.

- (5) Measures taken to strengthen the functions of the Board and the implementation status during the current and preceding fiscal year: The Company established the 2nd Audit Committee and 6th Compensation Committee on June 6, 2025 to assist the Board of Directors to determine the salaries and compensation of directors and managerial officers as well as to regularly review the performance of directors and managerial officers and the Company's compensation policies, systems, standards, and structure.

(II) Operations of the Audit Committee

A total of 5 Audit Committee meetings were held in the most recent year. The attendance was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Rate of Attendance in Person (%)	Note
Independent Director	Shan-Chieh Yen	2	0	100%	Renewing term
Independent Director	Ming-Hua Peng	2	0	100%	Renewing term
Independent Director	Chun-I Lu	2	0	100%	Renewing term
Independent Director	Chin-Fang Lin	3	0	100%	Newly appointed
Independent Director	Kuang-Tao Chang	3	0	100%	Newly appointed
Independent Director	Shu-Min Li	3	0	100%	Newly appointed
	Other matters to be recorded: I. (I) Matters listed in the Article 14-5 of the Securities and Exchange Act: The 12th meeting of the 1st-term Audit Committee on February 24, 2025: ● Proposed 2024 business report and financial statements ● Cash dividend and earnings distribution proposal for the second half of 2024 ● The 2024 dividend distribution proposal ● Defined the scope of “entry-level employees” ● The Company's Statement on Internal Control ● Proposal to evaluate accountant independence and competence The 13th meeting of the 1st-term Audit Committee on April 21, 2025 ● 2025 Q1 consolidated financial statements ● Amendment to the Company’s Internal Control System and Internal Audit Enforcement Rules The 1st meeting of 2nd-term Audit Committee on July 28, 2025 ● Business Report for the First Half of 2025 and Consolidated Financial Statements for the Second Quarter of 2025 ● Distribution of Cash Dividends from the First Half of 2025 Earnings ● Distribution of Earnings for the First Half of the Year 2025 ● Proposed capital increase for Astro International Limited The 2nd meeting of 2nd-term Audit Committee on October 20, 2025 ● Consolidated Financial Statements for the Third Quarter of 2025 ● Internal audit plan for 2026 The 3rd meeting of 2nd-term Audit Committee on December 19, 2025 ● The Company’s proposal to conduct a second treasury stock repurchase. Independent directors' dissenting opinions, reservations or significant recommendations: None. Resolution of the Audit Committee and the Company’s response to the Audit Committee’s Opinion The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee. (II) Resolutions not approved by the Audit Committee and approved by two-thirds or				

more of all directors: None.

II. Recusals of Independent Directors due to conflicts of interests: None.

III. Independent directors' communication with internal auditor manager and accountants (shall include communication regarding the Company's financial position and business performance, methods and results, etc.):

- The Audit Committee is composed of all independent directors. The Audit Committee meets at least quarterly, and the head of internal audit holds a discussion meeting with the independent directors at least once a year, and the communication is good.
- The Audit Committee meets with the Company’s CPAs annually, and discuss the findings of the financial audit as well as relevant regulations.

Summary of communication between the Independent Directors and CPA:

Date	Communication	Recommendations and Results
October 20, 2025	1. Ethics and independence 2. CPA firm quality management system 3. Types of audit conclusions issued 4. Audit scope 5. Audit findings 6. Audit Plan for the year 7. Important regulatory matters	No objections

1. In addition to the audit reports received by the independent directors on a monthly basis, the audit manager also provides the independent directors with a report on the significant operations of the Company and its subsidiaries at each meeting of the independent directors. Communication on the implementation and effectiveness of the audited operations is adequate.

Summary of each communication between the Independent Directors and the Head of Internal Audit:

Date	Communication	Recommendations and Results
October 27, 2025	1. Reports on internal audit report progress 2. Internal audit plan for 2026	Fully informed
July 28, 2025	1. Reports on internal audit report progress 2. Project Audit	Fully informed
April 28, 2025	1. Reports on internal audit report progress 2. Amendment to the Company’s Internal Control System and Internal Audit Enforcement Rules	Fully informed
February 24, 2025	1. Reports on internal audit report progress 2. The Company's 2024 Statement on Internal Control 3. Project Audit	Fully informed

(III) Implementation of corporate governance, deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for the said deviations

Assessment Item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Does the Company stipulate and disclose best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	v		The Company has established the "Corporate Governance Best Practice Principles" and disclosed them on the Company's website.	No deviation
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to internal procedure?	v		(I) The Company has established a spokesperson and acting spokesperson system to ensure prompt disclosure of information that may affect shareholders' decision-making. The Company has also established a dedicated mailbox to process shareholders' suggestions or disputes.	No deviation
(II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those of major shareholders?	v		(II) The Company reports changes in the number of shares held by insiders (Directors, managers, and major shareholders holding more than 10% of the shares) monthly in accordance with applicable laws.	No deviation
(III) Does the Company establish and enforce risk control and firewall systems with its affiliated companies?	v		(III) The Company has established the Subsidiary Company Management Regulations to enforce risk control and firewall systems with affiliated companies.	No deviation
(IV) Does the Company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	v		(IV) The Company has established the "Procedures for Handling Material Inside Information" as the basis for handling and disclosing the Company's material information. The Procedures have been disclosed on the Company's website.	No deviation
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated a diversification policy, specific management objectives and implemented accordingly?	v		(I) Please refer to the descriptions on Page 6 of this Annual Report.	No deviation
(II) In addition to the Compensation Committee and Audit Committee established according to law, does the Company voluntarily establish other functional committees?	v		(II) Apart from establishing the Audit Committee and Remuneration Committee pursuant to the law, the Company's Board of Directors issued a resolution on April 20, 2026 to establish a Nomination Committee and Sustainability and Risk Management Committee.	No deviation
(III) Does the Company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual Directors' remuneration and nomination and renewal?	v		(III) On October 28, 2019, the Board of Directors passed the "Rules for Board of Directors Performance Assessments", and established that the Company must conduct internal evaluations on the performance of the Board of Directors at least once a year, and submit the evaluation results to the Board. The aforesaid results will be used as a basis for determining the compensation and nomination of Directors. 1. Internal performance evaluations: Annual internal performance evaluations of the Board of Directors and the Compensation Committee are conducted by the Board members, the Functional Committee members and the relevant department. The scope of assessment for the Board of Directors include five aspects: The level of participation in Company operations, improvement of the quality of the Board's decision making, composition and structure of the Board, nomination and continuing education of the directors as well as internal control. The scope of self-assessment for the Board members include five aspects: Alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. The scope of assessment for the functional committee will also include five aspects: Participation in the operation of the company, awareness of the duties of the functional committee, improvement of quality of decisions, makeup of the functional committee and election of its members and internal control. The annual performance evaluations were completed and	No deviation

Assessment Item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(IV) Does the company regularly evaluate the independence of the CPAs?		v	reported to the Board on February, 24, 2026. The results were as follows: (1) The self-evaluations for the Board of the Directors and Board members for the year ended 2025 were 100% completed, and the results were "Good". Overall, the performance of the Board of Directors and its members are effective. (2) The evaluations for the Audit Committee and Compensation Committee were 100% completed for the year ended 2025, and the results were "Good". Overall, the performance of the Compensation Committee is effective. 2. The Company's Compensation Committee establishes and regularly reviews Director and manager performance as well as compensation policies, systems, standards, and structures. It also submits recommendations to the Board of Directors for discussion. (IV) The Company's Board of Directors periodically evaluates the independence and competence of the accountants each year. Besides requiring the accountants to provide a Statement of Independence and Audit Quality Indicators (AQIs), the Company evaluates the accountants according to the accountant evaluation criteria (Note 1) and the 13 AQIs. The contents verified include all accountants are in compliance with independence policies and procedures, prohibiting any personnel from engaging in insider trading and disseminating inside information. The assessment results were discussed by the Audit Committee on February 24, 2026 and reported to board of directors and approved on February 24, 2026.	No deviation
IV. Does the Company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?		v	The Board has approved the appointment of a dedicated corporate governance supervisor, whose qualifications meet the regulations of Paragraph 1 of Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The main duties of the corporate governance supervisor include: Providing information required by directors, assisting directors in complying with regulations, to convene Board meetings and shareholders' meetings in compliance with the law, and to assist directors in their continuing education. Key corporate governance implementations in 2025 include the following: 1. Six Board meetings were held in 2025. 2. One Annual General Meeting was held in 2025. 3. Five Audit Committee meetings were held in 2025. 4. Liability insurance filed for directors and the insurance renewal was reported to the Board of Directors. 5. Assisted the Independent Directors in completing at least 6 hours of continuing education. 6. The corporate governance supervisor completed 12 hours of training in 2025, and the information was disclosed on the Market Observation Post System. For the information on course completion, please refer to Note 2.	No deviation
V. Does the Company set up channels of communication for stakeholders, dedicate a section of the Company's website for stakeholder affairs and adequately respond to stakeholders' inquiries on significant corporate social responsibility issues?		v	The Company has established a spokesperson system and a dedicated Stakeholders Section on the Company's website to provide the Company's latest information and important corporate social responsibility issues.	No deviation
VI. Does the Company commission a professional stock affair agency to manage shareholders' meetings and other relevant affairs?		v	The Company has appointed the Shareholder Service Department of Taishin Securities as the Company's stock affair agency to manage affairs related to shareholders' meetings.	No deviation
VII. Information disclosure (I) Does the Company establish a website to disclose information on financial operations and corporate governance?		v	(I) The Company has established a website in Chinese and English and regularly updates the financial, business, and corporate governance information.	No deviation

Assessment Item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Does the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose company information, implement a spokesperson system, and disclosing the process of investor conferences on the company website)?	v		(II) The Company has assigned dedicated personnel to serve as the point of contact for investors. Investors can also download financial information from previous years and audio recordings of investor conferences from the website. The Company's website also discloses company information through links to the Market Observation Post System.	No deviation
(III) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly sales results, before the prescribed time limit?	v		(III) The Company has announced and submitted the 2025 consolidated and individual financial statements on February 26, 2026. The 2025 Q1, Q2, and Q3 financial statements, as well as monthly sales results, have all been announced before the prescribed deadlines.	No deviation
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance (including but not limited to employee's rights, employee care, investor relations, supplier relations, stakeholders' rights, further studies of directors and supervisors, implementation of risk management policies and measurement standards, implementation of customer policies and purchase of liability insurance for the directors and supervisors of the Company)?	v		1. The Company has established various benefit measures and formed an Employee Welfare Committee which provides benefits, allowances, and emergency relief funds for employees. 2. The Company provides the Directors and Supervisors with necessary legal information at all times. 3. The attendance of the Directors and Supervisors at the Company's Board of Directors meetings is satisfactory and they provide opinions on business operations when required. 4. The Company takes out liability insurance for the Directors and Supervisors each year. 5. The Company has set up an Investor Relations section and regularly updates related information for investors' reference. 6. The Company has a spokesperson, website, and established multiple channels to communicate and provide the Company's latest information.	No deviation
IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved.	v		The Company submitted the Sustainability Report (prepared by the Company) to the Board of Directors for approval on July 28, 2025. Further improvements will be made if necessary, currently no material weaknesses have been noted.	Executed in accordance with related regulations of the competent authority

Note 1:

Evaluation item for the independence of CPAs	Evaluation results	Meet independence criteria
1. Direct or indirect material financial interests between the CPAs and the Company?	No	Yes
2. Financing or endorsements with the Company's Directors?	No	Yes
3. Close business relations with the Company?	No	Yes
4. Provide non-audit services that may directly impact auditing tasks?	No	Yes
5. Serve as the Company's defense counsel or represent the Company in mediating conflicts with third parties?	No	Yes
6. Are family members or relatives of the Company's Directors, Supervisors, or other individuals in positions that could seriously impact the audit?	No	Yes
7. Employed by the Company or the Company's affiliated companies?	No	Yes

Note 2:

Date	Course Name	Hours	Organizer
2025/09/02	Introduction to the carbon pricing trading mechanism and the latest IFRS international sustainability standards (S1&S2)	3	Taiwan Corporate Governance Association
2025/10/17	The regulations analysis and audit focus about the Board of Directors and functional committees (audit, remuneration)	6	The Institute of Internal Auditors - Chinese Taiwan
2025/12/10	New thinking on enterprise risk hedging: Addressing exchange rate challenges and asset management trends	3	Securities & Futures Institute

(IV) If the Company has established a Remuneration Committee or Nomination Committee, it shall disclose its composition, duties, and operations

1. Composition, duties, and operations of the Remuneration Committee:

Criteria		December 31, 2025		
Name Title		Professional Qualification and Work Experience	Independence Criteria	Number of other public companies in which the member is also serving as a member of their compensation committee
Independent Director/ Convener	Chin-Fang Lin	1. Please refer to Page 2 of the Annual Report for the Directors' Professional Qualifications and Experiences 2. Not under any of the categories stated in Article 30 of the Company Act.	1. Complies with all regulations stipulated by Article 14-6 of the Securities and Exchange Act and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" as decreed by the Financial Supervisory Commission (FSC) (Note). 2. Does not hold any of the Company's shares under his/her own name, or the person's spouse, minor children, or held by the person under others' names. 3. Has not received any compensation for provision of commercial, legal, financial, accounting or related services to the Company or any of its affiliate in the past 2 years.	None
Independent Director	Kuang-Tao Chang	1. Please refer to Page 2 of the Annual Report for the Directors' Professional Qualifications and Experiences 2. Not under any of the categories stated in Article 30 of the Company Act.	1. Complies with all regulations stipulated by Article 14-6 of the Securities and Exchange Act and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" as decreed by the Financial Supervisory Commission (FSC) (Note). 2. Does not hold any of the Company's shares under his/her own name, or the person's spouse, minor children, or held by the person under others' names. 3. Has not received any compensation for provision of commercial, legal, financial, accounting or related services to the Company or any of its affiliate in the past 2 years.	None

Criteria Name Title		Professional Qualification and Work Experience	Independence Criteria	Number of other public companies in which the member is also serving as a member of their compensation committee
Independent Director	Shu-Min Li	1. Please refer to P. 2 of this annual report for professional qualifications and experience of directors. 2. Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.	1. Complies with all regulations stipulated by Article 14-6 of the Securities and Exchange Act and “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” as decreed by the Financial Supervisory Commission (FSC) (Note). 2. Does not hold any of the Company’s shares under his/her own name, or the person’s spouse, minor children, or held by the person under others’ names. 3. Has not received any compensation for provision of commercial, legal, financial, accounting or related services to the Company or any of its affiliate in the past 2 years.	3

Note: During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:

- (1) An employee of the Company or any of its affiliates.
 - (2) A director or supervisor of the Company or any of its affiliates.
 - (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
 - (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the persons in the preceding three subparagraphs
 - (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's outstanding shares, a top five shareholder, or appointed as the Company's director or supervisor in accordance with Article 27 of the Company Act.
 - (6) A director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights.
 - (7) A director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position.
 - (8) A director, supervisor, or executive officer of a specific company or institution with financial or business dealings with the Company, or shareholder with 5% or more shares of the Company.
 - (9) A professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the Company or to any affiliate of the Company, or a spouse thereof.
- This does not apply to members of the Compensation Committee.

Operations of the Compensation Committee

- (1) The Company's Compensation Committee consists of 3 members.
- (2) Term of office for the current members of the Compensation Committee: June 6, 2025 to June 5, 2028. A total of 2 meetings were convened in 2025 and the attendance of the members was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual Attendance Rate (%)	Note
Convener	Chin-Fang Lin	1	0	100%	Newly appointed
Member	Kuang-Tao Chang	1	0	100%	Newly appointed
Member	Shu-Min Li	1	0	100%	Newly appointed
Convener	Shan-Chieh Yen	1	0	100%	Formerly appointed
Member	Ming-Hua Peng	1	0	100%	Formerly appointed
Member	Chun-I Lu	1	0	100%	Formerly appointed

Other matters to be recorded:

I. If the Board of Directors chooses not to adopt or amend the recommendations made by the Compensation Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions of the Compensation Committee by the Company should be disclosed (if the compensation approved by the Board of Directors is better than that of the Compensation Committee, the discrepancies and related reasons should be stated): None.

II. If the members of the Compensation Committee have any dissenting or qualified opinions on the resolutions of the Compensation Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Compensation Committee, resolutions, all the members' opinions and handling of these opinions should be stated: None.

III. Discussions and results of resolutions of the Compensation Committee and the Company's handling of opinions of the committee members:

First meeting of the Compensation Committee on January 23, 2025:

- (I) Reviewed the Company's compensation distribution for employees and directors for 2024. The chair of the Compensation Committee consulted all committee members in attendance. The proposal was passed unanimously and submitted for discussion in the Board meeting where it was approved by all Directors in attendance.
- (II) Reviewed the Company's salary and remuneration for directors and managerial officers and the distribution of compensation to directors in 2024.
Besides the individual members who did not participate in discussion or voting due to conflict of interests, the proposal was passed by the remaining members and submitted for discussion in the Board meeting where it was approved by all Directors in attendance.

Second meeting of the Compensation Committee on July 10, 2025:

- (I) Reviewed the Company's proposal for compensation distribution for managerial officers for 2024. The chair of the Compensation Committee consulted all committee members in attendance. The proposal was passed unanimously and submitted for discussion in the Board meeting where it was approved by all Directors in attendance.
- (II) Reviewed the Company's proposal for compensation distribution for employees and directors for the first half of 2025. The chair of the Compensation Committee consulted all committee members in attendance. The proposal was passed unanimously and submitted for discussion in the Board meeting where it was approved by all Directors in attendance.

2. Composition, duties, and operations of the Nomination Committee:

The Company has on April 20, 2026 formally established a Nomination Committee under the Board of Directors, and established the Nomination Committee Charter. The Committee shall consist of at least three directors appointed by the Board of Directors, more than half of whom shall be independent directors.

The Committee shall act pursuant to the authority granted by the Board of Directors, and exercise the duty of due care of a prudent manager to fulfill the following responsibilities, and submit their recommendations to the Board of Directors for discussion:

- I. Select and review suitable candidates for director positions, assess the independence of independent directors, and submit a list of recommended candidates to the Board of Directors.
- II. Evaluate the performance of the Board of Directors, each of the Company's committees, and each individual director.
- III. Assess the independence of each independent director annually.
- IV. Create and implement plans for the continuing education of directors.
- V. Other matters that the Board of Directors instructs the Committee to handle.

Information on Nomination Committee members

- (1) The Company's Nomination Committee consists of 3 members.
- (2) Term of current Committee members: From April 20, 2026 to June 5, 2028. In the most recent year (2025), the Nomination Committee met 0 times, and information on the professional qualifications and experience of Committee members, their attendance records, and the topics discussed are as follows:

Title	Name	Professional qualifications and experience	Attendance in person	Attendance by Proxy	Attendance in person rate (%)	Remarks
Convener	Chin-Fang Lin	Note 1	Note 2	Note 2	Note 2	Newly appointed
Member	Kuang-Tao Chang	Note 1	Note 2	Note 2	Note 2	Newly appointed
Member	Shu-Min Li	Note 1	Note 2	Note 2	Note 2	Newly appointed

Note 1: Please refer to Pages 2-3 of the Annual Report for the professional qualifications and experience of Committee members.

Note 2: The Committee was established on April 20, 2026, and has not held any meetings as of the end of 2025. Therefore, there are no attendance records.

Other important information:

I. Specify the meeting dates, period, agenda items, recommendations or objections from members of the Nomination Committee, resolution results of the Nomination Committee, and how the Company has handled opinions issued by the Nomination Committee:

Not applicable, as the Committee was established on April 20, 2026, and has not held any meetings as of the end of 2025.

3. Composition, duties, and operations of the Sustainable Development and Risk Management Committee:

On April 20, 2026, the Company formally established a Sustainability and Risk Management Committee under the Board of Directors, and established the Sustainable Development and Risk Management Committee Charter. The Committee shall consist of at least three directors appointed by the Board of Directors, more than half of whom shall be independent directors.

The Committee assists the Board of Directors in promoting sustainable development and risk governance. Committee members shall exercise the duty of due care of a prudent manager to faithfully fulfill the following responsibilities, and submit reports to the Board of Directors for resolution:

- I. Establish and amend the Charter for the Committee.
- II. Review the Company's sustainable development and risk management policies, annual plans, and implementation results.
- III. Supervise the disclosure of sustainable development information and review the Sustainability Report.
- IV. Supervise the Company's sustainable development and risk management matters, or other related matters requiring a Board of Directors resolution.

Information on Sustainability and Risk Management Committee members

- (1) The Company's Nomination Committee consists of 3 members.
- (2) Term of current Committee members: From April 20, 2026 to June 5, 2028. In the most recent year (2025), the Nomination Committee met 0 times, and information on the professional qualifications and experience of Committee members, their attendance records, and the topics discussed are as follows:

Title	Name	Professional qualifications and experience	Attendance in person	Attendance by Proxy	Attendance in person rate (%)	Remarks
Convener	Chin-Fang Lin	Note 1	Note 2	Note 2	Note 2	Newly appointed
Member	Kuang-Tao Chang	Note 1	Note 2	Note 2	Note 2	Newly appointed
Member	Shu-Min Li	Note 1	Note 2	Note 2	Note 2	Newly appointed

Note 1: Please refer to Pages 2-3 of the Annual Report for the professional qualifications and experience of Committee members.

Note 2: The Committee was established on April 20, 2026, and has not held any meetings as of the end of 2025. Therefore, there are no attendance records.

Other important information:

I. Specify the meeting dates, period, agenda items, recommendations or objections put forward by Committee members, the resolution results of the Sustainability and Risk Management Committee, and how the Company has handled the opinions issued by the Sustainability and Risk Management Committee:

Not applicable, as the Committee was established on April 20, 2026, and has not held any meetings as of the end of 2025.

(V) Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof:

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	v		The Company has established a Sustainable Development and Risk Management Committee, and appointed the heads of relevant departments as members of the Corporate Governance Team, Economic Team (including Supply Chain), Environmental Group, and Social Team. The head of the Administrative Department also serves as the head of the Sustainability and Risk management Team (ESG Team). 1. The Committee is responsible for: 1.1 Establishing annual plans and strategies on sustainable development and risk management. 1.2 Planning and implementing various sustainable development and risk management activities. 1.3 Tracking and reviewing the implementation status and effectiveness of sustainable development and risk management plans. 1.4 Making decisions on other sustainable development matters related to corporate governance, environmental, and social issues, as well as risk management mechanisms and targets. 1.5 Pursuant to the reporting standards and requirements published by the Global Reporting Initiative (GRI), establish mechanisms for regularly collecting data and providing feedback, compiling this information within the Sustainability Report and incorporating it into day-to-day business operations. 1.6 Hold an annual review meeting to discuss sustainable development and risk management issues and the effectiveness of implemented measures, and report to the Board of Directors on the annual implementation results.	No deviation

		2. Evaluation items or work targets for the evaluation process or results to be documented in writing 2.1 Analysis and communication of key issues important to stakeholders, and the process of how material issues arise. 2.2 Prioritizing and responding to identified material issues. 2.3 Material issues and their relevance to the value chain. 2.4 Practices in line with the United Nations Sustainable Development Goals. 2.5 Short, medium, and long-term corporate governance indicators for material management issues and targets related to sustainable operations and management, such as for ethical corporate management, risk management, and regulatory compliance. 2.6 Short, medium, and long-term environmental management indicators, in response to climate-change related issues. 2.7 Assessment of climate change risk categories, potential impact on business operations, and adaptation methods. 2.8 Short, medium, and long-term indicators for material personnel management issues such as attracting and retaining talent (salary and benefits), employee training and development, promoting harmonious labor relations, human rights protection, safety and health, and employee care and support. 2.9 Direction of and promotional measures for social outreach and charity activities. 3. Management review 3.1 Each piece of information and data collected and disclosed as part of a review, as well as the review process itself, shall be documented. These documents shall be verified and approved by the heads of each relevant department, as well as reviewed at the highest management level. 3.2 The Board of Directors/Audit Committee shall review the annual sustainable development and risk management report submitted by the Sustainable Development and Risk Management Committee to the Board of Directors/Audit Committee, which highlights the main risks and foreseeable opportunities or threats.	
(II) Does the company	v	The Company has identified material issues	No deviation

conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		after conducting risk assessments on environmental, social, and governance issues related to our operations based on the principle of materiality, taking into consideration the Global Reporting Initiative (GRI) Standards. Related policies and implementation measures are summarized as follows, please refer to the Company's 2025 Sustainability Report for more details: (Publication expected in August 2026) [Corporate Governance] 1. Operating Performance: Actively expand customers and control costs to remain profitable and achieve sustainability. [Environmental Issues] 2. Climate change adaptation measures: Electricity savings: 1.5 million kWh Reduction in GHG emissions: 750 metric tons CO₂e/year. 3. Value chain enhancement: Obtain ISO 9001 quality management certification and quality assurance procedures and operating standards to gain customers' trust and build a good reputation. Continue investing into the R&D of advanced optical technologies, focusing on improving lens resolution and manufacturing process precision. Formulate supply chain management methods, establish mutual trust and stable partnership with suppliers, grow together, and build sustainable supplier relationships. Enhance supply chain transparency and resilience through supplier evaluation, auditing, and guidance mechanisms, ensuring that overall operations align with sustainable development goals. [Social Issues] 4. Labor relations and diversity and equality: Formulate Employee Management Regulations, including human rights protection, gender equality, and complaint channels to protect labor rights.	
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			5. Safety and Health: Establish occupational safety and health work rules and establish hazard identification and safety operating standards to provide employees with a safe, healthy, and high quality workplace.	
III. Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	v		1. The Company has obtained ISO 14001:2015 certification and aims to reduce pollution and improve on environmental management to lower negative impacts to the environment. 2. The Company has established an environmental management system suitable for the industry and set up a dedicated team responsible for environmental management and protection.	No deviation
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	v		1. In response to environmental threats, the Company is committed to enhancing the recycling of various resources and has completed the reuse of a total of 5,976.43 metric tons in 2025, surpassing last year. The 2025 recovery ratio was 94.2%. 2. The Company recycles waste from manufacturing, and requests suppliers to recycle reusable products to reduce resource waste; around 74.37% of waste that was incinerated is now recycled instead. 3. Conversion of Waste to Energy: From 2021, we actively promote the conversion of product waste from incineration to auxiliary fuel rods, and the improvement is evident, reaching 2,528.5 metric tons in 2025.	No deviation
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	v		In response to climate change, the Company has evaluated risks brought by climate change (e.g. fire, typhoons, electricity outage, etc), and continues to control risks that may negatively impact operations. Active measures are taken and policy adjustments made in response to climate risk.	No deviation
(IV) Did the company collect data for the		v	1. Energy Saving and Carbon Reduction: Through plant greening, equipment	Greenhouse gas Emissions data

past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?		improvement (such as inductive lighting, LED lighting, etc.), the installation of inverter devices, and the construction of solar energy devices in new plants, we expect to effectively save electricity and control carbon emissions. 2. Water Consumption Target: The annual water recycling rate is over 94%. Measures: Rainwater and condensate collection and reuse. Increase the dosage for water tower and scrubber tower water quality to increase the concentration, in order to reduce discharge. The waste water is effectively diverted and treated, and the process discharge waste water is recycled. Water Consumption: 1,140.1 million liters in 2023; 1,492.0 million liters in 2024; 1,580.3 million liters in 2025. 3. Waste Target: Under "Resource Recycling", the total weight of recycled materials reached 1,355.39 metric tons. Measures: The Company recycles waste from manufacturing, and requests suppliers to recycle reusable products to reduce resource waste; around 74.37% of waste that was incinerated is now recycled instead. Total Weight: In 2024, 4984.5 metric tons of general business waste and 80.83 metric tons of hazardous business waste are generated. In 2025, 4972.75 metric tons of general business waste and 1,371.65 metric tons of hazardous business waste are generated.	collection shall be carried out in accordance with the provisions of the law.
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and	v	The Company has established "Prevention of Non-Voluntary Labor", "Occupational Maternity Protection", "Sexual Harassment Prevention", "Prevention of Unlawful Violation in the Performance of Duties" and "Complaint Management Procedures" in accordance with the International Bill of	No deviation

regulations and international human rights conventions?		Human Rights, the RBA and Taiwan labor regulations. The contents include working hours, wages, humanitarian treatment, non-discrimination, freedom of association, and anti-bullying regulations. The Company also discloses our human rights policies and management measures on our official website.	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	v	1. Salary In addition to the salary adjustment for promotion, we also make appropriate salary adjustment in the range of 3% per year according to individual performance to maintain the overall competitiveness of the company's salary, and allocate 1% to 30% of the operating profit performance as employee compensation (long-term bonus) in accordance with the company's articles of incorporation, in the hope of attracting outstanding talents and rewarding employees for their contribution to achieve morale and promotion. Employee compensation structure, including: Salary, allowance, special holiday bonus, quarterly bonuses and longevity bonuses. 2. Benefits 2.1 Healthcare: In accordance with the law, we employ nurses in the plant to provide the most immediate nursing resources to our employees every month. In case of need, employees can apply for health consultation on their own, and the in-house nurse will also actively call injured or sick employees to show concern. Reinstatement evaluations are conducted in a timely manner, and labor health examinations are provided annually to ensure the health condition of employees, tracking and tiered management of various abnormal values are carried out to ensure early detection and early treatment. Provide contracted medical institutions and various	No deviation

		health examination measures for employees and their families. 2.2 Social Childcare Measures: Nursing (collection) rooms are set up in each plant, special parking spaces are available for pregnant employees, and 19 nearby childcare facilities have signed special contracts to provide employees with multiple childcare options. 2.3 Emergency Aid: The Company has established emergency relief guidelines to allow employees to apply for an emergency relief fund to maintain basic needs in the event of a major illness, long-term care required in the family, or damage to real estate that prevents the employee from attending work and family difficulties. In 2024, the Company had provided financial aid amounting to NT\$1,453,666 for up to eight employees who could not attend work due to major injuries and experienced family difficulties. In 2025, the Company had provided financial aid amounting to NT\$2,563,833 for up to 12 employees who could not attend work due to major injuries and experienced family difficulties. 3. Allowances: The welfare committee provides subsidies for gatherings, trips, births, weddings, birthdays, hospitalizations, funerals...etc. 4. Other Benefits: Family days, meal subsidies, free parking, supermarket discounts, employee discounts for company products.	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health	v	1. The Company is committed to providing employees with a safe, healthy and quality workplace, and at the same time maintaining the safety of contractors and visitors. In accordance with the "ISO 45001 Occupational Safety and Health Management System" and the "Occupational	No deviation

education for employees?		Safety and Health Act", we have established a code of practice for occupational safety and health to assist departments in identifying operational hazards, establishing safe operational standards, and preventing the occurrence of various potential hazards. 2. Evaluate, improve or control risks and opportunities to improve occupational safety and health performance towards the goal of "zero accidents". In 2020, we completed the ISO 45001 system conversion and obtained the third-party verification, and will continue to monitor the occupational safety and health audit and implement the occupational safety and health policy. Through the cycle of Plan, Do, Check and Action, we are constantly improving the performance of safety and health management. 3. 28 occupational injury reports in 2025, FR=1.62, SR=34, FSI=0.23 <table border="1" data-bbox="608 1122 1187 1899"> <tr> <th>Occupational Injury Ratio/Index</th><th>2023</th><th>2024</th><th>2025</th></tr> <tr> <td>Number of Reports</td><td>28</td><td>26</td><td>28</td></tr> <tr> <td>Disabling Frequency Rate (FR)</td><td>1.87</td><td>1.55</td><td>1.62</td></tr> <tr> <td>Disabling Injury Severity Rate (SR)</td><td>32</td><td>22</td><td>34</td></tr> <tr> <td>Frequency-Severity Indicator (FSI)</td><td>0.24</td><td>0.19</td><td>0.23</td></tr> <tr> <td>Death Rate from Occupational Injuries</td><td>0</td><td>0</td><td>0</td></tr> </table> Note: Occupational Injury Statistics Excluding Traffic Accidents Disabling injury frequency (FR) = Total Number of Disabling Injuries/Working	Occupational Injury Ratio/Index	2023	2024	2025	Number of Reports	28	26	28	Disabling Frequency Rate (FR)	1.87	1.55	1.62	Disabling Injury Severity Rate (SR)	32	22	34	Frequency-Severity Indicator (FSI)	0.24	0.19	0.23	Death Rate from Occupational Injuries	0	0	0	
Occupational Injury Ratio/Index	2023	2024	2025																								
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Death Rate from Occupational Injuries	0	0	0																								

		Hours × 1,000,000 Disabling Injury Severity Rate (SR) = Total Number of Days Lost to Disabling Injury (excluding Fatalities)/Working Hours x 1,000,000 Death Rate from Occupational Injuries = Number of Deaths from Occupational Injuries/Working Hours x 1,000,000 4. In order to enable personnel to implement internal automatic inspection of machinery, equipment and safety and hygiene items to eliminate potential operational hazards, the safety and hygiene office conducts five key audits on the daily operations of each unit, including chemicals, machinery and equipment, site environment, fire-fighting equipment and waste disposal. In 2025, a total of 143 improvement opportunities found during inspections of 19 on-site departments. After statistical analysis, the top three categories are as follows: chemicals 34.3%, machinery 32.2%, and environment 16.1%. At the same time, the guidance unit will carry out each case in parallel to improve safety and health performance.	
(IV) Has the Company established effective career development training programs for employees?	v	In order to provide employees with the required work skills, each unit can hold their own education and training courses, or have employees attend external training programs, adjusting this training flexibly according to the needs of individual employees. The Company also provides effective career training programs, and appoints professional instructors from time to time to hold courses on professional skills and technology. 1. New Staff Training: New staff undergo an assessment 3 months after joining a plant. The number of new staff that should be assessed in 2025 was 647 (the number of Taiwanese new staff), and the actual number of people assessed was 487.	No deviation

		2. Professional Continuing Education: The total number of participants in employee training was 2,434 (excluding foreign nationals and new hires), with 10,884 hours of training. 3. Promotion Assessment: The number of promotions was 1,498, accounting for 45.1% of technical positions, 8% of administrative positions, and 46.9% of direct personnel.	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	v	All of the Company's products comply with relevant regulations and international standards, and the Company has established protection policies and a channel for complaints to protect customers' or other stakeholders' rights, health and safety. The Company processes and provides feedback internally regarding any complaints received.	No deviation
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	v	1. The Company has established a supplier code of conduct, requiring suppliers to pass product quality certification, and to comply with "RBA Principles", "Anti-Slavery Agreement", "Prohibit Use of Conflict Minerals", "Regulations on the Safety Management of Hazardous Chemicals", and "Ethical Management Principles. 2. The Company has provided social responsibility self-assessment forms to its major raw material suppliers, all of which have been submitted to evaluate their positive and specific regulations on environmental protection, safety or hygiene, in order to assess the suppliers' practice of corporate social responsibility. For details please refer to the Company's ESG Report 2025. (The 2025 Sustainability Report is expected	No deviation

			to be published in August)	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	v		The Company will publish a 2025 Sustainability Report according to GRI standards by August 2026, which will disclose non-financial information of the Company. Third party verification for the report will be acquired, and disclosed on the Company's website.	No deviation
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None.				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:				
1.The Company's direction of ESG's operation and promotion measures in social welfare activities: Industrial and academic collaboration: The Company donates equipment and regularly provides scholarships to improve students' practical skills. The Company also arranges corporate lecturers to communicate with teachers and students in schools to enhance interactions and connections between the industry and academia.				
2.Social welfare: The Company provides donations for disaster relief or necessary resources for major disasters.				
Occupational training and job matching: The Company organizes related professional courses with the Taichung-Changhua-Nantou Regional Branch of the Workforce Development Agency and courses include training for unemployed laborers, youth occupational training, and on-the-job training for employees. After completion of training, the Company may employ these students through job matching mechanisms.				
3. ESG implementation results:				
1.1 31 campus seminars were held in 2025, with 2,000 participants.				
1.2. 9 students were employed in vocational training and matchmaking in 2025; 43 students were employed in self-run industrial training classes.				
1.3 2025 donation details: (Including donations to Largan Education Foundation)				
Donating unit	Donation type		Amount donated	
Largan Precision Co., Ltd.	1. Industry-academia collaboration with National Taiwan University 2. Industry-academia collaboration with National Tsing Hua University 3. Industry-academia collaboration with National Cheng Kung University		32,987,619	

	4. Industry-academia collaboration with Chung Yuan Christian University	
Largan Education Foundation	1. Scholarship 2. Training of medical and long-term talent 3. Charity organization 4. Financial support for young carers 5. Material donations	7,183,828
Total		40,171,447

(VI) Climate-related information

1. Implementation status of climate-related information

Item	Implementation status
1. Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	1.1 The Sustainable Development and Risk Management Committee is responsible for assessing climate change risk categories, the potential impact on business operations, and adaptation methods, and for managing various short, medium, and long-term environmental indicators. 1.2 The Sustainable Development and Risk Management Committee submits annual sustainable development and risk management reports to the Board of Directors/Audit Committee, which highlights the main risks and foreseeable opportunities or threats.
2. Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term).	1.1 Based on the TCFD recommendations framework, the Company's ESG Implementation Team has integrated internal and external information, including international climate policy trends, industry development, regulatory changes, and stakeholder concerns, to identify climate risks and opportunities related to the Company's operations. 1.2 The Company incorporates climate scenario analysis and quantitative financial analysis to analyze transition risks (such as information disclosure requirements and low-carbon technology investment) and physical risks (such as water shortages, natural disasters, and increased energy demand from rising temperatures), and to evaluate the climate opportunities brought about by increased energy efficiency, renewable energy adoption, and improved resource efficiency. The Company takes these results into consideration when determining long-term operating strategy and sustainable development plans. The short, medium, and long-term impacts are summarized in the table below. Please refer to the Company's 2025 Sustainability Report for more details.

	Risk categories and opportunities	Short-term (1 to 3 years)	Mid-term (3 to 5 years)	Long-term (more than 5 years)
	Transition risks Risks from focusing on transition to a low-carbon economy. Transition risks include policy, legal, technological, market, and reputation risks.	Greenhouse gas emissions caps, carbon taxes and fees	1. Transition to low-carbon/plastic reduction technologies 2. New renewable energy laws and regulations 3. Inadequate climate response measures damaging brand reputation	Net-zero emissions trends
	Physical risks Immediate physical risks result from weather-related incidents such as storms, floods, drought, or heat waves, which have gradually increased in severity and frequency. Long-term physical risks result from long-term shifts in climate patterns, including changes in precipitation and temperature, which could lead to rising sea levels, reduced availability of water resources, biodiversity loss, and changes to soil productivity.	Extreme climate changes cause increased flooding, damaging the Company's operating assets.	Increased drought causes supply chain disruptions.	Rise in average temperatures
	Opportunities The positive impact that climate change can have on entities. Climate change mitigation and	R&D and innovation for new low-carbon products and	Improvements to resource utilization efficiency	Enhanced corporate reputation

	adaptation efforts can create climate-related opportunities for an entity.	services		
3. Describe the impact of extreme weather events and transition actions on the Company's financial position.	The Company's ESG Implementation Team works together with the Company's relevant departments to review the internal and external risks that the Company may face based on our risk management policy. These risks include: Operational, financial, and natural disasters. The Team assesses the likelihood and level of impact of these risks, and determines the risk level for each risk item. Risk management policies are established to manage material risks, and the Team conducts regular review meetings to manage changes to these risks, ensuring that risk management plans and operations remain effective. At the same time, the Team looks to understand the business opportunities associated with these risks in order to help the Company create a development strategy. The Team reports to the Board of Directors at least once a year.			
4. Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.	The United Nations Intergovernmental Panel on Climate Change (IPCC) released its Sixth Assessment Report (AR6) in 2021, which stated that global warming in the short term (2040) may lead to more extreme environmental changes. The Company has adopted the Task Force on Climate-Related Financial Disclosures (TCFD) framework to address the challenges posed by climate change and enhance corporate climate resilience. The Company has created a governance framework focused on four core elements: governance, strategy, risk management, and indicators, and identifies, evaluates, and manages climate-related risks and opportunities through this framework. We have incorporated climate-related issues into our decision-making process, identifying factors which may affect the Company's future operations and planning strategies in response. At the same time, the Company's highest-level Board of Directors conducts decision-making and provides guidance to strengthen the climate risk management mechanism, ensuring smooth communication between the Company's management levels both from the top down and bottom up and enabling strategies to be successfully implemented.			
5. If scenario analysis is carried out to evaluate resilience to climate change risks, describe the	In order to evaluate the impact of future carbon price changes on the Company's transition and physical risks, the Company has used the representative concentration pathways (RCPs) defined by the United Nations Intergovernmental Panel on Climate Change (IPCC) in the Fifth Assessment Report (AR5) and the rate of temperature rise as a reference to conduct			

scenarios, parameters, assumptions, analysis factors, and main financial impact.	scenario analysis with regard to physical risks. We analyzed the impact of rising sea levels, water shortage risks, and changes in rainfall patterns on the Company in the event of extreme climate change. Through climate scenario analysis, the Company is able to better prepare strategies and plans to address future changes to risks, reducing the overall risk of financial losses. 1.1 Transition risk scenario analysis: Carbon pricing: Carbon pricing as a key policy tool for addressing climate change has come to have a significant impact on corporate policies and operational finances globally, both now and in the future. Using the Company's 2023 greenhouse gas inventory results as hypothetical figures for calculation, the financial impact of carbon pricing is calculated as follows: The Company's Scope 1 and Scope 2 carbon emissions totaled 164,275.322 metric tons of CO₂e based on the 2023 inventory results. The latest carbon fee announced by Taiwan is NT\$300 per metric ton for companies which have not submitted a self-determined reduction plan. Calculated using the method provided in the Regulations Governing the Collection of Carbon Fees, the carbon fee that the Company shall have to pay in the first year of the carbon fee system's implementation amounts to approximately NT\$26.78 million, which poses a substantial risk to the Company. 1.2 Physical risk scenario analysis: Long-term - water shortage risk Water shortage risks are assessed using the World Resources Institute (WRI) Aqueduct Water Risk Atlas. We conducted an analysis considering both the RCP 2.6 (optimistic scenario with low greenhouse gas emissions) and RCP 8.5 (pessimistic scenario with high greenhouse gas emissions) scenarios, and estimated the level of water stress in 2030 and 2050 under both of these scenarios. Data shows that water stress at each of our operating locations will be only be at a low to moderate (10-20%) level under both the optimistic and pessimistic scenario. This indicates that our water supply situation is relatively stable, but that we may still face low levels of water stress during dry seasons. Although we do not face high water shortage risks in these hypothetical scenarios, the Company has still made advance preparations and planned resource conservation measures for conserving water usage. For example, we have maintained a water recycling rate of 99% or higher for our production process, and use recycled water for our cooling towers and production process, in order to reduce the amount of water drawn from the source. We have also installed water conservation equipment and optimized water usage efficiency at our office and plant locations, as well as regularly monitored water usage data and analyzed how water usage can be reasonably adjusted without affecting production operations. Additionally, the Company will continue paying attention to climate change, assess the necessity of installing a water storage system, and improve our climate change
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	adaptability. 1.3 Physical risk scenario analysis: Long-term - Changes in rainfall patterns may lead to flooding at plant areas Rainfall pattern changes were analyzed using the 1.5°C and 2°C warming scenarios, with the number of R200mm heavy rainfall days (number of days with daily rainfall exceeding 200mm in a year) as the analysis indicator. Data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) was used for forecasting: Although no major impact on the Company was found through the forecast, the Company will continue paying attention to water levels in neighboring drainage basins and track changes in rainfall levels in the face of rainfall pattern changes. We conduct an emergency response drill each year to ensure that employees are familiar with the evacuation and equipment protection procedures, and also take inventory of and prepare flood prevention equipment each year. Additionally, we have strengthened protection for important production equipment, moving important instruments and equipment to more elevated areas and ensuring that power sources are properly insulated to prevent the risk of electrical leaks during a flood. We conduct an evaluation each year on whether our plants need to install a floodgate system, together with water pumps and an emergency backup power supply. Through the response plans above, the Company has proactively increased our climate resilience, and fully prepared for each of the challenges brought by climate change.
6. If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	Please see Note 3 for more details.
7. If internal carbon pricing is used as a planning tool, describe the basis for pricing.	Using the Company's 2023 greenhouse gas inventory results as hypothetical figures for calculation, the financial impact of carbon pricing is calculated as follows: The Company's Scope 1 and Scope 2 carbon emissions totaled 164,275.322 metric tons of CO ₂ e based on the 2023 inventory results. The latest carbon fee announced by Taiwan is NT\$300 per metric ton for

	companies which have not submitted a self-determined reduction plan. Calculated using the method provided in the Regulations Governing the Collection of Carbon Fees, the carbon fee that the Company shall have to pay in the first year of the carbon fee system's implementation amounts to approximately NT\$26.78 million, which poses a substantial risk to the Company.
8. If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	Target setting: In line with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies announced by the Financial Supervisory Commission, the Company has conducted a greenhouse gas inventory for our parent company for the first time in 2025. The inventory results showed that the highest percentage of greenhouse gas emissions remained Scope 2 (energy indirect) emissions. The Greenhouse Gas Inventory Implementation Team therefore decided to prioritize energy conservation after discussion, and set progressive energy-saving targets and measures in hopes to effectively reduce CO2 emissions. Energy-saving measures: ● Adjust air-conditioning maintenance frequency and items ● Adjust temperature control or add a timer device to reduce the electricity consumption of operations ● Replace energy-consuming or aging equipment. ● Improve ambient lighting/natural lighting for public areas, replace older-style light tubes (fixtures), and install LED light tubes (fixtures), in conjunction with energy-saving measures such as sensors which automatically control and switch lights on and off. ● In 2025, the Company purchased a total of 4,475 renewable energy certificates under the bundled renewable energy certificate system. According to the statistics of energy-saving measures in 2025, a total of 4.475 million kWh of electricity was saved. The carbon emission factor of electricity announced by the Ministry of Economic Affairs in 2024 was 0.474 (kg CO2e/kWh) (Note 1), the electricity saved can be converted into CO2 reduction of approximately 2,121 tons (Scope 2), proving the effectiveness of energy conservation measures, which will be expanded to achieve the sustainability goal of CO2 reduction.
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.	1.1 GHG inventory: Please see the table 1-1-1 below for details. 1.2 Specific action plans: Energy-saving measures: (In addition to the energy-saving measures above) Eco-friendly vehicles: Purchased 1 hybrid vehicle and 1 electric vehicle. Future plans to replace or purchase vehicles will move towards reducing carbon emissions.

	Tree planting plan: An afforestation project was carried out in 9.4 hectares of agricultural and animal husbandry land in Dacun Township, Changhua County. 2021: The number of Taiwan zelkova planted reached 3,200 2022: In addition to planting 200 bald cypress trees and 800 Formosan ash trees, a new fish pond area and wetland area were added to create an ecological habitat closer to the natural environment. 2024: The work plan primarily focused on tree maintenance as well as pest and disease prevention and control. Implementation results of the plan was reported every quarter. Renewable energy: We plan to install solar panels on the new plant in hopes to effectively control carbon emissions. 2025: Completed installation of self-consumption solar power generation facilities with a capacity of approximately 640 kw. (Note: In 2025, approximately 681,695 kW of power was generated) 2026: Plans are underway to install an additional 500kW of power generation capacity.
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1-1 Greenhouse gas inventory and assurance in the past two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (tons CO ₂ e), intensity (tons CO ₂ e/million NTD), and the scope of this emissions data in the past two years.		
We have updated our greenhouse gas inventory report pursuant to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies announced by the Financial Supervisory Commission. We have completed a preliminary greenhouse gas inventory for our parent company in 2026. Consolidated subsidiaries and affiliated enterprises are expected to be included in the inventory for 2027. The parent company's 2025 greenhouse gas inventory report presented the following inventory results for Scope 1 to Scope 3 emissions (Note 2):		
Item	Equivalent emissions (Metric tons CO ₂ e/year)	Percentage (%)
Scope 1	1,330.9960	0.38%
Scope 2	278,141.8918	79.50%
Scope 3	70,396.4527	20.12%
Total	349,869.341	100%

1-1-2 Greenhouse gas assurance information

Describe the assurance situation in the last two years as of the publication date of the Annual Report, including the scope of assurance, the certification body, the criteria for assurance, and assurance opinions.

The Company has no assurance records.

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

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.

The Company will disclose this information pursuant to regulations in the 2027 fiscal year.

Note 1: The carbon emission coefficient of electricity is the GHG emissions produced by the electricity selling industry for every kWh of electricity sold. Since power plants emit more than one kind of GHG, carbon dioxide (CO₂), other greenhouse gases such as methane (CH₄), nitrous oxide (N₂O), etc., will be converted into the equivalent amount of carbon dioxide (CO₂e) based on the Global Warming Potential (GWP) for calculations. Source: Green Net.

Note 2: Pursuant to the requirements provided in the Sustainable Development Roadmap for TWSE/TPEX Listed Companies announced by the Financial Supervisory Commission, the parent company expects to complete assurance (third-party verification) by 2028.

Note 3:

Type of impact	Area of impact	Climate risk	Period of impact	Description of impact	Risk management and response plan
Transition risks	Electricity consumption risk	Electricity price increase Taiwan's overall electricity demand has risen year after year. Together with the changes to international fuel prices, this has led to higher peak load during the summer, in turn putting more pressure on electricity supply and raising electricity costs. Electricity price adjustments have become an important variable that enterprises must account for in their operating costs.	Short-term	· Rising electricity costs impact the manufacturing cost structure, requiring the Company to pay carbon emission fees. · Risk of electricity rationing during peak electricity demand periods.	· Adopt higher-efficiency air conditioning equipment, process cooling systems, and lighting systems (such as variable-speed air compressors, and LED lighting). · Regularly monitor electricity price, temperature, and policy trends.
	Regulations and policies	Carbon pricing: Taiwan's carbon fee system will be come into effect in 2025, while the European Union's Carbon Border Adjustment Mechanism (CBAM) will be formally implemented in 2026. Stricter information disclosure requirements Domestic and international requirements for reporting and disclosing greenhouse gas emissions becoming stricter. Taiwan's overall electricity demand has risen year after year. Together with the changes to international fuel prices, this has led to higher peak load	Short-term	Need to invest more resources into conducting greenhouse gas inventories and enhancing greenhouse gas inventory capabilities, increasing costs.	Since 2020, Largan Precision has implemented greenhouse gas emissions inventories pursuant to the ISO 14064-1:2018 standards and established a Greenhouse Gas Inventory Implementation Team, in order to grasp our overall emissions situation and create climate change prevention measures.

		during the summer, in turn putting more pressure on electricity supply and raising electricity costs. Electricity price adjustments have become an important variable that enterprises must account for in their operating costs.			
	Supply chain and raw materials	Price fluctuations in key raw materials · Market demand for some key raw materials growing as more companies begin to undergo energy transitions. · Environmental policies and carbon pricing mechanisms leading to increased production costs for key raw materials. · Supply chains being affected by extreme weather.	Short-term	· Fluctuations in the prices of key raw materials requiring the Company to seek out alternative materials, increasing material procurement costs. · Supply chains being impacted by the changing climate, disrupting production lines and leading to an inability to successfully deliver goods, affecting costs and revenues.	· Diversify raw materials sources to avoid reliance on raw materials from a single region. · Choose reputable local suppliers to reduce transportation costs and carbon footprints. · Identify suppliers with high climate risks, and help enhance their ability to respond to climate change risks. · Explore potential low-carbon production partners to strengthen sustainable supply chain resilience.
Physical risks	Immediate	Natural disasters become more severe Probability of typhoons and heavy rainfall increases.	Short-term	Risks such as production line disruptions and equipment damage may lead to increased operating costs and reduced production capacity.	· Identify the likelihood of the plant's geographic location experiencing compound disasters, and simulate a response plan. · Regularly inspect emergency power systems and uninterruptible power systems, and establish water storage systems to ensure a stable supply of water and power during a disaster.
	Long-term	Extreme climate change Water shortages, changes in rainfall patterns.	Medium-term	May lead to flooding in the plant area or water shortages, or lead to increased costs.	· Regularly inspect drainage facilities within the plant area to ensure that they remain silt-free. · Organize an emergency response team responsible for creating immediate natural disaster response plans.

(VII) Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	v		(I) The Company has formulated a dedicated unit under the Board of Directors to promote ethical corporate management. The ethical corporate management promotional unit is formed by the Legal Affairs and Audit departments, which jointly amend and supervise the implementations of the ethical corporate management policy and preventive programs, and report the implementation status to the Board of Directors every six months. To prevent conflicts of interest and to provide proper grievances channels, the "Ethical Corporate Management Best Practice principles and Reporting and Complaint Policy" was formulated in 2016. For details please refer to the Company's Sustainability Report.	No deviation
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	v		(II) The Company has set out internal policies regarding unethical conduct, and has disclosed the "Ethical Corporate Management Best Practice Principles and Reporting and Complaint Policy" on the Company website. To prevent unethical behavior, new recruit training includes protection of intellectual property and industry secrets. The Company requires suppliers, contractors, and other partners to sign written statements that they shall not conduct any illegal business activities or provide inappropriate benefits or bribes to the Company's employees. The Company has established a whistleblower system to provide personnel with channels to report any inappropriate conduct.	No deviation
(III) Does the Company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	v		(III) The Company's "Ethical Corporate Management Best Practice Principles and Reporting and Complaint Policy" sets out procedures, guidelines for conduct for directors and employees. The Company has set up an internal complaint mailbox and a dedicated section to report unethical conduct. A dedicated team is responsible for investigating the truth of allegations. Incentives are given to whistleblowers, and identities are kept confidential to prevent inappropriate treatment. For details please refer to the Company's Sustainability Report.	No deviation
II. Implementing ethical corporate management				
(I) Does the Company assess the integrity records of its business partners, and specify ethical business policy in contracts signed with the counterparties?	v		(I) The Company requires all stakeholders with business transactions with the Company such as suppliers, contractors, and other partners to abide by the same ethical standards as the Company's employees, and submit written agreements that they shall not provide inappropriate interest or bribes. The Company	No deviation

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(II) Does the Company establish a dedicated (part-time) unit under the Board of Directors for promoting ethical corporate management? Does the said unit regularly report (at least once a year) to the Board of Directors on the state of its activities?	v		also promotes relevant ethical guidelines to them periodically. The Board of Directors and management implement the ethical business principles in internal management and external business activities. (II) The ethical corporate management promotional unit is formed by the Legal Affairs and Audit departments, which jointly amend and supervise the implementations of the ethical corporate management policy and preventive programs, and report the implementation status to the Board of Directors every six months.	No deviation
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	v		(III) The Company has established an internal grievance mailbox and provides a report section on the Company's website.	No deviation
(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?	v		(IV) The Company has established effective accounting and internal control systems to ensure the implementation of ethical management. The audit unit establishes annual audit plans for inspections based on risk assessment results. It also prepares an audit report for the Board of Directors.	No deviation
(V) Does the Company regularly organize internal and external training on ethical corporate management?	v		(V) New employees are required to sign the Integrity Rules and Guideline to ensure they understand the Company's integrity policies and available channels to report inappropriate conduct. For details please refer to the Company's Sustainability Report.	No deviation
III. Status for enforcing whistleblowing systems in the Company				
(I) Does the Company establish a specific whistleblowing and reward system, set up convenient whistleblowing channels, and designate appropriate personnel to handle the investigations, depending on the identity of the person being reported?	v		The Company has established work rules and requires employees and partners to sign written statements regarding ethics, and has also established a whistleblowing system to provide employees or related personnel with channels for reporting any inappropriate conduct. The reports are processed personally by senior management designated by the Company. The Company has also established confidentiality and protection systems for whistleblowers to protect them from inappropriate treatment for their reports. Any violation of the Company's professional ethical standards are punished in accordance with the Rewards and Penalties Regulations. For details please refer to the Company's Sustainability Report.	No deviation
(II) Does the Company establish standard investigation operation and procedure for whistleblowing matters and relevant protective mechanisms?	v			No deviation
(III) Does the Company provide protection for whistleblowers against receiving improper treatment?	v			No deviation
IV. Enhancing information disclosure				
(I) Does the Company disclose the contents of its best practices for ethical corporate management and the effectiveness of relevant activities on its official website or MOPS?	v		The Company has disclosed related contents of the "Ethical Corporate Management Best Practice Principles and Reporting and Complaint Regulations" on the company website.	No deviation
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: None.				
VI. Is there any other important information to facilitate a better understanding of the Company's ethical corporate management practices? (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles): None.				

(VIII) Other material information that can enhance the understanding of the state of corporate

governance at the Company: Please refer to the Company's 2025 Sustainability Report on the Company's website. (Publication expected in August 2026)

(IX) Implementation of Internal Control System

Largan Precision Co., Ltd.
Internal Control System Statement

Date: February 24, 2026

This statement relates to the Internal Control System of the Company and the results of a self-assessment for the year 2023:

- I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. The objectives of internal control system include obtaining business benefits and efficiency (including profitability, performance, and protection of assets and safety); ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting; and providing reasonable assurance.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the Company's internal control system contains self-monitoring mechanisms and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. The criteria adopted by the Governing Regulations are divided into 5 components in accordance with the procedures of management control: 1. Control Environment; 2. Risk Assessment; 3. Control Activities; 4. Information and Communication; and 5. Monitoring Activities. Each constituent element includes a number of categories. Please refer to "Governing Regulations" for details.
- IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2025, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, are effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the Board on February 24, 2026 where 0 of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Largan Precision Co., Ltd.

Chairman: En-Ping Lin
President: You-Chih Huang

2. Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs shall be disclosed: None.

(X) Material resolutions adopted by the Shareholders' Meetings and the Board meetings in the most recent fiscal year up to the publication date of this Annual Report:

1. Material resolutions adopted in the 2025 Shareholders' Meeting and implementation status

- Adoption of the 2024 Business Report and Financial Statements
Implementation status: Resolution passed.
- Adoption of 2024 Earnings Distribution Proposal
Implementation status: The ex-dividend base dates are set as August 22, 2024 and March 27, 2025, and the payout dates are September 12, 2024 and April 17, 2025.
(Cash dividend per share was NT\$97.5.)
- Amendment to the "Articles of Incorporation".
Implementation status: Registration approved by the competent authority on July 25, 2025.
- Election of the 19th-term Directors
Implementation status: The directors elected were En-Ping Lin and En-Chou Lin, representatives of Mao Yu Commemorate Co., Ltd., You-Chih Huang, Chung-Jen Liang, Ming-Yuan Hsieh, Chun-Ming Chen, Chin-Fang Lin (independent director), Kuang-Tao Chang (independent director), and Shu-Min Li (independent director). The term of office is from June 6, 2025 to June 5, 2028.
- Approval of proposal to release directors from non-compete restrictions
Implementation status: The resolution was adopted to release En-Ping Lin and En-Chou Lin, the representatives of Mao Yu Commemorate Co., Ltd., You-Chih Huang, Chung-Jen Liang, Chun-Ming Chen, Kuang-Tao Chang, and Shu-Min Li from non-compete restrictions.

2. Important resolutions of the Board of Directors

Date of Meeting	Material Resolutions
February 24, 2025	● Approved matters related to the convening of the 2025 General Shareholders' Meeting. ● Approved the compensation distribution for employees and directors for 2024. ● Approved the Company's salary and remuneration for directors and managerial officers and the distribution of compensation to directors for 2024. ● Approved the 2024 Business Report and Financial Statements. ● Approved the cash dividend and earnings distribution proposal for the second half of 2024. ● Approved the 2024 earnings distribution proposal. ● Determined the ex-dividend date for the distribution of cash dividends. ● Defined the scope of “entry-level employees”. ● Approved the amendment to the "Articles of Incorporation". ● Approved the election of the 19th-term of Directors. ● Amended the Company’s “Rules and Procedures for Board of Directors’ Meeting”. ● Approved the partial amendments to the Company’s “Audit Committee Charter”. ● Approved the Internal Control System Statement. ● Evaluation of the independence of CPAs.
April 21, 2025	● Approved the 2025 Q1 consolidated financial statements. ● Nomination of candidates for director (including independent director). ● Proposal on releasing newly elected directors from non-compete restrictions. ● Amendment to the Company’s Internal Control System and Internal Audit Enforcement Rules.
June 6, 2025	● Proposal on nominating the Chairperson of the Board of Directors.
July 28, 2025	● Approved the 2024 compensation distribution proposal for managerial officers reviewed by the Compensation Committee. ● Approved the compensation distribution for employees and Directors for first half of 2025. ● Approved the Business Report for the First Half of 2025 and Consolidated Financial Statements for the Second Quarter of 2025. ● Approved the cash dividend distribution proposal for the first half of 2025. ● Approved the earnings distribution proposal for the first half of 2025. ● Determined the ex-dividend date for the distribution of cash dividends.

	● Approved the capital increase for Astro International Limited. ● Approved the 2024 Sustainability Report.
October 20, 2025	● Approved the 2025 Q3 consolidated financial statements. ● Approved the 2026 Business Plan. ● Approved the 2026 Audit Plan.
December 19, 2025	● Approved the second repurchase of treasury stock.
February 24, 2026	● Approved matters related to the convening of the 2026 General Shareholders' Meeting. ● Approved the compensation distribution for employees and Directors of 2025. ● Approved the Company's salary and remuneration for directors and managerial officers and the distribution of compensation to directors for 2025. ● Approved the 2025 Business Report and Financial Statements. ● Approved the second half of 2025 cash dividend distribution. ● Approved the 2025 earnings distribution proposal. ● Determined the ex-dividend date for the distribution of cash dividends. ● Approved the Internal Control System Statement. ● Evaluation of the independence and competence of CPAs. ● Proposal on establishing the general principles of the Company's pre-approved non-confirmation service policy.

- (XI) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or Supervisors regarding key resolutions of the Board of Directors' meeting in the most recent year up to the publication date of the Annual Report: None.

IV. Information on CPA Professional Fees

(I) Information on CPA Professional Fees

Unit: NT\$ thousands

Name of the CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Note
KPMG Taiwan	Tzu-Hsin Chang Yen-Hui Chen	From Jan. 01, 2025 to Dec. 31, 2025	3,265	1,987	5,252	Business tax report, master files and country-by-country reports, transfer pricing report, repatriation of funds report, review of Annual Report for the Shareholders' Meeting, English version of the financial statements (translated version), business tax audit, and tax services fees, totaling NT\$1,987 thousand.

- (II) When the Company changes its 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: None.
- (III) When audit fees are 10% less than the previous year, the reduction in audit fee, ratio, and reason thereof shall be disclosed: None.

V. Information on Replacement of CPAs:

(I) Former CPA

(1) Former CPA				
Date of Replacement	February 26, 2024			
Replacement reasons and explanations	February 26, 2024: Due to internal adjustments of duties in the certifying accounting firm, CPAs Shyhhuar Kuo and Chun-Yuan Wu were replaced by CPAs Tzu-Hsin Chang and Yen-Hui Chen			
State whether the client or the CPAs have terminated the engagement or whether the client or the CPAs have rejected the engagement	Principle		CPA	Client
	Status			
	Termination initiated by the client		Not applicable.	
	CPA declined to accept (continue) the engagement			
Opinion and reason for the issuance of audit reports containing opinions other than unqualified opinions in the most recent two fiscal years	Not applicable.			
Different opinions from the issuer	Yes	Accounting principles or practices		
		Disclosure of financial statements		
		Audit scope or procedures		
		Others		
	None	v		
Explanation				
Other disclosures (Matters that should be disclosed in accordance with Item 1-4 to 1-7, Subparagraph 6, Article 10 of the Regulations)	Not applicable.			

(II) Regarding the succeeding CPAs

Name of CPA Firm	KPMG Taiwan
Name of CPA	CPAs Tzu-Hsin Chang and Yen-Hui Chen
Date of appointment	February 26, 2024
Subjects and outcomes of consultation on the accounting treatment of or application of accounting principles to specific transactions, or opinions that may be included on financial statements before the appointment of new CPAs	Not applicable.
The succeeding accountant's opinions in written form in response to the former accountant's opinions	Not applicable.

(III) The former CPA's response for items specified in Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Accounting Standards: Not applicable.

VI. The Company's Chairman, President, or any managerial officer in charge of finance or accounting matters who has, in the most recent year, held a position at the accounting firm of its CPA or at an affiliated company: None.

VII. Equity transfer or changes in equity pledged by the Company's Directors, Supervisors, managerial officers or shareholders with shareholding percentage exceeding 10% in the most recent fiscal year up to the publication date of the Annual Report:

(I) Changes to shares held by Directors, managerial officers, and shareholders holding more than 10% of shares:

Title	Name	2025		As of April 11, 2026		Note
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	
Corporate Director/Major Shareholder	Mao Yu Commemorate Co., Ltd.	0	0	100,000	0	
Chairman Representative	En-Ping Lin	0	0	0	0	
Director Representative	En-Chou Lin	0	0	0	0	
Director	You-Chih Huang	0	0	0	0	
Director	Chung-Jen Liang	0	0	0	0	
Director	Ming-Yuan Hsieh	0	0	0	0	
Director	Chun-Ming Chen	0	0	0	0	
Independent Director	Chin-Fang Lin	0	0	0	0	
Independent Director	Kuang-Tao Chang	0	0	0	0	
Independent Director	Shu-Min Li	0	0	0	0	
Vice President	Chung-Shih Lin	0	0	0	0	
Assistant Vice President	Sheng-Lien Wang	0	0	0	0	
Chief Financial Officer	Hsing-Ju Tsaor	0	0	0	0	

(II) Where the counterparty in the transfer of shares is a related party: None.

(III) Where the counterparty in the pledge of shares is a related party: None.

VIII. Information on the relationship between the top 10 shareholders of the Company:

Name	Personal shareholding		Shares Held by Spouse & Minor Children		Shares held in the name of other persons		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships		Note
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Title (or name)	Relationship	
Mao Yu Commemorate Co., Ltd. Representative: Yao-Ying Lin	19,010,616	14.24%	-	-	-	-	-	-	
Shih-Ching Chen	6,664,831	4.99%	6,501,569	4.87%	-	-	Tsui-Ying Chiang	Spouse	-
Tsui-Ying Chiang	6,501,569	4.87%	6,664,831	4.99%	-	-	Shih-Ching Chen	Spouse	-
Fubon Life Insurance Co., Ltd. Representative: Fu-Hsing Lin	4,000,000	3%	-	-	-	-	-	-	-
Ming-Yuan Hsieh	3,606,585	2.70%	-	-	-	-	-	-	-
Silchester International Investors International Value Equity Trust under the custody of HSBC Bank (Taiwan) Limited	2,645,000	1.98%	-	-	-	-	-	-	-
Fuh Hwa Taiwan Technology Dividend Highlight ETF Account under the custody of Taipei Fubon Commercial Bank Co., Ltd.	2,476,000	1.86%							
Chung-Jen Liang	2,091,721	1.57%	924	0%	11,000	0.01%	-	-	-
Invesco Emerging Markets Equity Fund Account under the custody of Deutsche Bank Taipei Branch	1,934,000	1.45%	-	-	-	-	-	-	-
Yuanta/P-shares Taiwan Top 50 ETF Account under the custody of CTBC Bank	1,870,173	1.40%	-	-	-	-	-	-	-

IX. Information on the number of shares of the companies invested by the Company, its Directors, Supervisors and managerial officers or a company directly or indirectly controlled by the Company and consolidated percentage of shareholding:

As of December 31, 2025 Unit: 1,000 shares; %

Investee	Investment by the Company		Investments of Directors, managerial officers and directly or indirectly controlled businesses		Combined investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
Largan Digital Co., Ltd.	26,636	49.37	3,232	5.98	29,868	55.35

Chapter 3. Funding Status

I. Company capital and issuance of shares

(I) Source of Capital

Unit: Share; NT\$

Year/month	Issuance price	Authorized capital		Paid-in capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Subscriptions paid with property other than cash	Others
2009.7	10	200,000,000	2,000,000,000	134,140,197	1,341,401,970	Transfer of capital from surplus 2,602,665 shares Employee bonus 1,404,251 shares Total new shares issued 4,006,916 shares	None.	Note 1
2022.5	10	200,000,000	2,000,000,000	133,468,197	1,334,681,970	Cancellation of 672,000 shares of first treasury stock purchase	None.	Note 2

Note: Jin-Guan-Zheng-I No. 0980034271 dated July 9, 2009

Note: Jin-Shou-Shang No. 11101077140 dated May 30, 2022

April 11, 2026; unit: Share

Type	Capital Stock	Authorized capital			Note
		Outstanding shares	Unissued shares	Total	
	Registered common shares	133,468,197	66,531,803	200,000,000	-

(II) List of major shareholders: Please refer to Page 55 of the Annual Report.

(III) Dividend policy and implementation status

1. Current Articles of Incorporation:

As the Company experiences constant changes in the business environment and is at a stage of stable growth, the Company's dividend policy depends on factors such as future fund requirements, long-term financial plans, future capital expenditures and maximization of shareholder interests. The Company may retain a portion of earnings based on operational requirements and the remaining amount shall be distributed in cash and stock dividends. This dividend amount shall be no less than 30% of the distributable earnings for the year (distributable earnings for the year refers to the amount of earnings for the year after offsetting accumulated losses from previous years, and after deducting allocations towards the legal reserve and special reserve, excluding undistributed earnings from previous years and any amounts reversed from the special reserve), and no less than 30% of the shareholders' dividends shall be in the form of cash.

2. The proposal for dividends distribution at the Shareholders' Meeting this year

Unit: NT\$ thousands

Shareholder dividends (cash)	10,538,616
------------------------------	------------

(IV) The impacts of issuing stock dividends in this Shareholder's Meeting on the Company's operational performance and earnings per share: Not applicable.

(V) Compensation of employees and directors:

1. Quantity or scope of compensation for employees and directors as stipulated by the Articles of Incorporation:

In the event the Company makes profits (i.e. profit before tax and before compensation distribution to the employees and directors) in any fiscal year, it shall set aside 1% to 30% of the profits as employee compensation and no higher than 5% of the profits as directors compensation. If there are cumulative losses, the Company shall reserve a sufficient amount to offset such losses. Of the aforementioned employee compensation amount, at least 50% shall be allocated to entry-level employees. Employees and directors compensation shall be resolved by a majority vote at a Board of Director meeting attended by two thirds of the total number of directors and shall be reported to the Shareholders' Meeting. The Board of Directors may resolve to distribute employee compensation in stocks or cash and the recipients may include employees of subsidiaries of the Company meeting certain requirements set by the Board of Directors.

2. The basis for estimating the amount of employees and directors compensation, for calculating the number of shares to be distributed as employees' compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The Company's compensation for employees and directors for 2025 are NT 3,830,611 thousand and NT\$287,296 thousand, respectively. The amounts are calculated based on the profit before tax, net the compensation for employees and directors, and multiplied by the percentage set for employee and directors compensation in the Articles of Incorporation. They are listed as operating cost or operating expenses for 2025. The appropriated employees' compensation and remuneration for directors determined in the resolution of the Board Meeting are consistent with the recognized amount in the Company's 2025 Consolidated Financial Report.

3. Compensation proposal approved by the Board of Directors

- (1) Information on the distribution of compensation for employees and directors passed by the Board of Directors on February 24, 2026:

Distribution status	(Unit: NT\$ thousands)
Employee compensation - cash	\$3,830,611
Director compensation - cash	\$287,296

The aforementioned estimate is the same as the expenses recognized for the year.

- (2) The amount of employees' compensation to be paid in stocks out of the current parent company only or individual financial report in terms of the sum of net profit after tax and employee compensation: Not applicable.

4. Actual distribution of compensation for employees and directors and where there were discrepancies the recognized compensations for employees, directors, and supervisors, the difference, cause, and treatment of the discrepancy shall be described:

- (1) Distribution status (Unit: NT\$ thousands)

Employee compensation - cash	\$4,665,273
Director compensation - cash	\$349,895

- (2) No discrepancy between the actual distribution and the recognized amount

(VI) Company share repurchase status:

Batch of buyback	Second batch
Purpose of buyback	To protect the Company's credit and shareholder rights
Duration of buyback	December 19, 2025 to February 11, 2026
Price range of buyback	NT\$1,600 to 3,200
Estimated number of shares bought back	2,670,000 shares
Type and number of shares bought back	2,670,000 ordinary shares
Amount of shares bought back	NT\$6,474,267,724
Amount of shares canceled	0
Cumulative amount of the Company's shares held	2,670,000 shares
Ratio (%) of cumulative amount of the Company's shares held to the total number of shares issued	2%

II. Issuance of corporate bonds: None.

III. Preferred Shares None.

IV. Overseas depository receipt: None.

V. Issuance of employee stock options: None.

VI. Restrictions on employee shares and status of New Share Issuance in Connection with Mergers and Acquisitions: None.

VII. The following items are required for the implementation status of the capital utilization plan:

(I) Plan:

As of one quarter before the publication date of this Annual Report, previous issuance or private placement of marketable securities that have not been completed or completed but are yet to record any benefit within the past three fiscal years: None.

(II) Implementation status:

The implementation status of previous plans as of one quarter before the publication date of this Annual Report: Not applicable.

Chapter 4. Operational Highlights

I. Business Activities

(I) Business Scope

The Company's businesses include the research and development, design, production, sales and after-sales technical services for various optical lens modules and optoelectronic components. Products include the design, production, processing, and sales of lenses and optoelectronic components for notebooks, smartphones, 3D structured light, ToF, in-display optical fingerprint recognition, drones, tablets, IP cameras, smart TVs, AR/VR lenses, IoT lenses, wearable devices, iris recognition lenses, medical instruments, and automobile lenses.

(II) Main Businesses

- I. CE01030 Photographic and optical equipment manufacturing.
- II. CQ01010 Die manufacturing.
- III. F601010 Intellectual property
- IV. F113030 Wholesale of precision instruments
- V. F401010 International trade.
- VI. I501010 Product designing
- VII. CF01011 Medical materials and equipment manufacturing.
- VIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(III) Major product lines and their sales ratio

Unit: NT\$ thousands

Products \ Year	2023		2024		2025	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Optical Components	48,300,326	98.89%	59,052,085	99.32%	60,828,323	99.48%
Others	541,921	1.11%	405,468	0.68%	319,565	0.52%
Total	48,842,247	100%	59,457,553	100%	61,147,888	100%

(IV) Current Products

Main products	Usage/functions
Optical lenses	Mainly used in mobile phone lenses, drone camera lenses, mobile 3D structured light lenses, tablets, motion-controlled gaming systems, laptop computer lenses, smart TV lenses, IP camera lenses, and automobile lenses, lenses for sports cameras.

(V) New Products Planned and Under Development

The Company shall invest approximately 5% to 15% of revenue in R&D expenditures for 2026. However, spending shall be adjusted based on global market conditions and the Company's actual operations.

Future research and development will focus on improving the specifications of existing products, as well as actively developing the following mainstream products: automobile imaging lenses, lenses for medical use, security surveillance lenses, large aperture/wide angle lenses, full-focus lenses, iris recognition lenses, lenses for sports cameras, lenses for drones, low-pixel size lenses, lenses with lower Z height, ToF lenses, under display optical fingerprint recognition lenses, freeform lenses, AR/VR lenses, IoT lenses, variable aperture lenses, narrow-frame lenses for notebooks, molding glass lenses, folded tele lenses, etc.

(VI) Industry Overview

Current status and development of the industry: In the past, the optical components industry had maintained stable growth due to the development of products such as cameras, telescopes, and microscopes. However, the development of digital cameras and mobile phones in recent years has now led to rapid growth of optical components and lenses. This mainly began with the global digital camera market which took off in 2000 and led a new wave of imaging revolution. Growth exceeded market expectations and caused a continuous shortage of supply for optical components such as lenses over many years. The introduction and popularity of camera phones further intensified the need for lenses, and the development of multiple lenses on handheld devices has escalated this demand. Besides this imaging market, the optical industry has also expanded to automobiles and drones and as such, the industry is expected to continue to expand in the next few years.

Correlation with upstream, midstream, and downstream sections of the industry:

	Industry	Product
Optical materials (Upstream industries)	Optical glass industry	Optical glass blocks and pressed blanks
	Optical plastic industry	Plastic pellets such as PC, CR-39, and PMMA
Optical Components (Midstream industries)	Optical components industry	Lenses, prisms, mirrors, filters, absorbing glass, and various lenses
Optical application products (Downstream industries)	Traditional optical equipment	Glasses, cameras, telescopes, microscopes, projectors, vehicle lights
	Traditional imaging products	Photocopiers, fax machines, cameras
	Consumer digital products	Digital cameras, digital video cameras, projectors, camera phones, tablet computers, wearable devices, sports cameras, drone cameras, notebooks
	Consumer optical storage products	CD players, DVD players
	Computer peripheral digital products	Laser printers, image scanners, PC cameras, data projectors
	Computer peripheral optical storage devices	DVD-ROM drive
	Optical equipment industry	Spectrometers, optical spectrometers, interferometers
	Measurement equipment industry	Range finders, theodolites, tachymeter
	Medical, industrial, and commercial products	Medical lasers, laser processors, barcode scanners
	Others	Exposure equipment, ultraviolet curing equipment, lighting equipment, military night vision goggles
Peripheral industries	Coating materials industry, coating equipment industry, vacuum equipment industry, abrasive materials industry, grinding equipment industry, mold manufacturing industry, molding equipment industry, inspection equipment industry, photographic equipment industry, photographic processing industry	

Source: PIDA

Trends in product development: Optical products require a wide range of optical components including glass lenses, plastic lenses, spheric lenses, and aspheric lenses for different levels of precision and product applications. Due to requirements for smaller photoelectric imaging products, optical lenses have become increasingly miniaturized and moved toward mass production, higher quality, and lower prices. Meanwhile, consumer demand for high-resolution, wide angle, large aperture, and more lens pieces per camera have risen.

Competition: Consumer optical component manufacturers are mostly concentrated in Asia such as Japan, Korea, Mainland China, and Taiwan. Competitors differ in their product application and production technology. The Company believes that the only way to maintain long-term competitiveness is to continue to invest in research and development and expand production capacity.

(VII) Overview of Technology and R&D

1. Research and development (R&D) expense in the most recent year as of the publication date of the Annual Report

Unit: NT\$ thousands

	2025	Q1 2026
R&D expense	5,293,321	1,401,143
Operating revenue	61,147,888	15,544,079
Percentage of expense to revenue	8.66%	9.01%

2. Successfully Developed Technologies and Products

Technology and products successfully developed by the Company in the most recent year and as of the printing of the Annual Report

Item	Successfully developed technology and products
Phone Camera	Development of new 6P 21M AF mobile phone lens Development of new 6P 23M AF mobile phone lens Development of new 4P 13M AF mobile phone lens Development of new 6P 8M AF mobile phone lens Development of new 6P 24M AF mobile phone lens Development of new 5P 24M AF mobile phone lens Development of new 5P 20M AF mobile phone lens Development of new 5P 32M AF mobile phone lens Development of new 6P 48M AF mobile phone lens Development of new 6P 13M freeform mobile phone lens Development of new 6P 108M AF mobile phone lens Development of new 7P 40M AF mobile phone lens Development of new 7P 50M AF mobile phone lens Development of new 7P 50M freeform mobile phone lens Development of new 7P 200M AF mobile phone lens Development of new 8P 108M AF mobile phone lens Development of new 8P 50M AF mobile phone lens Development of new 1WLG7P 1" AF mobile phone lens Development of new type 2 group periscope mobile phone lens Development of new 1MG7P 1" mobile phone lens Development of new 1MG6P 1" mobile phone lens Development of new group periscope mobile phone lens Development of new 1MG6P 1/1.3" mobile phone lens
Automobile rear view imaging lenses	Development of new 3P3G VGA wide angle design Development of new 6G 1.3M AF wide angle design Development of new 6G VGA wide angle design Development of new 8G VGA narrow angle design Development of the new 1G4P wide angle design

Item	Successfully developed technology and products
	Development of the new 2G2P wide angle design Development of new 4G1P 1M wide angle design Development of new 2G3P 1M wide angle design Development of new 1G5P 1M wide angle design Development of new 2G4P 1M wide angle design Development of new 4G3P 5M wide angle design Development of new 7G1MG 3M wide angle design

(VIII) Short-term and Long-term Business Development Plans

1. Short-term plans

(1) Production strategies

- A. Use existing production equipment to improve manufacturing technologies and yield to maximize output.
- B. Control and manage raw materials and finished products to prevent waste and loss.
- C. Fully implement ISO 9001 and ISO 14000 and achieve quality goals.
- D. Use the Taiwan headquarters as a base to effectively use the advantages on both sides of the strait to provide customers with flexibility in applications, reduce costs, and strengthen market mobility and competitiveness

(2) Sales strategies

- A. Existing customers: Provide more competitive products and services and continue to cultivate key existing customers while developing and establishing long-term partnerships to increase market share in existing customers.
- B. Potential new customers: Use existing optical technology as the basis to actively develop potential customers for optical applications. Introduce and collaborate with customers' new product development projects to expand the market value of optical products, diversify operations, and avoid risks of excessive concentration in certain products.
- C. Products' end users Connect directly with end users to encourage system manufacturers to use the Company's products.

(3) R&D strategies

- A. Gain insight into future product development trends and jointly develop product specifications and participate in customers' preliminary product R&D plans. Respond to customers product demands to gain opportunities in the market.
- B. Actively invest in R&D of the latest optical/mechanical designs and expand development for all product applications.

(4) Business strategies

- A. Streamline the organization and strengthen project based organizational structure to improve efficiency of decision-making and operating performance.

- B. Talents are the foundation of the Company's competitiveness. The Company actively recruits outstanding talent, and conducts on-the-job training for employees internally to enhance the Company's competitive advantage
 - C. Strengthen internal information systems to manage use and timeliness of information.
- (5) Finance strategies
- A. Maintain a healthy financial structure to provide strong support for sales, production, and R&D.
 - B. Plan short-term and long-term capital utilizations to maximize returns under the prudence principle.

2. Long-term plans

(1) Production strategies

- A. Implement the international division of labor and flexible production to enhance business performance.
- B. Strengthen management by objectives and reduce inventory to improve the inventory turnover rate.
- C. Continue to enhance production technology to reduce production cost and improve yield and competitiveness.
- D. Continue to invest in automation and expand production capacity to alleviate rising labor costs and stabilize product quality.
- E. Continue to expand production capacity to satisfy market and customer demands.
- F. Enter different markets and obtain TS16949 certification.

(2) Sales strategies

- A. Consolidate marketing advantages and grasp opportunities in the market. Expand niche competitiveness and promote global marketing strategies and international market expansion.
- B. Seek major international manufacturers and form upstream and downstream strategic alliances. Commit to using the Company's strengths to satisfy customer demands and form partnerships to prevent destructive competition.
- C. Actively obtain long-term orders from international companies and stabilize revenue growth. Leverage opportunities to obtain key technology cooperation and new product development.

(3) R&D strategies

- A. Collaborate with major international companies in new technology to gain experience, develop talents, and strengthen R&D capacity.
- B. Monitor market product development trends and develop various miniature optoelectronic components and strengthen capabilities to improve product appearances and various mechanical designs.
- C. Actively seek out applications for the development of new materials for optoelectronic

components to expand end applications and reduce costs.

D. Apply for domestic and foreign patents in new technology to protect intellectual property rights and widen the technological lead.

E. Actively develop new products for different sectors.

(4) Business strategies

A. Monitor international business development trends and establish cross-border management organizations and structures to ensure the Company's international competitiveness.

B. Consolidate upstream and downstream information systems and connect closely with upstream suppliers and downstream customers so that all three parties benefit.

(5) Finance strategies

A. Strengthen capital risk management.

B. Execute sound financial planning in line with the Company's business objectives and development plans to strengthen business performance and improve overall competitiveness.

II. Overview of the Market and Production and Sales

(I) Market Analysis

1. Sales regions for major products

Unit: NT\$ thousands

Region \ Year	2024		2025	
	Amount	Percentage	Amount	Percentage
Asia	56,875,960	95.66%	61,015,006	99.78%
Americas	2,570,548	4.32%	129,236	0.21%
Europe	11,045	0.02%	3,646	0.01%
Total	59,457,553	100.00%	61,147,888	100.00%

2. Market supply and demand and market growth in the future

(1) With continuous innovation in information technology, essentially all image output/input requires the use of various types of optical lenses or modules. These include digital cameras, telescopes, microscopes, photocopiers, fax machines, laser printers, scanners, barcode scanners, computer cameras, video cameras, surveillance cameras, televisions, projectors and video phones. Disc drives (CD/DVD players and CD/DVD-ROM drives) and optical communication components also require optical lenses. The products with the largest volume in 2026 are expected to be high-end lenses for mobile phones.

(2) Optical components are mainly used in products such as disc drives, digital cameras, and mobile phones. According to various market research, mobile phones is one product with the largest need for optical components. As demand for mobile phone cameras has increased, lens specifications have also continued to migrate while getting smaller at the same time. The key to success for manufacturers will depend on their ability to improve product precision and take advantage of opportunities in the market.

3. Competitive niches, favorable and unfavorable factors for long-term growth and countermeasures

Item	Competitive Niches and Favorable Factors	Unfavorable Factors	Countermeasures
I. Main businesses and development outlook	Our current products encompass new optical products and the continuous migration of consumer optoelectronic	The Company faces competition from other related industries, and competitors in the	The Company shall adopt pricing strategies based on the characteristic of different markets and

Item	Competitive Niches and Favorable Factors	Unfavorable Factors	Countermeasures
	products helps the Company's development and expansion into a broader market.	optical industry are now producing low-end products with quality similar to that of the Company's products. Moreover, the significant price hike in semiconductor products in recent years have also led to reduced opportunities in phone camera upgrades.	products to reduce the price disparity for low-end products and provide customers with added value to improve competitiveness in the low-end market.
II. Position in the industry	The Company's fully-staffed and experienced R&D team and production quality have received wide acclaim from customers. The Company offers comprehensive product lines and provide customized lenses based on customers' demands.	Low-price competition from Mainland China and competitors have gradually reduced product cycles.	The Company shall develop the most advanced technologies, improve existing quality control, and maintain strong relationships with customers to maintain leadership. The Company shall also develop a wide portfolio of lenses to satisfy customer demands at various price points and accelerate the speed of development to gain market opportunities.
III. Supply situation of main raw materials	The Company maintains long-term relationships with raw materials suppliers which consist	Market prices are controlled by major international manufacturers.	The Company invests in diverse materials for product development to meet changing

Item	Competitive Niches and Favorable Factors	Unfavorable Factors	Countermeasures
	entirely of major domestic and foreign manufacturers, and as such have maintained stable relationships and regular supplies.		demands in the market and reduce the supply risks of individual materials.
IV. Status of sales of main products	The Company's main products are lenses for mobile phones, followed by lenses for tablet computers. Customers consist entirely of major domestic and international companies and the Company has thus achieved stable growth in sales orders.	Shipment of mobile phone lenses account for a high proportion of shipments and it is difficult to diversify market and product risks.	The Company shall focus on the design and development of new products and expand into new sectors and applications for other optical products to increase product range and reduce risks.
V. Labor status of main production	Highly automated production equipment.	Labor cost has increased along with citizens' income, economic structure, and wages and benefits for entry-level workers in recent years.	The Company hires foreign workers to replenish manpower. The Company shall increase the level of automation to reduce demand for labor, and transfer labor-intensive and low-value-added products and processes to overseas regions with low labor costs.

(II) Major applications and production process of primary products

1. Major applications of primary products

(1) Optical lenses

Main applications:

Scanners, multifunction printers, mobile phones, drones, wearable devices, tablet computers, and smart TVs.

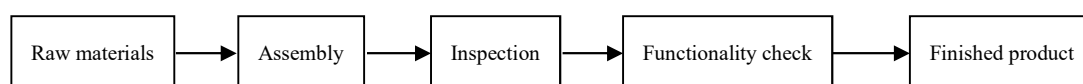
(2) Optical lens products

Main applications:

DVD readers and optical mouse.

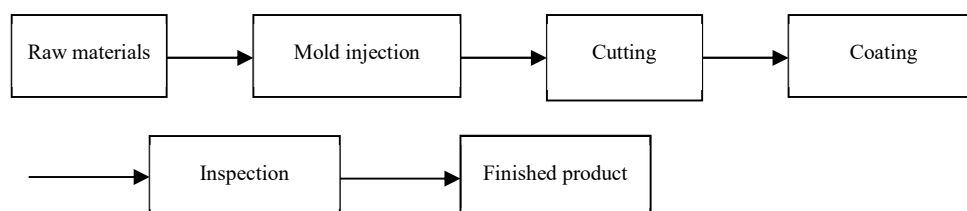
2. Manufacturing process of primary products

(1) Optical lenses

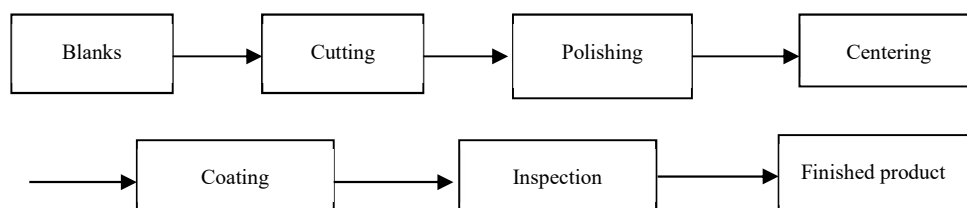


(2) Optical lens products

A. Plastics



B. Glass products



(III) Supply status of major raw materials

Name of raw material	Supplier	Country	Supplier status
Engineering plastic	110185 110059	Taiwan Taiwan	All suppliers are renowned world-class companies with high quality, large volume and stable supply.

(IV) A list of customers accounting for more than 10% of sales for any given year within the last two years, their purchase amount and percentage, and explanation for changes (increase or decrease) in sales.

1. Information on customers accounting for 10% or more of the Company's total sales in either of the 2 most recent years:

Unit: NT\$ thousands

2024					2025				2026 up to end of the first quarter			
Item	Name	Amount	Percentage of net sales for the entire year (%)	Relationship with the Company	Name	Amount	Percentage of net sales for the entire year (%)	Relationship with the Company	Name	Amount	Percentage of net sales up to the previous quarter (%)	Relationship with the Company
1	653021	18,035,001	30	-	653021	18,338,766	30		653021	4,854,034	31	-
2	632019	6,868,801	12	-	632019	9,292,586	15		643006	2,520,803	16	-
					643006	8,140,234	13		622020	2,088,540	13	
					622020	6,968,626	11		632019	1,821,314	12	
	Others	34,553,751	58	-	Others	18,407,676	31		Others	4,259,388	28	-
	Net sales	59,457,553	100	-	Net sales	61,147,888	100		Net sales	15,544,079	100	-

Reasons for change: Mainly due to an increase in revenues of the Consolidated Company in 2025.

2. Information on suppliers accounting for 10% or more of the Company's total purchases in either of the 2 most recent years:

Unit: NT\$ thousands

2024					2025				2026 up to end of the first quarter			
Item	Name	Amount	Percentage of annual net purchase (%)	Relationship with the Company	Name	Amount	Percentage of annual net purchase (%)	Relationship with the Company	Name	Amount	Percentage of net purchase up to the previous quarter (%)	Relationship with the Company
1	100107	3,485,701	31	-	100107	2,942,352	25	-	100902	863,322	25	-
2	100902	2,086,137	18	-	100902	2,423,727	21	-	100107	672,160	20	-
3	110185	1,356,320	12	-	110185	1,387,913	12	-	110185	526,019	15	-

Reasons for change: Mainly due to a change in customer demand.

III. Number of employees for the two most recent years

Year		2024	2025	As of April 11, 2026
Number of employees	Production	6,665	6,792	6,885
	Management	567	559	560
	R&D	1,523	1,615	1,623
	Total	8,755	8,966	9,068
Average age		33.06	33.55	33.34
Average years of services		5.97	6.41	6.46
Educational background distribution %	Ph.D.	0.27%	0.30%	0.30%
	Masters	7.21%	7.25%	7.28%
	University (college)	41.52%	40.85%	40.06%
	Senior high school	48.44%	49.31%	50.14%
	Below senior high school	2.56%	2.29%	2.22%

IV. Disbursements for Environmental Protection

Any losses suffered by the company in the most recent fiscal year and up to the Annual Report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimation cannot be made, provide the explanation: None.

V. Labor Relations

- (I) The Company's employee benefits for studying, training, pension systems and its implementation status as well as labor agreements and measures for preserving employee rights and interests

1. Benefits and implementation

1.1 The Company established the Employee Welfare Committee on April 1, 2000 in accordance with the "Employee Welfare Fund Act" to be responsible for allocating employee welfare funds and benefits.

1.2 The Company has subscribed to labor insurance and health insurance in accordance with relevant regulations and added group insurance to provide employees with various insurance payment privileges.

1.3 Where the Company generates profits at the end of the year, the Company shall pay taxes, make up for losses, and set aside dividends and surplus reserve. The Company shall distribute year-end bonuses to employees who have not committed acts of negligence in the entire year.

2. Allowances:

Allowances	Other benefits
• Gatherings and travel allowances • Childbirth allowance and wedding allowance • Birthdays, traditional holiday bonuses, and Labor Day bonus • Hospitalization and funeral allowance	• Family Day and meal allowance • Convenience store discounts & special contract stores • Free parking • Discounts on medical masks, contact lenses, and health supplements • Rewards for healthy weight management activities

3. Childcare measures:

3.1 In addition to distributing maternity benefits, the Company has established nursing (pumping) rooms in all plants and set up dedicated parking spaces for pregnant employees for prioritized use.

3.2 The Company has signed contracts with 19 childcare agencies in the vicinity to provide diverse childcare programs to the employees.

3.3 In 2025, 161 employees applied for unpaid parental leave.

4. Health and Medical Care:

Superior to statutory requirements, the Company provides free health examination and special health examination for employees who engage in environments with increased health hazards in each year. Statistical analysis is conducted on the results of the health examinations to implement tiered health risk management, and monitor the health conditions of those with high risk. In addition, the Company also promotes workplace health and engages in occupational illness prevention activities, in order to provide employees with comprehensive medical care.

4.1 A regular onsite physician actively arranges professional medical consultation for those with abnormal health examination results, pregnant female workers, personnel with abnormal workload, occupational hazards, human factors engineering, or those with the intention for health consultation, evaluating their health status and nature of work, providing personal hygiene education and the appropriateness of unit job arrangements. A total of 1,474 people participated in health consultation services throughout the year.

4.2 To promote the prevention and treatment of chronic diseases such as obesity and the “three highs” (i.e., high blood sugar, high blood lipids, and high blood pressure), a healthy weight management event was organized to encourage employees to control their weight through “diet management,” “exercise management,” and “healthy lifestyle habits.” A total of 73 employees participated, 15 of whom qualified for awards. Twelve participants advanced to the second stage, 2 of whom qualified for awards.

4.3 The Company has signed contracts with 71 medical care units as well as a special agreement with professional medical institution to provide discounted medical fees and comprehensive medical services to our employees. This will help our employees to receive proper care and relieve their stress/burden as well as help them to maintain positive doctor-patient relations.

5. Emergency aid:

In line with the emergency relief guidelines set up by the Company, current employees can apply for an emergency relief fund to maintain basic needs in the event of a major illness, long-term care required in the family, or damage to real estate that prevents the employee from attending work and family difficulties.

In 2024, the Company had provided financial aid amounting to NT1,453,666 for up to eight employees who could not attend work due to major injuries and experienced family difficulties.

In 2025, the Company had provided financial aid amounting to NT2,563,833 for up to twelve employees who could not attend work due to major injuries and experienced family difficulties.

6. Retirement system and implementation status

To protect the employees’ rights and interests in applying for pension in the future, the retirement system is planned in accordance with the Labor Standards Act and the Labor Pension Act.

Criteria for retirement include the following:

An employee may apply for voluntary retirement in the event of any of the following conditions:

- (1) The employee has provided services for more than 15 years and is 55 years old or older.
- (2) The employee has provided services for 25 years or more.

The Company may subject an employee to compulsory retirement in the event of any of the following conditions:

- (1) The employee is 65 years old or older.

(2) The employee is mentally incapable or physically disabled and cannot continue to work.

- Pension payment standard (under the previous pension scheme):

Employees who have provided services for less than 15 years are given two base points for every full year of service. Employees who have provided services for more than 15 years are given one base points for every full year of service. The total number of base units shall be limited to 45. Less than half a year of service is considered half a year and less than a full year but more than half a year of service is considered a full year. Where the employee subject to compulsory retirement is mentally incapable or physically disabled due to the performance of duties, the employee shall receive an additional 20% of pension in accordance with the two preceding subparagraphs.

- Calculations of the pension base unit (under the previous pension scheme):

The average monthly salary of an employee over the six months prior to his/her retirement shall be adopted as the standards for calculating employee pension base unit.

- Payout time:

Where a retiree meets requirements for voluntary retirement, the Company shall pay the total pension within 30 days of his/her retirement.

Where the pension cannot be paid in full, the Company may report to the competent authority for approval and pay in installments.

- Other rules:

Voluntary retirees shall be required to fill out a retirement application which shall be implemented after approval. For employees subject to compulsory retirement, the units shall report to obtain approval and notify the retiree to complete procedures.

- Employees' right to request pension shall start in the month after retirement and it shall be extinguished if not exercised within five years.

- Appropriations under the new pension scheme:

The Company appropriates 6% of the employee's salary to the dedicated personal pension account at the Bureau of Labor Insurance in accordance with the personal salary appropriation classification table.

- Number of employees who have applied for retirement in the most recent two years:

Number of employees who have applied for retirement in 2024: 3.

Number of employees who have applied for retirement in 2025: 1.

7. Environmental Safety and Health & Employee Protection

Largan Precision Co., Ltd. commits to providing a safe and healthy workplace to employees and maintains the safety of all contractors and visitors. Occupational Safety and Health Work Rules have been formulated in accordance with ISO 45001 Occupational Safety and Health Management system and the Occupational Safety and Health Act to assist departments in identifying operating hazards and building safe operating standards, as well as preventing various potential hazards and incidents.

The Company assesses, improves, or controls risks and opportunities and enhances occupational safety and health performance while striving toward a goal of zero incident. After ISO 45001 system version update was completed in 2020, it obtained third-party verification every year, Largan continues to supervise occupational safety and health verifications and implement the occupational safety and health policy. The Company aims to continuously enhance safety and health management performance through the PDCA (Plan/Do/Check/Action) cycle.

Prior to building a new plant or refurbishing certain areas of an existing plant, the production, management, information, and safety and health units will conduct safety and health risk assessments. Occupational Safety and Health Office

License of the professional safety and health personnel	Number of people
Occupational safety management specialist	8
Occupational safety and health management personnel (Class B certified technician)	12
Licensed practical nurse	8
Class A Manager of Occupational Safety and Health Affairs	26
Fire Fighting Management Personnel	9
First Aid Personnel	191

Statistics on employees' safety and health training in 2025:

Type of Training	Batch No.	Number of people	Training Hours	Total Training Hours
New employees' safety and health training	75	647	3	1941
Safety and health internal auditors' training	1	31	3	93
Safety and health internal auditors' training	4	33	1	33
Respiratory protective equipment training	46	199	1	199
Warehouse training	4	80	1	80
Horticulture training	1	8	0.5	4
Traffic safety promotion	12	157	1	157

8. Safety and Health Committee

The Company has established a Safety and Health Committee and has elected employee representatives in accordance with laws to provide an official channel for face-to-face communications regarding environmental, safety, and health issues with employees.

Besides convening quarterly meetings to discuss environmental protection, safety, and health topics, quarterly meetings are also convened by departmental heads to discuss environmental, safety, and health issues in response to the increase in scale of new plants to fulfill ESH management.

In 2025, a total of 71 employee and management representatives participated in the routine Safety and Health Committee meetings.

9. Emergency response and drills

To reduce the impacts of disasters, all plants have set up self-defense fire safety groups and arrange for fire and chemical spill simulation evacuation and response drills in each year. In addition, firefighting squads in the districts are invited to give lectures and to observe the effectiveness of the emergency response measures, for which deficiencies are discussed and reviewed to enhance the level of employee participation and familiarity, thereby minimizing the impacts of disasters on employees and the Company.

The emergency response center is equipped with the following facilities:

- Emergency response information: Factory emergency evacuation floor plan, distribution of fire extinguishers, and information on hazardous chemicals.

- Fire safety and monitoring system: Fire safety system, gas monitoring system, emergency smoke ventilation system, key area surveillance and video recording system, gas and chemical supply emergency cut-off system, and broadcast systems.
- Response equipment: Protective clothing, personal protective equipment, portable personal air breathing apparatus, portable detector, leakage treatment equipment, and warning equipment.
- Emergency aid equipment: The Company has set up AEDs, emergency shower equipment, eyewash equipment, first aid kits, and wheelchairs at work sites in accordance with emergency aid practices.

10. Human-factor hazards assessment and management

The Company provides employees with human factor engineering safety training to establish correct safety awareness with regards to moving and designing machinery on the production lines. Labor health service personnel plan to conduct human factors assessments for all employees in coordination with annual health examinations. They immediately report issues related to musculoskeletal diseases of employees to the labor safety unit. In addition to adopting case management measures, they also assess and establish improvement projects to prevent repetitive tasks from causing musculoskeletal diseases, such as: The Company has also implemented human-factor assessment and improvements for machinery maintenance and repairs that include cranes, lifting trolleys, and jigs for replacing components.

Discuss the feasibility of reducing operational hazard by using fully automated and semi-automated auxiliary equipment. Deploy MES signs to arrange schedules and manage the fatigue level among employees by rotating shifts.

11. Maternity health protection and management

To prevent the exposure of female employees to workplaces that may cause health hazards to mothers, the health center has established maternity health protection and management procedures. In addition to providing qualitative and quantitative risk assessments for operations that may pose health risks to mothers, the Company considers the different conditions of individuals and assign contracted specialist doctors to conduct comprehensive assessments. The Company then implements tiered management and onsite improvement measures to ensure the health of pregnant employees.

Besides offering 7 days of prenatal examination leave, 8 weeks of maternity leave and paternity leave in accordance with the Act of Gender Equality in Employment, both female and male workers are eligible to apply for unpaid childcare leave. At the same time, in line with the laws, the Company has also set up nursing (pumping) rooms for the nursing mothers who have returned to work. Mothers can place the pumped milk in the refrigerators and collect it for their infants before going home.

Furthermore, the Company has provided parking spaces for pregnant women and signed contracts with related stores for maternity needs. Questionnaires are distributed regularly and information provided regarding pregnancy and childrearing before pregnant employees take their maternity leave.

12. Continuous focus on seasonal influenza and other contagious diseases

The Company carefully responds to risks of outbreaks of seasonal influenza (H1N1, H3N2, A virus or B virus) each year and cooperates with external medical institutions to vaccinate employees at plants against influenza every year, providing preferential and convenient vaccines to employees, while continuing to control the risk of infectious disease (such as tuberculosis, measles, chickenpox, etc.) in the workplace. We accumulate experience in this process to avoid over- or under-response, improve normal epidemic prevention capabilities, and announce epidemic prevention knowledge on bulletin boards in each plant based on the infectious diseases that are prevalent in each season and region, so that employees can improve their self-protection concepts.

(II) Losses suffered by the Company in the most recent fiscal year and up to the publication date of the Annual Report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

1. Violation

No.	Date of announcement	Date of disposal	Letter number	Laws and regulations violated	Content of violation	Amount of fine (NTD)
1	2026/3/10	2026/2/3	Fu-Shou-Lao-Dong-Zi No. 1150036216	Article 32, Paragraph 2 of the Labor Standards Act	Extending working hours beyond the legal limit	110,000
2	2025/11/10	2025/10/15	Fu-Shou-Lao-Dong-Zi No. 1140306982	Article 32, Paragraph 2 of the Labor Standards Act	Extending working hours beyond the legal limit	100,000
3	2025/9/4	2025/6/20	Fu-Shou-Lao-Dong-Zi No. 1140175126	Article 32, Paragraph 2 of the Labor Standards Act	Extending working hours beyond the legal limit	90,000
4	2025/3/5	2025/1/22	Fu-Shou-Lao-Dong-Zi No. 1140019994	Article 22, Paragraph 2 of the Labor Standards Act Article 32, Paragraph 2 of the Labor Standards Act	Failure to pay salaries in full Extending working hours beyond the legal limit	100,000

2. Response measures:

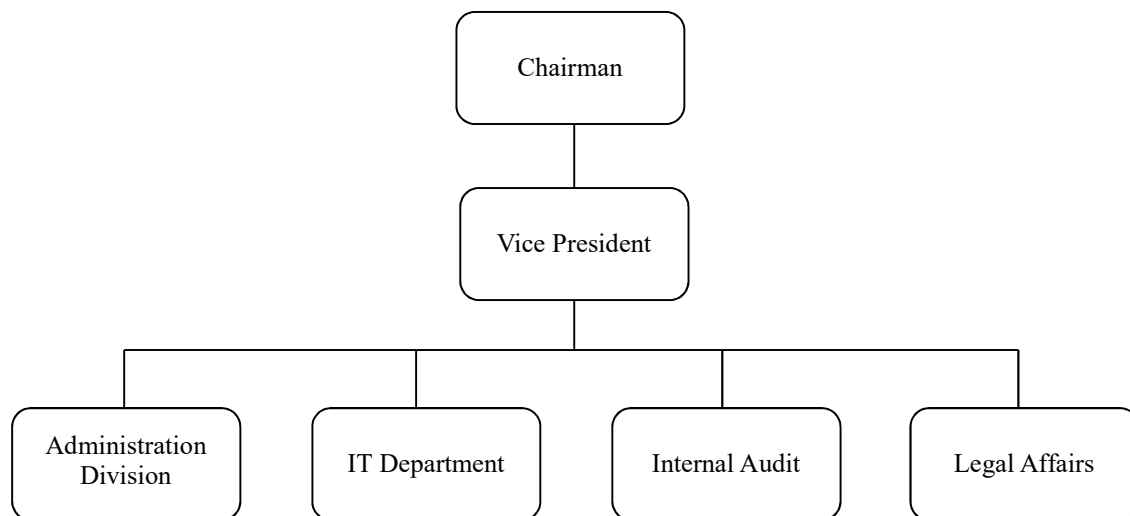
- 2.1 The Company provides statistics of working hours, and supervisors makes necessary work assignments and personnel arrangements.
- 2.2 Supervisors keep track of the overtime hours of their subordinates and monitor the situation regularly.
- 2.3 Periodically communicate overtime application specifications and procedures.

VI. Information and Communications Security Management

- (I) Information and Communications Security Management Structure, Information and Communications Security Policy, Specific Management Proposals, and Resources Invested in Information and Communications Security Management

Information and Communications Security Management Structure

The Company has set up an information security governance organization that is coordinated by the Vice President and consists of the Administrations Department, IT Department, Internal Audit Office, and Legal Affairs Office. The organization examines various security management tasks, coordinates information, and proposes improvements, and the Vice President forms decisions over various security management policies and submits them to the Chairman, who will designate dedicated personnel to promote and execute various policies.



Information Security Policy

1. Evaluate risk of information security by examining whether the system structure, internet safety, resource management, software and hardware authorization comply with the Company's use and requirement, and make adjustments or incorporate into the Company's improvement plans according to related risks.

2. Promote awareness of confidentiality policy and data protection, manage and track files, manage devices and limit access to data. The Company's internal audit and legal department tracks and examines irregularities to lower the risk of data leakage and to protect the Company's important assets and competitiveness.
3. Promote understanding of information security and conduct social engineering drills (email phishing tests) in line with current conditions and increase employee awareness to ensure that security knowledge is integrated into employees' day to day operations.
4. Collaborate with third-party security firms and apply to join the Computer Emergency Response Team (CERT) alliance to pinpoint security vulnerabilities, taking preventative measures to investigate and resolve information security issues early on.
5. The Information Security Implementation Team submits data on information security events each year as required by the Audit Office internal audit information cycle, enabling the information security management system to be continuously improved.

Investment in information security resources

*Various layers of protection from external to internal, and between internal units

- Multiple layers of firewall from different vendors have been set up to take advantage of their respective strengths, advanced detection technologies are used to monitor traffic, identify programs, and analyze unknown malware to block unknown connections and penetrations in advance.
- Prevent virus and attacks from spreading to different plants by implementing cross-department or cross-machine network controls and setting up firewalls between the plants.
- Setting up multiple layers of mail defense gateways and initiating functions including Attachment Defense and real-time URL detection, BEC fraud, online phishing, and ransomware protection to block advanced threats and attacks using multi-dimensional detection, anti-evasion detection, and preventive advanced email penetrations.

* System and network backup

- Establish a comprehensive and resilient information security framework, ensure that the Company possesses cross-region disaster recovery capabilities through off-site backups,

and build a network segmentation (logical isolation) mechanism to prevent the lateral spread of network threats. At the same time, adopt backup encryption technology to enhance the privacy and integrity of stored data. Finally, conduct annual disaster drills to test the backup recovery process and verify that backup mechanisms are effective, achieving our business continuity management targets.

***Endpoint protection**

- One or more types of protective software is installed based on the types of computers. Besides strengthening their basic antivirus protection, a new generation of endpoint protection against advanced persistent threats (APT), which utilizes behavioral detection to implement real-time surveillance over abnormal operating behavior, has been deployed. This will immediately block and delete malware and reduce the risk of horizontal infections. Moreover, fileless malware and RAM attacks are also prevented through machine learning and behavioral analysis.
- Intrusion prevention system (IPS) has been purchased to provide real-time alert and feedback to prevent large-scale invasions.
- Machinery input inspection mechanism has been established to prevent malware from entering the plants along with system loopholes.
- Terminal device management - the use of portable storage equipment or wireless equipment is prohibited.
- Online behavior control and isolated protection - document processing and browsing of external websites are done in separate operating environments to reduce the risk of accidentally clicking on phishing sites and downloading malware to personal computers. This will help to block external hackers' latent attacks on the internal system.

***Information security protection and confidentiality standards**

- Document encryption system is deployed to restrict personnel access and storage; document behavior authorization is enforced and document operation is recorded to prevent information leaks.
- Photocopier and scanner control - unauthorized use is prohibited, and printing record storage software is deployed so that all access and operation of photocopier and scanner will be kept in electronic files.
- Mail control - for both external/internal recipients, permissions to send and receive external emails are granted based on individual task requirements.

- Cloud storage access control, and disable the use of cloud storage services by default.
- Information backup system is deployed, and backup mechanism and offline storage are established. Irregularly conduct backup and recovery drills, update restore SOPs, and verify the feasibility of recovery procedures and data availability.
- All personal computers and terminal devices are set up with accounts and passwords with different levels of authority over the access of important information. Accounts and passwords cannot be shared with others without the approval from a supervisor, and those who violate this rule will be penalized based on the level of the offense.
- The use of infringing software is prohibited: All software used by the Computer shall be legal, and without legal authorization, all software installed in: Company computers or personal computers brought to the Company, are violations of the intellectual property law, and penalties will be imposed based on the severity of the situation and supervision deficiencies.
- Employees are prohibited from using the Company's resources to use intrusion, password mining, password theft, or any other method to achieve unauthorized access to other person's website, data, other accounts, or computer systems, or to use unauthorized software to obtain information and computer/software access while performing their duties by using the aforementioned conduct.
- Any trade secret and confidential information that an employee becomes aware of due to his/her duties and responsibilities or are in charge of, shall be protected using appropriate measures, which may include the following:
 - 1) Confidentiality agreement should be signed before authorized disclosure to third parties.
 - 2) Compliance to labor contracts and other relevant confidential management standards.
 - 3) Adopt necessary and reasonable measures to prevent unauthorized contact of any confidential information or acquisition of trade secret or confidential information.
- Principle of Information Disclosure: An employee is prohibited from disclosing any of the Company's assets, including information, business, technical data, and any trade secret or confidential information, whether in tangible or intangible form, to any third-party.

Information security event management

Definition of information security event

Information security event: This refers to any violation, malfunction, or unexpected behavior that occurs in a system, service, or network, or is otherwise related to information security.

Information security event classification

Level 1 (Low) Minor

- (1). The computer of an individual employee is behaving abnormally, and has been isolated.
- (2). A single machine experiences a hardware malfunction, but this malfunction does not affect other services.

Level 2 (Medium) Moderate

- (1). A non-core system experiences a malfunction.
- (2). Loss of non-core data, which does not affect data accuracy.

Level 3 (High) Severe

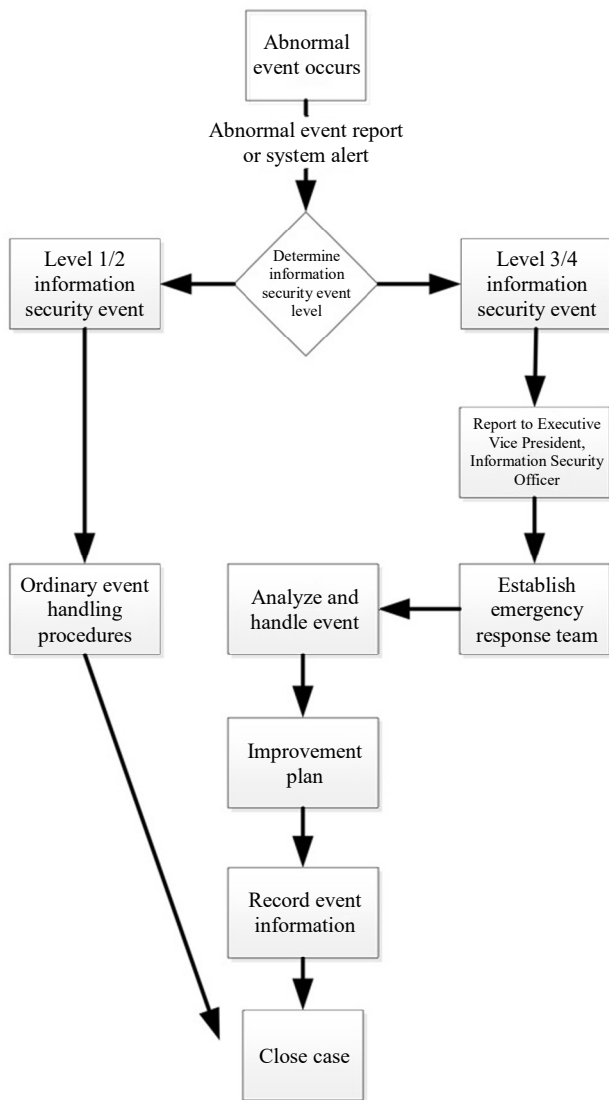
- (1). A single critical business function is disrupted.
- (2). Sensitive data is damaged within a limited scope.

Level 4 (Extremely High) Catastrophic

- (1). Core system has completely shut down.
- (2). Large-scale leak of core information or company secrets.

Information security event handling procedures

When an IT unit receives a report or discovers a system alert, the event will be handled according to the flowchart below. Should the IT unit discover the impact of the information security event to be greater than originally determined, it shall immediately implement the corresponding procedures.



Operational requirements for handling information security events:

Level 4 events must be reported within 1 hour of being discovered, and resolved or damage brought under control within 12 hours. Level 3 events must be reported within 4 hours of being discovered, and resolved or damage brought under control within 24 hours. Level 1 and 2 events must be resolved or damage brought under control within 36 hours of being discovered. Level 3 and 4 events must be recorded as an abnormal incident, and tracking and follow-up improvement plans must be implemented.

In cases where an information security event endangers employee lives or results in equipment being damaged, involving civil or criminal liability, the legal department must be notified to handle the case.

Information security and cyber risk control

The Company continues to advance over time and maintains close partnership with all information security vendors. We have also gradually established an internal control system in line with the government's information security policies.

We continue to understand the protection of information security products, as well as new types of cyber attack and defense technologies, and evaluate the feasibility of various defensive products.

We continue to sign warranty for maintenance and equipment update and upgrade contracts, so as to ensure that our equipment can obtain even more comprehensive virus patterns, malware traffic classifications, and the latest defense and detection functions in order to identify new types of threats and to automatically initiate protection policies.

We regularly advocate our information security information, and employees who accidentally trigger information security warnings are reported to their supervisors, and either dedicated personnel will be assigned to strengthen their response or their authority of access will be forfeited.

Periodically scan vulnerabilities and data backup and recovery drills.

Emergency response plan, including response organization, personnel reporting, physical safety, technology and emergency operating procedures, have been formulated.

Resources invested in information and communications security management: Mail protection equipment, next-generation firewall, and endpoint protection software.

Subscribed to an identity protection service to capture information such as user activity logs, authentication events, authorization events, system configuration changes, and management operation logs. The service integrates various event logs, supporting the company to monitor and respond to potential identity-related threats.

Risk management organization

During day-to-day operations, the Company's internal audit periodically checks on the status of compliance and submits internal audit reports to management every year to ensure policy implementation and improvements on existing mechanisms. The most recent report was for the fourth quarter of 2025.

During an emergency, the Vice President will act as the commander while his/her subordinate units will serve as meeting conveners in convening an inter-departmental

meeting to understand the extent and reach of the risk, and to coordinate all departments in flexible productions, to monitor the status of the emergency and its handling, as well as to regularly announce the latest updates.

The Company has not suffered any major network attacks that impacted business operations in the most recent year.

- (II) Any losses incurred as a result of major information and communications safety incident in the most recent fiscal year and current fiscal year up to the publication date of the Annual Report, and an estimate of possible expenses that could be incurred currently and in the future and countermeasures being or to be taken shall be disclosed. If a reasonable estimate cannot be made, an explanation shall be provided: None.

VII. Important Contracts:

Nature of the Contract	Principal	Contract Start/End Date	Major Contents	Restrictive Terms
Construction contract	Te Chang Construction Co., Ltd.	2020.11	New Plant Construction Project of Plant 4 in Taichung Industrial Park.	
Construction contract	Lee Ming Construction Co., Ltd.	2020.11	New Plant Construction Project of Plant 9 in Taichung Industrial Park.	
Construction contract	Yankey Engineering Co., Ltd.	2020.8	New Construction of Clean Room Air Conditioning for Plant 3 in Taichung Industrial Park	
Construction contract	Yankey Engineering Co., Ltd.	2021.10	New Plant Construction Project of Plant 4 in Taichung Industrial Park.	
Construction contract	Yankey Engineering Co., Ltd.	2021.10	New Plant Construction Project of Plant 9 in Taichung Industrial Park.	
Construction contract	Chung Yuang Electrical Consulting	2021.10	New E&M Project of Plant 4 in Taichung Industrial Park.	
Construction contract	Acter Co., Ltd.	2021.10	New E&M Project of Plant 9 in Taichung Industrial Park.	

Chapter 5. Financial Highlights and Review and Analysis of the Company's Financial Position and Financial Performance, and Risk Management

I. Financial Position Analysis

Unit: NT\$ thousands

Item	Year	2025	2024	Difference	
				Amount	Proportion of change (%)
Current assets		154,285,459	145,764,153	8,521,306	5.85
Long-term investment		26,493	23,926	2,567	10.73
Property, plant and equipment		51,472,361	46,935,885	4,536,476	9.67
Intangible assets		474,639	504,623	(29,984)	(5.94)
Deferred income tax assets		446,697	489,094	(42,397)	(8.67)
Right-of-use assets		130,042	97,530	32,512	33.34
Other assets		13,951,329	22,711,609	(8,760,280)	(38.57)
Total assets		220,787,020	216,526,820	4,260,200	1.97
Current liabilities		29,748,503	30,578,076	(829,573)	(2.71)
Non-current liabilities		170,572	561,138	(390,566)	(69.60)
Total Liabilities		29,919,075	31,139,214	(1,220,139)	(3.92)
Capital stock		1,334,682	1,334,682	-	-
Capital surplus		1,564,701	1,561,989	2,712	0.17
Retained earnings		185,818,052	175,969,471	9,848,581	5.60
Other equity		1,772,969	4,652,800	(2,879,831)	(61.89)
Treasury stock		(1,623,219)	-	(1,623,219)	-
Equity attributable to owners of the parent company		188,867,185	183,518,942	5,348,243	2.91
Non-controlling interests		2,000,760	1,868,664	132,096	7.07
Equity Total		190,867,945	185,387,606	5,480,339	2.96
The increase in right-of-use assets from the previous period was due to rental hikes.					
The decrease in other assets from the previous period was due to the decrease in the Company's non-current financial assets at fair value through other comprehensive income.					
The decrease in non-current liabilities from the previous period was due to the decrease in deferred income tax liabilities.					
The decrease in other equity from the previous period was due to the decrease in unrealized valuation gains (losses) on financial assets measured at fair value through other comprehensive income.					
The increase in treasury stock from the previous period was due to the execution of share buyback.					

II. Financial Performance

(I) Financial Performance Analysis

Unit: NT\$ thousands

Item \ Year	2025	2024	Increase (decrease)	Proportion of change (%)
Operating revenue	61,147,888	59,457,553	1,690,335	2.84
Operating costs	30,310,834	28,248,244	2,062,590	7.30
Gross Profit	30,837,054	31,209,309	(372,255)	(1.19)
Operating expenses	7,278,790	7,176,778	102,012	1.42
Operating income	23,558,264	24,032,531	(474,267)	(1.97)
Non-operating income (expenses)	2,341,946	8,141,839	(5,799,893)	(71.24)
Net profit for the period before tax	25,900,210	32,174,370	(6,274,160)	(19.50)
Minus: Income tax expenses	4,339,953	5,963,418	(1,623,465)	(27.22)
Net income	21,560,257	26,210,952	(4,650,695)	(17.74)

Explanation of major variations:

The decrease in non-operating income and net profit this period was mainly due to an increase in foreign exchange losses this year.

III. Cash Flow

(I) Changes in Cash Flow in the Most Recent Fiscal Year

Item	Year	2025	2024	Proportion of change (%)
Cash flow ratio		87.67%	103.27%	(15.60)
Cash flow adequacy ratio		130.32%	143.65%	(13.33)
Cash flow reinvestment ratio		6.22%	9.24%	(3.02)

Analysis:

The decrease in cash flow ratio and cash flow adequacy ratio was mainly due to the decrease in net cash flow from operating activities.

(II) Projected Cash Flow in the Following Year: The Company does not provide financial forecasts, including cash flow projections, for the following year.

IV. Impact of Major Capital Expenditures on the Company's Financial Operations for the Most Recent Fiscal Year

(I) Use and source of funding of major capital expenditures:

Unit: NT\$ thousands

April 11, 2026

Plan	Actual or Expected Source of Capital	Total Capital Required	Actual or Expected Capital Expenditure	
			Actual Expenditures	Expected Expenditures
Land and building	Own funds	10,092,870	5,768,345	5,768,345

(II) Expected potential benefits:

The Company's capital expenditures are necessary to grow the business and to maintain competitiveness.

V. Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year:

The Company's reinvestments in the most recent year were related to upstream and downstream industries within the scope of the Company's main business. For reinvestments with weaker business performance, the Company will dedicate efforts to improve product quality and channel distribution in order to improve profitability.

VI. Risk Management and Assessment

- (I) Impacts of interest and foreign exchange rate fluctuations and inflation on the Company's profit and loss, and countermeasures:
 - 1. Interest rate: The Company mainly adopts L/C loans and changes in interest rates have little impact on the Company's profitability.
 - 2. Exchange rate: The Company may engage in forward contracts to hedge risks to currency exposure in its net asset positions by using research reports from financial institutions as a reference.
 - 3. Inflation: The Company's products are used in consumer electronics, which are not significantly impacted by inflation risks.
- (II) Policies for high-risk, high-leverage investments, capital lending, endorsements, guarantees, and derivatives transaction, main reasons for the profits or losses generated thereby, and countermeasures:

The Company does not have the aforementioned transactions in the recent year.
- (III) Research and development (R&D) projects and estimated R&D expenditures:

The Company has two development strategies. The first is to continuously refine product precision, and the second is to diversify product application. Therefore, the R&D of products is continuous and these developments are inter-related and will affect one another.

As such, the Company will continue to invest in R&D, and R&D expenses are expected to grow each year.

- (IV) Impacts of changes in domestic and foreign government policies and laws on the Company's financial operations, and future countermeasures:

The Company's financial operations are conducted in accordance with applicable regulations and so far there has been no material impact to the Company due to government policy changes.

- (V) Impacts of industry and technology changes (including information and communications security risks) to the Company's financial operations, and future countermeasures:

Improvements in technology help the adoption of new product applications, improve business scale and product design capabilities as well as help to lower production costs, which should all have positive impacts on the Company's operations.

Malicious cyber attacks constantly occur, and are ever evolving and changing, and the risks to information systems are increasing. In order to prevent these constantly changing cyber security threats, the Company adopts active information security strengthening procedures:

Introducing next-generation firewall threat detection, malicious malware and program detection, multi layer mail gateway scanning systems to filter trash, phishing, or malicious emails, deploying antivirus software, monitoring online activity and establishing contingency plans in case of cyber attacks, as well as simulating irregularities to reduce cyber risk. To the publication date of the Annual Report, the Company has not had any major information security incident.

- (VI) Impacts of changes in corporate image on the company's crisis management and future countermeasures:

The Company's policy is to disclose financial and business information as required by applicable regulation, and to not make false representations. The Company shall continue to uphold this principle in the future.

- (VII) Expected benefits and potential risks related to mergers and acquisitions:

The Company does not have any recent merger or acquisition plans.

- (VIII) Expected benefits and potential risks of capacity expansion:

The Company continues to expand capacity and upgrade equipment with its own funds, and the expected benefits are in line with the Company's expectations as of the publication date of this Annual Report.

- (IX) Risk of procurement and sales concentration, and future countermeasures:

Sales:

The Company's revenues are concentrated in a small number of customers. To lower credit risks, the Company constantly monitors the financial payment status of its main customers and regularly evaluates the collectability of accounts receivables.

Procurement:

The Company has long standing relationships with its raw materials suppliers which consist of major domestic and foreign companies, thus ensuring a stable and sufficient supply of raw materials.

- (X) Impacts and risks arising from major transfer or replacement of shares by Directors, Supervisors, or shareholders with over 10% of shares in the Company: None.

- (XI) Impact of change in Company management and associated risks: None.

- (XII) Litigious or non-litigious matters:

On April 19, 2024, the Taichung District Prosecutors Office

prosecuted some of the Company's employees due to a specific software licensing dispute. The Company was also jointly prosecuted for the employees' actions. The copyright case is currently being heard by the Taichung District Court in Taiwan, and the Company has engaged a lawyer to file a statement of defense. The Prosecutors Office has already decided to not prosecute the Company's current and former representative.

(XIII) Other material risks: None.

VII. Other Important Matters: None.

Chapter 6. Special Disclosure

I. Information on Affiliates

Please visit the Market Observation Post System at <https://mops.twse.com.tw>, navigate to Single Company > Download Electronic Documents > Three Reports and Statements Required for Affiliated Companies Section, enter the company code, and retrieve information related to affiliated companies.

II. Private placement of securities of the past year as of the publication date of this Annual Report: None.

III. Other Supplementary Information: None.

IV. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report: None.