

II. Corporate Governance Report

1. Information on Directors and Management

1.1 Directors

2026.3.31

Title	Nationality/ Companies Registry	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Currently holds positions in this company and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							shares	Shareholding (%)	shares	Shareholding (%)	shares	Shareholding (%)	shares	Shareholding (%)			Title	Name	Relation	
Chairman	R.O.C	Ming-Shieh Li	M 61~70	20240524	3	20240524	118,000	0.01%	727,000	0.03%	0	0%	0	0%	National Taiwan University Department of Economics	<ul style="list-style-type: none"> Chairman, TECO Electric & Machinery Pte. Ltd. (Singapore) Independent Director, Lion Travel Service Co., Ltd. etc 	-	-	-	
Vice Chairman	R.O.C	Ho Yuan International Investment Co., Ltd.	-	20240524	3	20210723	50,420,000	2.36%	50,420,000	2.12%	0	0%	0	0%	State of New York, USA Syracuse University Master's Degree in Financial Management	<ul style="list-style-type: none"> Chairman, TECO- Westinghouse Motor Company Chairman, TECOM Co., Ltd. 	-	-	-	
		Representative: Su- Chiu Wu	F 61~70	20240524	3	20240524	0	0%	0	0%	50,000	0.00%	0	0%						
Director	R.O.C	Tung Kuang Investment Co., Ltd.	-	20240524	3	20000421	31,991,364	1.50%	31,991,364	1.35%	0	0%	0	0%	Master of Business Administration, University of Michigan, USA	<ul style="list-style-type: none"> Chairman, Taiwan Pelican Express Co., Ltd. Chairman, Anneng Green Energy Co., Ltd. 	-	-	-	
		Representative: Chwen-Jy Chiu	F 61~70	20240524	3	20060615	0	0%	2,224,068	0.09%	16,987	0.00%	0	0%						
Director	R.O.C	Jong-Chin Shen	M 71~80	20240524	3	2040524	0	0%	0	0%	0	0%	0	0%	National Taipei University of Technology Graduate Institute of Business Automation and Management Master's Degree	<ul style="list-style-type: none"> Senior Advisor to the President, Office of the President, Republic of China (Taiwan) Vice Chairman, KGI Financial Holdings Co., Ltd. 	-	-	-	
Director	R.O.C	Tong Ho Global Investment Co., Ltd.	-	20240524	3	20000421	2,240,262	0.10%	2,240,262	0.09%	0	0%	0	0%	Fu Jen Catholic University Department of Economics	<ul style="list-style-type: none"> Chairman, Sen Yeh Construction Co., Ltd. Independent Director, Aurotek Corporation., etc. 	-	-	-	
		Representative: Cheng-Tsung Huang	M 61~70	20240524	3	19910508	0	0%	15,279,849	0.64%	2,110,934	0.09%	0	0%						
Director	R.O.C	Ho Yuan International Investment Co., Ltd.	-	20240524	3	20210723	50,420,000	2.36%	50,420,000	2.12%	0	0%	0	0%	Cornell University, USA Ph.D. in Policy Analysis and Management	<ul style="list-style-type: none"> Chairman, YuShan International Consulting Co., Ltd. Director, Pau Jar Charity Foundation, etc. 	-	-	-	
		Representative: Show-Shoun Chou	M 51~60	20240524	3	20210723	0	0%	6,000	0.00%	0	0%	0	0%						

Title	Nationality/ Companies Registry	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Currently holds positions in this company and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							shares	Shareholding (%)	shares	Shareholding (%)	shares	Shareholding (%)	shares	Shareholding (%)			Title	Name	Relation	
Director	R.O.C	Creative Sensor Inc	-	20240524	3	20090619	46,987,000	2.20%	46,987,000	1.98%	0	0%	0	0%	University of Warwick, UK Master of Science	<ul style="list-style-type: none"> ● Chairman , Yingyi International Investment Co., Ltd. ● Director, Tahong Machinery Co., Ltd. 	-	-	-	
	R.O.C	Representative: Li-Chong Huang (Note1)	M 51~60	20251120	1.5	20210101	0	0%	0	0%	0	0%	0	0%			-	-	-	
Independent Director	R.O.C	Hsieh-Hsing Huang	M 61~70	20240524	3	20210723	0	0%	0	0%	0	0%	0	0%	National Chengchi University Master's Degree in Law National Sun Yat-sen University Master's Degree in Business Administration	<ul style="list-style-type: none"> ● Managing Partner (Founder), Chung Sun Certified Public Accountants ● Independent Director, China Airlines Ltd. 	-	-	-	
Independent Directo	R.O.C	Chao-Chin Tung	M 71~80	20240524	3	20240524	0	0%	0	0%	0	0%	0	0%	State of New York, USA University of Rochester Master's Degree in Materials Science	<ul style="list-style-type: none"> ● Independent Director, Powertech Technology Inc. ● Director, Homeplus Digital Co., Ltd 	-	-	-	
Independent Directo	R.O.C	Hui-Yiu Chen	M 51~60	20240524	3	20240524	0	0%	0	0%	0	0%	0	0%	National Taiwan University Department of Animal Science and Technology	<ul style="list-style-type: none"> ● Chairman, Choice Development Inc.. ● Independent Director, TCM Biotech International Corp. 	-	-	-	
Independent Directo	R.O.C	Mei-Chun Chao	F 61~70	20240524	3	20240524	0	0%	0	0%	0	0%	0	0%	National Taiwan University Master's Degree in Law Columbia University, USA Master of Laws (LL.M.)	Independent Director, Global Communication Semiconductor Holdings Ltd. (Incorporated in the Cayman Islands), etc.	-	-	-	

Note1: The representative of Creative Sensor Inc. was originally Jack Hou; he was replaced by Li-Chong Huang on November 20, 2025.

1.1.1 Major shareholders of the corporate shareholder

2026.3.31

Corporate shareholder	Major shareholders of the corporate shareholder
Ho Yuan International Investment Co., Ltd.	Five Star Asset Management Co., Ltd. (100%)
Tung Kuang Investment Co., Ltd	Kuang Yuan Industrial Co., Ltd. (39.27%), Ho-Hui Huang-Lin (35.01%), Bright Industry (HK) Co., Ltd. (12.73%), Tong Ho Global Investment Co., Ltd. (6.00%), Others (6.99%)
Tong Ho Global Investment Co., Ltd	Shang-Li Huang (25.89%), Po-Yuan Wang (20%), Kuang Yuan Industrial Co., Ltd. (29.5%), Yu-Jen Huang (17.78%), Others (6.83%)
Creative Sensor Inc	Teco Image Co., Ltd. (18.88%), Universal Cement Corporation (8.59%), Tien Da Investment Co., Ltd. (8.06%), Universal Cement Investment Co., Ltd. (5.88%), Kuan-Ling Electronics Co., Ltd. (3.72%), Creative Sensor Inc. (Treasury Shares) (2.06%), Ah-Chung Hou (1.27%), CTBC Bank Co., Ltd. in its capacity as Trustee for the Employee Stock Ownership Association Trust Account of Creative Sensor Inc. (1.20%), Kao-Huang Lin (1.20%), Po-Han Chang (0.94%)

1.1.2 For any of the aforementioned major shareholders that are legal entities, their respective major shareholders are as follows.

2026.3.31

Corporate shareholder	Major shareholders of the corporate shareholder
Five Star Asset Management Co., Ltd	Yi-Tsai Lin (16.67%), Hsin-Pao Lin (16.67%), Ming-Ku Lin (16.67%), Yi-Wen Lin (16.67%), Ming-Yuan Lin (16.67%), Hai Lin-Chen (8.33%), Shu-Chiung Tseng (4.16%), Shu-Chen Pai (4.16%)
Kuang Yuan Industrial Co., Ltd	Tung Kuang Investment Co., Ltd. (34.46%), Ho-Hui Huang-Lin (51.58%), Bright Industry (HK) Co., Ltd. (10.0%), Tong Ho Global Investment Co., Ltd. (0.74%), Others (3.22%)
Bright Industry (HK) Co., Ltd	Mei-Ling Teng (100%)
Tong Ho Global Investment Co., Ltd.	Shang-Li Huang (25.89%), Po-Yuan Wang (20%), Kuang Yuan Industrial Co., Ltd. (29.5%), Yu-Jen Huang (17.78%), Others (6.83%)
Teco Image System Inc.	Creative Sensor Inc. (29.69%), Tien Da Investment Co., Ltd. (10.45%), Koryo Co., Ltd (10.15%), Anfu International Investment Co., Ltd. (9.41%), Tong An Investment Co., Ltd. (5.01%), Kuang Yuan Industrial Co., Ltd. (4.24%), TECO International Investment Co., Ltd. (4.17%), Ching-Chiang Li (0.85%), Citibank Custody – Barclays Capital Securities Limited Investment Account (0.50%), Tong Ho Global Investment Co., Ltd. (0.45%)
Universal Cement Corporation	Sheng Yuan Investment Co., Ltd. (10.32%), Yu Sheng Investment Co., Ltd. (10.29%), Po-Yi Hou (7.93%), HSBC Custody – Bit Bank Investment Account (4.87%), Bo-Chih Investment Co., Ltd. (4.57%), Su-Chin-Chien Hou (3.43%), Standard Chartered Custody – DBS Bank Account No. 0600049662 (3.09%), Po-Yu Hou (2.76%), Wu Chun-Hsien Education and Charity Foundation (1.79%), and Po-Ming Hou (1.00%)
Tien Da Investment Co., Ltd.	Creative Sensor Inc. (29.85%), Koryo Electronics Co., Ltd. (27.27%), Teco Image System Inc. (25.17%), Lien Chang Electronics Co., Ltd. (9.79%), Multilite Co., Ltd. (6.99%), and Jih Sheng Co., Ltd. (0.92%)
Universal Cement Investment Co., Ltd	Universal Cement Corporation (100%)
Koryo Electronics Co., Ltd	Teco Image System Inc. (19.29%), Creative Sensor Inc. (19.07%), Multilite Co., Ltd. (11.30%), Chuan-Fu Lü (10.05%), Tien Da Investment Co., Ltd. (9.82%), Joyce Worldwide Co., Ltd. (2.91%), Ho-Hui Huang-Lin (2.22%), Mao-Hsiung Huang (0.94%), Joyce Investment Corp.(0.81%), Fu-Hsing Lee(0.76%)
Creative Sensor Inc	Teco Image Co., Ltd. (18.88%), Universal Cement Corporation (8.59%), Tien Da Investment Co., Ltd. (8.06%), Universal Cement Investment Co., Ltd. (5.88%), Koryo Electronics Co., Ltd. (3.72%), Creative Sensor Inc. (Treasury Shares) (2.06%), Ah-Chung Hou (1.27%), CTBC Bank Co., Ltd. in its capacity as Trustee for the Employee Stock Ownership Association Trust Account of Creative Sensor Inc. (1.20%), Kao-Huang Lin (1.20%), Po-Han Chang (0.94%)

1.1.3 Disclosure of Directors' Professional Qualifications, Experience, and Independence

Disclosure Criteria Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
Ming-Shieh Li N Convener S Convener (Note1)	<p>Chairman Li graduated from the Department of Economics at National Taiwan University and possesses over 20 years of extensive experience in multinational finance and strategic management. He currently serves as an Independent Director of Lion Travel Service Co., Ltd. His previous roles include Chairman of CTBC Bank, Chairman of Citibank Taiwan, and President of China Guangfa Bank. During his career, he spearheaded the establishment of a New Energy Vehicle (NEV) fund with Hon Hai Technology Group with a projected scale of up to NT\$10 billion, pioneering a cross-industry investment model.</p> <p>Expertise in risk management: He periodically reviews international sustainability trends and risks with the management team to strengthen strategic resilience and market positioning. He has personally led senior executives in visiting key domestic and international industrial clients, driving the company's transition from a production-oriented to a client-oriented organization, while introducing cross-departmental horizontal integration and Customer Relationship Management mechanisms. Simultaneously, he established global foreign exchange position and risk management guidelines to ensure consistency and management efficacy across order intake, pricing, and financial decision-making.</p> <p>Since assuming the chairmanship of TECO in 2024, he has established the corporate vision of becoming a "Global Core Driver of Electrification, Intelligence, and Green Energy," integrating sustainability into corporate governance and operational decisions. Under his leadership, TECO has implemented the "B(Business)→2B(Business)→2S(Sustainability)" strategy to promote ESG: enhancing low-carbon circular operations, employee well-being, and governance transparency; collaborating with customers and suppliers to co-create a low-carbon value chain; and expanding sustainable impact and economic momentum through forward-looking social investment and talent cultivation to accelerate the transition toward Net-Zero. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>	<p>Chairman Li serves as a Director of the Company's affiliates and is a Natural Person Chairman.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	1

Disclosure Criteria Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
<p>Ho Yuan International Investment Co., Ltd. Representative : Su- Chiu Wu</p> <p><input checked="" type="checkbox"/> CS Member <input checked="" type="checkbox"/> S Member</p>	<p>Vice Chairman Wu graduated from the Department of Public Finance at National Chengchi University and holds an MBA in Financial Management from Syracuse University in New York, as well as an EMBA from INSEAD in France. With over 20 years of experience in financial management and strategic planning, she previously served as General Manager of Jiayuan Investment Co., Ltd. and Chief Strategy Officer of PJ Asset Management, where she managed numerous investments in ESG and sustainable infrastructure projects.</p> <p>Industry experience: During her tenure as a Director of Yeong Guan Energy Technology Group Co., Ltd., she gained profound expertise in renewable energy policies and industrial governance. The group is a leading global supplier of green castings for major equipment manufacturers in wind turbines, injection molding machines, machine tools, and industrial machinery.</p> <p>Expertise in risk management: While serving as a Senior Financial Advisor at Siris Capital Group (a private equity firm in New York) and as CFO of Cosmos Bank (the predecessor of KGI Commercial Bank), she was responsible for financial strategy formulation and implementation, financial management, investor relations, investment and M&A decision-making, and risk and operational management. Currently, she serves as a member of the Corporate Governance and Sustainability Committee of the Company, which is responsible for reviewing the implementation and operation of risk management for "Sustainability Risk," "Compliance Risk," and "Information Security Risk."</p> <p>Since assuming the Vice Chairmanship of TECO in 2024, she has leveraged her extensive international experience and leadership to optimize operational management, risk management, and ESG information disclosure. She has actively championed green transformation, deepened the global layout for energy conservation and carbon reduction, and aligned business development with the core theme of AI Data Centers, leading the company toward continuous growth and enhancing its core competitiveness. She does not have any of the circumstances specified in Article 30 of the Company Act.</p>	<p>Vice Chairperson Wu serves as a director of affiliated companies and represents the corporate shareholder Ho-Yuan International Investment Co., Ltd.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	<p>0</p>

Disclosure Criteria Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
<p>Tung Kuang Investment Co., Ltd Representative : Chwen-Jy Chiu</p> <p><input checked="" type="checkbox"/> CS Convener <input checked="" type="checkbox"/> N Member <input checked="" type="checkbox"/> S Member</p>	<p>Director Chiu graduated from the College of Management at National Taiwan University and subsequently obtained a Master's degree from the Graduate Institute of Accounting at National Chengchi University and an MBA from the University of Michigan in the United States. She previously served as Vice President of the Business Division at ABN AMRO Bank (Taipei Branch).</p> <p>Industry experience: She joined the TECO management team in 1997 and has served in various key roles, including Head of the Finance Division, Associate Vice President of the Home Appliance Department, Executive Vice President, President, and Chairman. She possesses over 20 years of operational management experience in the electrical and mechanical equipment industry.</p> <p>Expertise in risk management: She serves as the Convener of the Corporate Governance and Sustainability Committee of the Company, which is responsible for reviewing the implementation and operation of risk management for "Sustainability Risk," "Compliance Risk," and "Information Security Risk."</p> <p>Expertise in information security: During her tenure as Chairman, she managed TECO Group's digital transformation and information security strategies. Under her leadership, the company obtained ISO/IEC 27001 and CNS 27001:2014 Information Security Management System (ISMS) certifications on November 4, 2021, and has officially joined TWCERT/CC.</p> <p>Since joining the TECO Board of Directors in 2006, she has actively promoted energy conservation, carbon reduction, smart manufacturing, and digital transformation, enhancing the Board's governance effectiveness in transformation costs and capital allocation. Simultaneously, she has been deeply involved in the strategic planning and execution of ESG, driving the company to deepen its layout in green engineering and advancing low-carbon sustainable development. She does not have any of the circumstances specified in Article 30 of the Company Act.</p>	<p>Director Chiu serves as a director and chairperson of affiliated companies and represents the corporate shareholder Tung-Kuang Investment Co., Ltd.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	<p>0</p>

Disclosure Criteria Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
<p>Jong-Chin Shen</p> <p><input checked="" type="checkbox"/> Member</p>	<p>Director Shen holds a Master's degree from the Institute of Business Automation and Management at National Taipei University of Technology, where he was also conferred an Honorary Doctorate in Engineering. He currently serves as a Senior Advisor to the President, Vice Chairman of KGI Financial Holding Co., Ltd., and an Independent Director of Gudeng Precision Industrial Co., Ltd. He possesses extensive experience in government policymaking and corporate management.</p> <p>Industry experience: During his tenure as Vice Premier of the Executive Yuan and Minister of Economic Affairs, he actively promoted Taiwan's industrial and energy transitions. His efforts laid the industrial foundations for high-end manufacturing, advanced semiconductor processes, high-tech R&D, and green energy development.</p> <p>Expertise in risk management: While serving as the Convener of the National Financial Stabilization Fund Management Committee, he led the National Financial Stabilization Fund and price stabilization mechanisms. He responded to major domestic and international events and market volatility to maintain the stability of capital and financial markets.</p> <p>Expertise in information security: During his tenure as Vice Premier of the Executive Yuan and concurrently as the Chief Information Security Officer (CISO), he elevated information security to a national security issue. He supervised various levels of government units in responding to cyberattacks from hackers and supported the industrialization of Taiwan's information security sector, establishing a comprehensive cybersecurity industrial ecosystem.</p> <p>Since joining the TECO Board of Directors in 2024, he has actively provided strategic recommendations for critical public utility sectors such as energy storage, virtual power plants, and smart grids. He has driven the development of energy-saving products, expansion of partnerships, and cultivation of professional talent. Additionally, he has assisted the company in the successful execution of the government's carbon management demonstration projects, supporting deep energy conservation and green transformation to strengthen low-carbon competitiveness and sustainable development. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>	<p>Director Shen is a natural person and does not represent a corporate shareholder.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	<p>1</p>

Disclosure Criteria Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang	<p>Director Huang graduated from the Department of Economics at Fu Jen Catholic University. He currently serves as the Chairman of Sen-Yeh Construction Co., Ltd. and as an Independent Director of Aurotek Corp. His distinguished career also includes serving as the Chairman of the Importers and Exporters Association of Taipei (IEAT) and the Chairman of the Business Council for Sustainable Development of Taiwan (BCSD-Taiwan).</p> <p>Industry experience: He possesses over 30 years of operational management experience in electrical and mechanical equipment, construction engineering, and rail engineering. He has led teams in undertaking numerous large-scale transportation infrastructure and international engineering projects, while actively promoting urban renewal and infrastructure development.</p> <p>Since joining the TECO Board of Directors in 1991, he has been actively involved in decisions regarding business strategy, asset management, and international market expansion. He provides professional counsel on budget management, capital allocation, and financial decision-making, strengthening the Board's governance capabilities concerning transformation costs and capital utilization. Simultaneously, through his role in ESG strategic planning and implementation, he has facilitated the company's long-term positioning in green engineering and low-carbon development. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>	<p>Director Huang serves as a director of the Company's affiliated enterprises and represents the corporate shareholder Tung-Ho International Investment Co., Ltd.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	1
Ho Yuan International Investment Co., Ltd. Representative : Show-Shoun Chou <input type="checkbox"/> CS Member <input checked="" type="checkbox"/> S Member	<p>Director Chou holds a Ph.D. in Policy Analysis and Management from Cornell University in the United States. He currently serves as the Chairman of YuShan International Consulting Co., Ltd. and as a Director of the Pau Jar Charity Foundation. He possesses over 20 years of experience in public policy and operational planning and management within the electronics and technology industries.</p> <p>Industry experience: He has served as a Member of the Legislative Yuan, an Advisor to the Legislative Yuan, and a Director of the National Policy Foundation, where he participated in budget oversight, policy review, and regulatory formulation.</p>	<p>Director Chou represents the corporate shareholder Ho-Yuan International Investment Co., Ltd.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing</p>	0

Name / Disclosure Criteria	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
	<p>Furthermore, he previously served as Vice Chairman of ADATA Technology Co., Ltd., focusing on data storage solutions and technological innovation and development.</p> <p>Expertise in risk management: He serves as a member of the Corporate Governance and Sustainability Committee of the Company, which is responsible for reviewing the implementation and operation of risk management for "Sustainability Risk," "Compliance Risk," and "Information Security Risk."</p> <p>Since joining the TECO Board of Directors in 2021, he has provided extensive recommendations in the areas of ESG sustainable governance, government policy, digital transformation, and asset management. His contributions have strengthened the Board's oversight functions and assisted the company in enhancing its forward-looking understanding of regulatory trends. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>	<p>Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	
<p>Creative Sensor Inc Representative: Li-Chong Huang</p>	<p>Director Huang holds a Master's degree in Manufacturing Information Technology from the University of Warwick in the United Kingdom. He currently serves as the Chairman of Yingyi International Investment Co., Ltd. and as a Director of Tahong Machinery Co., Ltd. His previous professional roles include serving as a Product Lifecycle Management (PLM) System Architect at HP and a Marketing Transformation Business Consultant at IBM.</p> <p>Industry experience: He previously served as a PC ODM Manager at First International Computer (FIC), where he was responsible for the planning and development of Intel-platform desktop computers and digital home devices.</p> <p>Expertise in risk management: He previously served as a Special Assistant to the ESG Promotion Office of the Company, where he was responsible for climate change-related sustainable transformation projects and the management of physical risks and transition risks.</p>	<p>Director Huang represents the corporate shareholder Creative Sensor Inc.</p> <p>The individual meets all independence criteria set forth in Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	<p>0</p>

<div style="text-align: center;">Disclosure Criteria</div> Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
	<p>Expertise in information security: During his tenure as the Business Process Re-engineering (BPR) and Information System (PLM) Manager at First International Computer (FIC), he was responsible for optimizing R&D processes, including material generation, design changes, and testing status monitoring. He also managed the implementation of information management software systems and the operation of hardware server room equipment, as well as information security measures such as firewalls and off-site backup.</p> <p>Director Huang has focused on operational planning in the electrical and mechanical equipment and electronic technology industries for over 20 years. He possesses expertise in Electric Vehicles (EV), smart automation, smart cities, new energy, and ESG, and has obtained the qualification of a Sustainability Manager. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>		
Hsieh-Hsing Huang <input checked="" type="checkbox"/> Convener <input checked="" type="checkbox"/> Member <input checked="" type="checkbox"/> Member	<p>Independent Director Huang graduated from the Department of Economics at National Chengchi University, and subsequently obtained a Master of Laws (LL.M.) from National Chengchi University and an MBA from National Sun Yat-sen University. He currently serves as the Managing Partner (Founder) of Chung Shan United CPAs, an Independent Director of China Airlines, and a Consultant to the New Taipei City Real Estate Association.</p> <p>Expertise in risk management: He possesses over 30 years of experience in accounting, taxation, real estate, and government fiscal systems. He has previously served as the Chairman of the New Taipei City Tax Agents Association, Chairman of the Taiwan Provincial CPA Association, and Supervisor of Taiyen Biotech Co., Ltd. He specializes in financial auditing, tax planning, and internal control, with extensive experience in risk management. Currently, he serves as the Convener of the Audit Committee of the Company, responsible for reviewing the implementation and operation of risk management for "Financial Risk" and "Internal Control Risk."</p>	Independent Director Huang met all independence qualifications both in the two years preceding his appointment and throughout his tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, all independent directors have been granted sufficient authority to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act,	1

<div style="text-align: center;">Disclosure Criteria</div> Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
	<p>Since assuming the position of Independent Director of TECO in 2021, he has provided professional counsel on financial statements, land development, asset allocation, and ESG strategies. His contributions have enhanced the Board's oversight effectiveness, strengthened corporate transparency, mitigated risks, and protected shareholder interests. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>	enabling them to exercise their duties independently.	
Chao-Chin Tung <input type="checkbox"/> Member <input checked="" type="checkbox"/> Convener <input type="checkbox"/> Member	<p>Independent Director Tung holds a Master's degree in Materials Science from the University of Rochester in New York, USA. He currently serves as an Independent Director of Powertech Technology Inc. and as a Director of Homeplus Digital Co., Ltd. He possesses over 30 years of extensive experience across the public sector, technology industry, financial services, and corporate management.</p> <p>Industry experience: He has served as the Deputy Director-General of the Hsinchu Science Park Bureau (under the National Science and Technology Council), Director of the Tainan Science Park Preparatory Office, and Chairman of the Allied Association for Science Park Industries. In these roles, he guided research and innovation in industrial technology and promoted the development of high-end technology industries. Furthermore, he has held positions as Vice Chairman and CEO of Hechow Technology Co., Ltd. and Vice Chairman of Photronics DNP Mask Corp. (PDMC), focusing on the management of computer hard drive components and semiconductor mask development.</p> <p>Expertise in risk management: He previously served as the Vice Chairman and President of China Development Financial Holding Corp. and as the Vice Chairman of CTBC Financial Holding Co., Ltd., where he gained profound expertise in risk management, ESG governance, and internal control and auditing practices. Currently, he serves as a member of the Audit Committee of the Company, responsible for reviewing the implementation and operation of risk management for "Financial Risk" and "Internal Control Risk."</p>	Independent Director Tung met all independence qualifications both in the two years preceding his appointment and throughout his tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, all independent directors have been granted sufficient authority to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to exercise their duties independently.	1

Name / Disclosure Criteria	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
	<p>Since assuming the position of Independent Director of TECO in 2024, he has provided valuable recommendations in areas such as business strategy, innovative technology, ESG sustainable development, and investment management. His contributions have enhanced the Board's operational efficiency and reinforced oversight to protect shareholder interests and assist the company in its gradual transformation toward internationalization. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>		
<p>Hui-Yiu Chen</p> <p><input type="checkbox"/> A Member <input type="checkbox"/> C Member <input checked="" type="checkbox"/> CS Member <input type="checkbox"/> N Member</p>	<p>Independent Director Chen graduated from the Department of Animal Science and Technology at National Taiwan University. He currently serves as the Chairman of Choice Development Inc., an Independent Director of Maywufa Company Ltd., an Independent Director of TCM Biotech International Corp., and a Director of Shihlin Development Co., Ltd. He possesses over 20 years of experience in operational management within the insurance and technology industries.</p> <p>Industry experience: He previously served as the Vice Chairman of Choice Development Inc., Vice Chairman of Senao International Co., Ltd., and an Independent Director of Senao Networks, Inc., where he was dedicated to the management of commercial printing, investment, communications, and information technology applications. (Note: Please verify if the previous role was at Senao Networks, Inc. or Accton Technology Co., Ltd., as both are distinct entities in the networking sector.)</p> <p>Expertise in risk management: Since assuming the role of Chairman of the Life Insurance Association of the Republic of China in 2022, he has managed strategic developments in digital transformation, legal compliance, risk management, asset-liability management, and net-zero sustainability. Currently, he serves as a member of both the Audit Committee and the Corporate Governance and Sustainability Committee of the Company, responsible for reviewing the implementation and operation of risk management for "Financial Risk," "Internal Control Risk," "Sustainability Risk," "Compliance Risk," and "Information Security Risk."</p>	<p>Independent Director Chen met all independence qualifications both in the two years preceding his appointment and throughout his tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, all independent directors have been granted sufficient authority to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to exercise their duties independently.</p>	<p>2</p>

<div style="text-align: center;">Disclosure Criteria</div> <div style="text-align: left;">Name</div>	<div style="text-align: center;">Professional Qualifications and Experience:</div>	<div style="text-align: center;">Independence Status:</div>	<div style="text-align: center;">Number of Independent Directorships in Other Public Companies:</div>
	<p>Since assuming the position of Independent Director of TECO in 2024, he has leveraged his exceptional operational leadership and expertise in information and communication technology to strengthen the Board's oversight capabilities regarding risk management and R&D for emerging technologies. He does not have any of the circumstances specified in Article 30 of the Company Act.</p>		
<p>Mei-Chun Chao</p> <p><input type="checkbox"/> Member</p> <p><input checked="" type="checkbox"/> Member</p> <p><input checked="" type="checkbox"/> Member</p>	<p>Independent Director Chao holds an LL.M. from National Taiwan University and an LL.M. from Columbia University in the United States. She is a licensed attorney in both Taiwan and the State of New York. Currently, She currently serves as the Partner-in-Charge of Marianne Chao Law Office, and Member of the Chinese Arbitration Association Court of Arbitration, and Independent Director of GCS Holdings, Inc. (Cayman). She was a former International Partner of Jones Day. She previous served as President of the Republic of China Chapter of the International Federation of Women Lawyers (FIDA), Secretary-General of the International Federation of Women Lawyers (FIDA) Global Headquarters, Executive Director and Chair of the Lawyer Ethics Committee of the Taiwan Bar Association, and Member of the Attorney Disciplinary Review Committee.</p> <p>Industry experience: She provides professional legal consultancy services for producers in the energy, construction engineering, aerospace, electronic equipment, and industrial machinery sectors, as well as for air freight and logistics, passenger airlines, and maritime shipping industries.</p> <p>Expertise in risk management: She serves as a member of both the Audit Committee and the Corporate Governance and Sustainability Committee of the Company, responsible for reviewing the implementation and operation of risk management for "Financial Risk," "Internal Control Risk," "Sustainability Risk," "Compliance Risk," and "Information Security Risk." Additionally, she is a member of the Audit Committee at GCS Holdings, Inc. (Cayman) and previously served as the Convener of the Audit Committee at SOE Electronics.</p>	<p>Independent Director Chao met all independence qualifications both in the two years preceding his appointment and throughout his tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, all independent directors have been granted sufficient authority to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to exercise their duties independently.</p>	<p>1</p>

Disclosure Criteria Name	Professional Qualifications and Experience:	Independence Status:	Number of Independent Directorships in Other Public Companies:
	<p>Expertise in information security: During her tenure as a Executive Director of the Taipei Bar Association, she was on the Task Force, responsible for planning and managing the restructuring and development of its information systems.</p> <p>Independent Director Chao has practiced law for over 30 years, possessing expertise in engineering, energy, intellectual property, cross-border legal affairs, and multi-jurisdictional dispute resolution. Since assuming the position of Independent Director of TECO in 2024, she has leveraged her extensive experience in international legal affairs and international arbitration to provide numerous optimization recommendations regarding corporate governance, compliance systems, ESG compliance, dispute resolution, and risk management. Furthermore, her mastery of international legal trends and cross-border investment risks has enhanced the Board's oversight capabilities, ensuring the Company's strict adherence to ESG disclosure obligations and international regulations while mitigating compliance risks. She does not have any of the circumstances specified in Article 30 of the Company Act.</p>		

Note1 : Functional Committee :

A: Audit Committee

C: Compensation Committee

CS: Corporate Governance & Sustainability Committee

N: Nomination Committee

S: Strategy Committee

Board Diversity and Independence

1. Board Diversity

The Company is committed to implementing a board diversity policy, as set forth in its “Corporate Governance Best Practice Principles.” The policy outlines two major dimensions of diversity for board composition, including but not limited to the following:

1.1 Basic attributes and values: such as gender, age, nationality, ethnicity, and cultural background;

1.2 Professional knowledge and skills: including professional background (e.g., law, accounting, industry expertise, finance, marketing, or technology), specific competencies, and relevant industry experience.

At the 2024 Annual General Meeting (held on May 24, 2024), the Company elected 11 directors, including 4 independent directors. All members of the Board are distinguished professionals from the industry and academia, collectively possessing diverse and complementary experience across sectors as well as expertise in finance, accounting, law, and related disciplines. The current composition aligns with the objectives of the board diversity policy.

(Refer to Note 1: Implementation of Board Diversity Policy.)

The Company continues to advance gender diversity among board members. As of the latest election, the number of female directors increased from one to three, accounting for 27.27% of the board. While this ratio has not yet reached one-third, the primary constraint is the limited number of qualified female candidates with relevant expertise in the electromechanical industry. The Company will continue to actively seek recommendations from a broad range of sources and identify suitable candidates with the goal of achieving at least one-third representation of either gender.

Management Objectives:

- a. The Board shall include at least one female director;
- b. Independent directors shall comprise more than one-third of the Board;
- c. The number of directors concurrently serving as company executives shall not exceed one-third of the Board;
- d. No more than two directors shall have a spousal or second-degree family relationship.

Status of Objective Achievement:

- a. The Board currently includes **three female directors**, accounting for **27.27%** of all members; (Achieved)
- b. **Independent directors** account for **36.36%** of the Board; (Achieved)

- c. The number of directors concurrently serving as company executives does **not exceed one-third** of the Board; (Achieved)
- d. **No directors** have spousal or second-degree kinship relationships. (Achieved)

2. Board Independence

- a. The Company's Board comprises **11 directors**, of whom **5 directors (45.46%)** meet the independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Among them, **4 serve as independent directors**, accounting for **36.36%** of the Board.
- b. All independent directors have served **no more than three consecutive terms**, and **each holds independent directorships in no more than three other public companies**. Currently, **three independent directors have served for less than three years**, while **one has served between three to six years**.
- c. There are **no spousal or second-degree familial relationships** among any of the directors. (No circumstances as stipulated in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act apply.)
- d. All directors act with a high degree of self-discipline. In accordance with applicable regulations, **any director who has a conflict of interest in matters listed on the board agenda — whether on behalf of themselves or the legal entity they represent — must disclose the material facts of such interest, abstain from discussion and voting on the relevant resolution, and shall not act as proxy for other directors.**

Note 1: Implementation of Board Diversity Policy

Item Name	1.1 Basic attributes and values			Date First Elected (YYYYMMDD)	Tenure as Independent Director	Professional Background/Experience Aligned with the Company's Future Development					Professional Knowledge and Skills							Industry Experience		
	Gender	Age	Nationality			Electric Vehicles	Smart Automation	Smart City	New Energy	Land Development	Leadership in Corporate Management	Government Policy & Strategy	International Sales and Marketing	Financial Management	E S G	Oversight	Accounting	Legal	Industrial Sector	Electronic Technology
Ming-Shieh Li	M	61-70	R.O.C	20240524	-				●		●		●							●
Su- Chiu Wu	F	61-70	R.O.C	20240524	-				●	●	●		●	●						●
Chwen-Jy Chiu	F	61-70	R.O.C	20060615	-	●	●	●	●		●		●	●		●		●		●
Jong-Chin Shen	M	71-80	R.O.C	20240524	-	●	●	●	●		●	●		●			●	●		●
Cheng-Tsung Huang	M	61-70	R.O.C	19910508	-	●	●	●	●	●		●		●			●			
Show-Shoun Chou	M	51-60	R.O.C	20210723	-	●		●		●	●			●			●	●		
Li-Chong Huang	M	51-60	R.O.C	20210101	-	●	●	●	●					●			●			
Hsieh-Hsing Huang (Independent Director)	M	61-70	R.O.C	20210723	3-6					●	●			●	●	●				●
Chao-Chin Tung (Independent Director)	M	71-80	R.O.C	20240524	<3				●		●		●		●		●			●
Hui-Yiu Chen (Independent Director)	M	51-60	R.O.C	20240524	<3						●	●		●	●			●		
Mei-Chun Chao (Independent Director)	F	61-70	R.O.C	20240524	<3				●	●				●	●		●	●		

1.2 The Management

2026.3.31

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Currently holds positions in other companies (Note1)	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
CEO	R.O.C	Ming-Shieh Li	M	2025.11.13	727,000	0.03%	0	0%	0	0%	National Taiwan University Department of Economics	Chairman, Motovario S.p.A.	-	-	-	Note2
COO	R.O.C	Su- Chiu Wu	F	2025.11.13	0	0%	50,000	0.00%	0	0%	Syracuse University Master's Degree in Financial Management	Chairman, TECO- Westinghouse Motor Company	-	-	-	Note2
President	R.O.C	Fei-yuan Kao	M	2025.04.07	277,634	0.01%	305	0.00%	0	0%	National Central University Master's Degree in Mechanical Engineering	Chairman, Tong Dai Co., Ltd.	-	-	-	Note2
Head of Business Group	R.O.C	Scott Chen	M	2026.01.01	0	0%	0	0%	0	0%	Texas Tech University, USA Master's Degree in Systems and Engineering Management	Chairman, Yatec Engineering Corp.	-	-	-	Note2
Head of Business Group	R.O.C	Jung-Pang Wang	M	2026.01.01	78,021	0.00%	1,056	0.00%	0	0%	National Taiwan University Master's Degree in Mechanical Engineering	Chairman, WUXI TECO Electric & Machinery Co., Ltd.	-	-	-	Note2
Head of Business Group	R.O.C	David Kuo	M	2025.07.01	0	0%	20,000	0.00%	0	0%	California State Polytechnic University MBA	Director, TECO- Westinghouse Motor Company	-	-	-	
Head of Business Group	R.O.C	Chi-Tseng Peng	M	2021.07.06	132,037	0.01%	0	0%	0	0%	University of Pittsburgh Master's Degree in Telecom Engineering,	Chairman, Tesen Electric & Machinery Co., Ltd.	-	-	-	
Chief Technology Officer	R.O.C	Da-Jeng Yao	M	2025.01.06	0	0%	2,000	0.00%	0	0%	University of California, Los Angeles (UCLA) Ph.D. in Mechanical and Aerospace Engineering,		-	-	-	
Assistant Vice President	R.O.C	Cliff Ho	M	2026.01.01	8,349	0.00%	0	0%	0	0%	Drexel University Master's Degree in Finance	Chairman, TECO Electric & Machinery B.V.				
Assistant Vice President	R.O.C	Andy Liu	M	2025.01.01	713,291	0.03%	889	0.00%	0	0%	National Taiwan University of Science and Technology	Director, TECO- Westinghouse Motor				

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Currently holds positions in other companies (Note1)	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
											Master's Degree in Industrial Management	Company				
Assistant Vice President	R.O.C	Amy Liao	F	2025.01.01	0	0%	0	0%	0	0%	University of British Columbia Master's Degree in Laws	Director, Shen Chang Electric Co., Ltd.				
Regional Head	R.O.C	Shang-yu Tsai	M	2025.01.01	0	0%	0	0%	0	0%	Shanghai Jiao Tong University Master's Degree in Economics and Management	Chairman, TECO Group Science-Technology (HangZhou) Co.Ltd	-	-	-	
Corporate Governance Officer	R.O.C	Shih-Hsiung, Chien	M	2019.06.01	7,000	0.00%	0	0%	0	0%	National Chung Cheng University MBA		-	-	-	
Accounting Chief	R.O.C	Tommy Wu	M	2020.11.13	33,768	0.00%	0	0%	0	0%	National Chengchi University Master's Degree in Accounting	Supervisor, Tong An Asset Development and Management Co., Ltd.	-	-	-	

Note 1: Certain executives listed above concurrently serve as directors or hold other positions in multiple domestic and overseas companies. For detailed information, please refer to the Market Observation Post System (MOPS).

Note 2: On April 7, 2025, Fei-yuan Kao was promoted from Head of Business Group to President. On November 13, 2025, Chairman Ming-Shieh Li and Vice Chairman Su-Chiu Wu concurrently assumed the roles of CEO and COO, respectively. On January 1, 2026, Scott Chen transitioned from Vice President to Head of Business Group, and Jung-Pang Wang was promoted from Assistant Vice President to Head of Business Group.

1.3 Remuneration of Directors and Management

1.3.1 Remuneration of Directors and Independent Directors

2025.12.31/ Unit: NT\$1,000

Code	Position	Name	Remuneration								Relevant remuneration received by directors who are also employees								Compensation paid to directors from an invested company other than the company's subsidiary					
			Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Allowances(D)		Ratio of total remuneration (A+B+C+D) to net income(%)		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)				Ratio of total compensation (A+B+C+D+E+F+G) to net income(%)			
			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash Dividend	Stock Dividend		Cash Dividend	Stock Dividend	The company	Companies in the consolidated financial statements	
1	Chairman	Ming-Shieh Li																						
2	Director	Ho Yuan International Investment Co., Ltd. Representative : Su- Chiu Wu																						
3	Director	Tung Kuang Investment Co., Ltd Representative : Chwen-Jy Chiu																						
4	Director	Jong-Chin Shen																						
5	Director	Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang	0	0	0	0	Total 86,137	Total 86,137	Total 586	Total 586	Total 86,723 (1.65%)	Total 86,723 (1.65%)	0	0	0	0	0	0	0	0	Total 86,723 (1.65%)	Total 86,723 (1.65%)	None	
6	Director	Ho Yuan International Investment Co., Ltd. Representative : Show-Shoun Chou																						
7	Director	Creative Sensor Inc Representative : Li-Chong Huang																						
8	Indepent Director	Hsieh-Hsing Huang																						
9	Indepent Director	Chao-Chin Tung					Total 9,600	Total 9,600	Total 1,244	Total 1,244	Total 10,844 (0.21%)	Total 10,844 (0.21%)	0	0	0	0	0	0	0	0	Total 10,844 (0.21%)	Total 10,844 (0.21%)	None	
10	Indepent Director	Hui-Yiu Chen																						
11	Indepent Director	Mei-Chun Chao																						
Total			0	0	0	0	95,737	95,737	1,830	1,830	97,567	97,567	0	0	0	0	0	0	0	0	97,567	97,567	None	

Note: This item represents the amount accrued or allocated as retirement or severance expenses.

Remuneration Bracket Table

Remuneration Range (NT\$)	Director's name (Note)			
	(A+B+C+D)		(A+B+C+D+E+F+G)	
	The Company	Parent & All Investee Entities (I)	The Company	Parent & All Investee Entities (J)
Less than 1,000,000				
1,000,000 – less than 2,000,000				
2,000,000 – less than 3,500,000	8,9,10,11	8,9,10,11	8,9,10,11	8,9,10,11
3,500,000 – less than 5,000,000				
5,000,000 – less than 10,000,000				
10,000,000 – less than 15,000,000	2,3,4,5,6,7	2,3,4,5,6,7,	2,3,4,5,6,7	2,3,4,5,6,7
15,000,000 – less than 30,000,000	1	1	1	1
30,000,000 – less than 50,000,000				
50,000,000 – less than 100,000,000				
100,000,000 and above				
Total	11 persons	11 persons	11 persons	11 persons

Note: Director code corresponding to the previous table

1.3.2 Remuneration of Management

2024.12.31 / Unit: NT\$1,000

Code	Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income(%)		Compensation paid to the president and vice president from an invested company other than the company's subsidiary
			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
									Cash	Stock	Cash	Stock			
1	CEO	Ming-Shieh Li	41,491	41,491	1,329	1,329	25,455	26,923	48,242	15,816	48,242	15,816	132,333 (2.52%)	133,801 (2.55%)	328
2	COO	Su- Chiu Wu													
3	President	Fei-yuan Kao													
4	Head of Business Group	Scott Chen													
5	Head of Business Group	Jung-Pang Wang													
6	Head of Business Group	David Kuo													
7	Head of Business Group	Chi-Tseng Peng													
8	Regional Head	Shang-yu Tsai													
9	CTO	Da-Jeng Yao													
10	Assistant Vice President	Amy Liao													
11	Assistant Vice President	Andy Liu													
12	Corporate Governance Officer	Shih-Hsiung, Chien													
13	President (Resigned on April 6, 2025)	Thomas Fann													
14	Head of Business Group (Retired on April 30, 2025)	Sung-Pin Chang													

Code	Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income(%)		Compensation paid to the president and vice president from an invested company other than the company's subsidiary	
			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements		
									Cash	Stock	Cash	Stock				
15	Assistant Vice President (Transferred to affiliated enterprise on March 1, 2025)	K. Clarence King														
Total			41,491	41,491	1,329	1,329	25,455	26,923	48,242	15,816	48,242	15,816	132,333 (2.52%)	133,801 (2.55%)	328	

Remuneration Bracket Table

Remuneration Range (NT\$)	Name	
	The Company	Parent & All Investee Entities
Less than 1,000,000		
1,000,000 – less than 2,000,000	15	15
2,000,000 – less than 3,500,000		
3,500,000 – less than 5,000,000	14	14
5,000,000 – less than 10,000,000	5.6.7.8.9.10.11.12.13	5.6.7.8.9.10.11.12.13
10,000,000 – less than 15,000,000	2.3.4	2.3.4
15,000,000 – less than 30,000,000	1	1
30,000,000 – less than 50,000,000		
50,000,000 – less than 100,000,000		
100,000,000 and above		
Total	15 persons	15 persons

Note: Managers' code corresponding to the previous table

1.3.3 Names of Managers Receiving Employee Compensation and Details of Distribution

2025.12.31 /Unit: NT\$1,000

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	CEO	Ming-Shieh Li	15,816	48,242	64,058	1.22%
	COO	Su- Chiu Wu				
	President	Fei-yuan Kao				
	Head of Business Group	Scott Chen				
	Head of Business Group	Jung-Pang Wang				
	Head of Business Group	David Kuo				
	Head of Business Group	Chi-Tseng Peng				
	Regional Head	Shang-yu Tsai				
	CTO	Da-Jeng Yao				
	Assistant Vice President	Amy Liao				
	Assistant Vice President	Andy Liu				
	Corporate Governance Officer	Shih-Hsiung, Chien				
	President (Resigned on April 6, 2025)	Thomas Fann				
	President of Business Group (Retired on April 30, 2025)	Sung-Pin Chang				
	Assistant Vice President (Transferred to affiliated enterprise on March 1, 2025)	K. Clarence King				

1.4 Analysis of the Ratio of Total Remuneration Paid to the Company's Directors, President, and Vice Presidents by the Company and All Consolidated Entities in the Past Two Years to the Company's Net Income After Tax, and Description of the Remuneration Policy, Standards, Composition, Determination Procedures, and Its Relevance to Business Performance

Unit: NT\$1,000

Year	Total remuneration paid to directors, presidents and vice presidents	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)
2025	231,368	4.03%
2024	191,052	3.31%

In accordance with Article 26 of the Company's Articles of Incorporation, if the Company has earnings in a given year, after offsetting accumulated losses, it shall allocate 1% to 10% of the remaining profit as employee remuneration and no more than 5% as directors' remuneration.

The Company’s remuneration policy is based on market salary levels for comparable positions in the industry, the scope of responsibilities associated with the position within the Company, and the individual’s contribution to achieving the Company’s operational goals. In accordance with the Guidelines for Directors’ Remuneration Allocation and the Guidelines for Employee Remuneration Allocation, the remuneration of directors and senior management is determined based on the Company’s overall operating performance, potential business risks, individual performance evaluations, and each individual’s contribution to the Company’s results, to ensure reasonable and appropriate compensation.

In accordance with Article 21 of the Company’s Articles of Incorporation, directors’ remuneration is determined by the Compensation Committee based on the level of participation in the Company’s operations and the value of their contributions, with reference to industry standards both domestically and internationally. The proposed remuneration is then submitted to the Board of Directors for approval. According to the “Board Performance Evaluation Guidelines,” the Company conducts an annual board performance assessment at the end of each fiscal year. The self-assessment by directors covers six key areas: understanding of the Company’s goals and missions, awareness of director responsibilities, level of participation in Company operations, internal relationship management and communication, professional competency and ongoing education, and internal control. The results of the annual board performance evaluation are provided to the Compensation Committee as a reference for determining the remuneration of individual directors.

Linkage Between Incentive Mechanism and Sustainability Performance

To encourage the President, business group heads, presidents of key affiliated companies, mid- to senior-level managers, and professional talents to focus on long-term overall performance while promoting sustainable operations and achieving ESG goals, the Company has established sustainability performance indicators aligned with its sustainability strategy and objectives. These indicators are included as part of the key performance indicators (KPIs) for the President, business group heads, and presidents of key affiliated companies.

KPI scores have a direct impact on the amount of long-term incentive bonuses awarded and indirectly affect the distribution of various short-term bonuses through performance evaluations. This ensures that the rewards and incentives for managers and professional talents at all levels are closely aligned with the Company’s overall sustainability goals, thereby driving the implementation of its sustainability development strategy.

Specifically, the sustainability performance indicators are set as follows:

- 1. **President and Business Group Heads**
Sustainability performance indicators account for **2% of the total performance score**, with the following components and weights:
 - Cumulative achievement rate of greenhouse gas (GHG) emissions reduction targets (0.5%)
 - Cumulative achievement rate of GHG emissions intensity reduction (1%)
 - Cumulative achievement rate of green supply chain targets (0.5%)

2. **Presidents of Key Affiliated Companies**

Sustainability performance indicators account for **4% of the total performance score**, with the following components and weights:

- Cumulative achievement rate of GHG emissions reduction targets (1%)
- Cumulative achievement rate of GHG emissions intensity reduction (1%)
- Implementation of key emission reduction initiatives (1.2%)
- Cumulative achievement rate of green supply chain targets (0.8%)

For sales-oriented affiliated companies, the following indicators apply instead:

- Cumulative achievement rate of GHG emissions intensity reduction (1%)
- Growth rate of low-carbon product sales ratio (3%)

3. **Mid- to Senior-Level Managers and Professional Talents**

The KPIs for mid- to senior-level managers and professional talents are directly linked to the KPIs of their respective business group heads. This linkage is intended to ensure active collaboration in promoting business group sustainability goals and aligning with the Company's overall sustainability strategy.

Starting from 2026, the Company's Long-Term Incentive (LTI) bonus distribution mechanism will be structured such that 20% is linked to ESG performance and 30% is linked to Relative Total Shareholder Return (RTSR).

The ESG performance portion is calculated and distributed based on the achievement rate of the target for carbon emission intensity per unit of output value. The Relative Total Shareholder Return (RTSR) is calculated based on the Company's Total Shareholder Return (TSR) relative to its industry peers, excluding outliers that exceed 1.5 times the Interquartile Range (IQR).

2. Corporate Governance Status

2.1 Operation of the Board of Directors

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:					
Position	Name	Actual Attendance	Proxy Attendance	(%) Attendance Rate	Notes
Chairman	Ming-Shieh Li	8	0	100%	Expected to attend 8 meetings
Vice Chairman	Ho Yuan International Investment Co., Ltd. Representative : Su-Chiu Wu	8	0	100%	Expected to attend 8 meetings
Director	Tung Kuang Investment Co., Ltd Representative : Chwen-Jy Chiu	8	0	100%	Expected to attend 8 meetings
Director	Jong-Chin Shen	8	0	100%	Expected to attend 8 meetings
Director	Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang	7	1	87.5%	Expected to attend 8 meetings
Director	Ho Yuan International Investment Co., Ltd. Representative : Show-Shoun Chou	8	0	100%	Expected to attend 8 meetings
Director	Creative Sensor Inc Representative : Jack Hou	7	0	100%	Expected to attend 7 meetings
	Representative : Li-Chong Huang (Re-appointed on November 20, 2025)	1	0	100%	Expected to attend 1 meetings
Indepent Director	Hsieh-Hsing Huang	8	0	100%	Expected to attend 8 meetings
Indepent Director	Chao-Chin Tung	8	0	100%	Expected to attend 8 meetings
Indepent Director	Hui-Yiu Chen	8	0	100%	Expected to attend 8 meetings
Indepent Director	Mei-Chun Chao	8	0	100%	Expected to attend 8 meetings

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

The actual attendance rate of all directors at Board meetings was 98.86%, with all independent directors attending each meeting in person.

Calculation: Total actual attendance by all directors was 87 out of 88 expected attendances, resulting in a 98.86% attendance rate.

Other Matters to Be Disclosed:

1. If any of the following circumstances occurred during Board operations, the Company shall disclose the meeting date, session, proposal details, opinions of all independent directors, and how the Company addressed those opinions:

(1) Matters specified under Article 14-3 of the Securities and Exchange Act:

Please refer to the section "Audit Committee Operations" in this Annual Report. All proposals under this category were unanimously approved by all independent directors.

(2) Other resolutions of the Board of Directors, excluding the aforementioned matters, that were opposed or reserved by any independent director with recorded or written statements:

None.

2. Implementation of Recusal by Directors in Case of Conflict of Interest

(1) 27-7th Board Meeting (Feb 19, 2025)

Director Name: Vice Chairman Su- Chiu Wu

Agenda Item: Discussion on the Chairman's remuneration

Reason for Recusal and Voting Status: As the proposal concerned Vice Chairman Su- Chiu Wu's own remuneration, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.

Resolution: With Vice Chairman Su- Chiu Wu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

(2) 27-8th Board Meeting (Mar 14, 2025)

Director Name: Chairman Ming-Shieh Li, Director Show-Shoun Chou

Agenda Item: Discussion on remuneration for appointment of former Chairwoman as Senior Advisor

Reason for Recusal and Voting Status: Chairman Ming-Shieh Li and Director Show-Shoun Chou, as members of the Board of Directors of the TECO Technology Foundation, recused themselves from the discussion and voting of this proposal due to a conflict of interest. They did not participate in the deliberation or resolution. Vice Chairman Su-Chiu Wu acted as the meeting chair for this proposal.

Resolution: With Chairman Ming-Shieh Li and Director Show-Shoun Chou recused, Vice Chairman Su-Chiu Wu, acting as the chair, consulted the remaining directors present. The Board resolved to amend the content of the second point in the agenda description and approved the donation of NT\$24 million.

(3) 27-9th Board Meeting (May 14, 2025)

Director Name: Chairman Ming-Shieh Li, Vice Chairman Su-Chiu Wu

Agenda Item: Proposal for TECO Holding USA Inc. to increase capital investment in TECO Electric & Machinery S.A. de C.V. by US\$5 million.

Reason for Recusal and Voting Status: Chairman Ming-Shieh Li recused himself from the discussion and voting due to a conflict of interest arising from his directorship at TECO Holding USA Inc.; he temporarily left the meeting and did not participate in the discussion or voting. Director Chwen-Jy Chiu acted as the meeting chair. Vice Chairman Su-Chiu Wu also recused herself and temporarily left the meeting and did not participate in the discussion or voting due to a conflict of interest arising from her positions as Chairperson of both TECO Holding USA Inc. and . TECO Electric & Machinery S.A. de C.V.

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

Resolution: With Chairman Ming-Shieh Li and Vice Chairman Su-Chiu Wu recused, the acting chair, Chwen-Jy Chiu, consulted all remaining directors present. The proposal was approved without objection.

Director Name: Director Chwen-Jy, Chiu

Agenda Item: Proposal for UVG and GTM to invest in TNL via a debt-to-equity swap to restore TNL's net worth to a positive position before proceeding with liquidation.

Reason for Recusal and Voting Status: Director Chwen-Jy Chiu recused herself and temporarily left the meeting due to a conflict of interest arising from her directorships at UVG and GTM; she did not participate in the discussion or voting of this proposal.

Resolution: With Director Chwen-Jy Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

(4) 27-10th Board Meeting (Jul 30, 2025)

Director Name: Director Show-Shoun Chou

Agenda Item: Proposal for a strategic alliance through a share swap, utilizing the issuance of new shares as consideration for the acquisition of newly issued shares from Foxconn.

Reason for Recusal and Voting Status: Director Show-Shoun Chou recused himself and temporarily left the meeting, as his spouse is employed at the Hon Hai (Foxconn) Education Foundation; he did not participate in the discussion or voting of this proposal.

Resolution: With Director Show-Shoun Chou recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

(5) 27-11th Board Meeting (Aug 13, 2025)

Director Name: Director Chwen-Jy, Chiu

Agenda Item: Proposal for the remuneration of the outgoing Chairperson's appointment as Senior Consultant.

Reason for Recusal and Voting Status: Director Chwen-Jy Chiu recused herself and temporarily left the meeting as the proposal involved her own remuneration; she did not participate in the discussion or voting of this proposal.

Resolution: With Director Chwen-Jy Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

(6) 27-12th Board Meeting (Oct 15, 2025)

Director Name: Director Chwen-Jy, Chiu

Agenda Item: Proposal to transfer 14.2 hectares of leased land held by the affiliate "TECO Technology (Vietnam) Co., Ltd." to "JINFEIDA (VIETNAM) POWER TOOLS CO., LTD" for a total price of approximately US\$20.7 million or more, to be executed through the establishment of a Special Purpose Vehicle (SPV).

Reason for Recusal and Voting Status: Director Chwen-Jy Chiu recused herself and temporarily left the meeting due to a conflict of interest arising from her directorship at TECO Technology (Vietnam) Co., Ltd.; she did not participate in the discussion or voting of this proposal.

Resolution: With Director Chwen-Jy Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

Director Name: Chairman Ming-Shieh Li

Agenda Item: Proposal to approve the Company's participation in the cash capital increase of TECOBAR Technology Co., Ltd. for an amount not exceeding NT\$350 million.

Reason for Recusal and Voting Status: Chairman Ming-Shieh Li recused himself and temporarily left the meeting due to a conflict of interest arising from his directorship at TECOBAR Technology Co., Ltd.; he did not participate in the discussion or voting of

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

this proposal, and Vice Chairman Su-Chiu Wu acted as the meeting chair.

Resolution: With Chairman Ming-Shieh Li recused, Vice Chairman Su-Chiu Wu, acting as the chair, consulted the remaining directors present. The proposal was approved without objection.

(7) 27-13th Board Meeting (Nov 13, 2025)

Director Name: Vice Chairman Su- Chiu Wu

Agenda Item: Proposal for the establishment of the COO position and the related appointment.

Reason for Recusal and Voting Status: Vice Chairman Su-Chiu Wu recused herself and temporarily left the meeting as the proposal involved her own job appointment; she did not participate in the discussion or voting of this proposal.

Resolution: With Vice Chairman Su-Chiu Wu recused due to a conflict of interest, the Chairman consulted the remaining directors present; Director Jack Hou expressed his opposition, while the other directors expressed their consent. The proposal was thus approved.

Director Name: Chairman Ming-Shieh Li

Agenda Item: Proposal for the establishment of the CEO position and the related appointment.

Reason for Recusal and Voting Status: Chairman Ming-Shieh Li recused himself and temporarily left the meeting as the proposal involved his own job appointment; he did not participate in the discussion or voting of this proposal, and Vice Chairman Su-Chiu Wu acted as the meeting chair.

Resolution: With Chairman Ming-Shieh Li recused, Vice Chairman Su-Chiu Wu, acting as the chair, consulted the remaining directors present. The proposal was approved without objection.

Director Name: Chairman Ming-Shieh Li, Vice Chairman Su-Chiu Wu

Agenda Item: Proposal for the remuneration of the Chairman and the Vice Chairman.

Reason for Recusal and Voting Status: As the proposal involved the remuneration of Chairman Ming-Shieh Li and Vice Chairman Su-Chiu Wu, they both recused themselves and temporarily left the meeting due to a conflict of interest; they did not participate in the discussion or voting of this proposal, and Director Jong-Chin Shen acted as the acting chair.

Resolution: With Chairman Ming-Shieh Li and Vice Chairman Su Chiu Wu recused, Director Jong-Chin Shen, acting as the chair, consulted the remaining directors present. The proposal was approved without objection.

(8) 27-14th Board Meeting (Dec 12, 2025)

Director Name: Chairman Ming-Shieh Li, Vice Chairman Su-Chiu Wu

Agenda Item: Proposal for TECO Holding USA Inc. to increase capital investment in TECO Electric & Machinery S.A. de C.V. by US\$10 million.

Reason for Recusal and Voting Status: Director Ming-Shieh Li and Director Su Chiu Wu recused themselves and temporarily left the meeting due to a conflict of interest arising from their directorships at TECO Holding USA Inc.; they did not participate in the discussion or voting of this proposal. Director Jong-Chin Shen acted as the acting chair for this matter.

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

Resolution: With Chairman Ming-Shieh Li and Vice Chairman Su Chiu Wu recused, Director Jong-Chin Shen, acting as the chair, consulted the remaining directors present. The proposal was approved without objection.

Director Name: Director Chwen-Jy, Chiu

Agenda Item: Proposal for the Loaning of Funds to Affiliated Companies.

Reason for Recusal and Voting Status: Director Chwen-Jy Chiu recused herself and temporarily left the meeting due to a conflict of interest arising from her directorships at GTM and UVG; she did not participate in the discussion or voting of this proposal.

Resolution: With Director Chwen-Jy Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

3. Implementation of Board Performance Evaluation

Evaluation Frequency	Evaluation Period Evaluation Method	Evaluation Scope	Evaluation Method	Evaluation Content
Annually Implementation Once	2025.1.1~ 2025.12.31	Board of Directors	Board Members The "Board Performance Self- Evaluation Questionnaire"	covering five major aspects: participation in the company's operations, enhancement of the quality of board decisions, board composition and structure, director selection and continuing education, and internal control, with a total of 45 evaluation indicators.
Annually Implementation Once	2025.1.1~ 2025.12.31	Individual Board Members	Self-Evaluation by Directors The "Individual Director Performance Self- Evaluation Questionnaire"	covering six major aspects: understanding of the company's goals and missions, awareness of director responsibilities, participation in company operations, management and communication of internal relationships, professional competence and continuing education, and internal control, with a total of 23 evaluation indicators.
Annually Implementation Once	2025.1.1~ 2025.12.31	Functional Committee	Self-Evaluation by Functional Committee Members "Functional Committee Performance Self- Evaluation Questionnaire"	Participation in the company's operations, understanding of the functional committee's responsibilities, enhancement of the quality of committee decisions, composition and member selection of the functional committee, and internal control.

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

The "2025 Board Performance Evaluation Report" was presented to the 27-15th Board Meeting (February 11, 2026). The performance of the Board of Directors, individual Board members (self-evaluation), Audit Committee, Remuneration Committee, Corporate Governance and Sustainability Committee, Nomination Committee, and Strategic Committee were all rated as "Excellent." Each evaluation metric met the standards, demonstrating the Board's operational efficiency and the effective fulfillment of the functional committees' duties.

<p>An external professional independent organization conducts the evaluation once every three years.</p>	<p>2023.1.1~2023.12.5</p>	<p>Operation of the Board of Directors and Its Functional Committees, Including the Audit Committee and the Compensation Committee</p>	<p>An external professional organization, the "Taiwan Corporate Governance Association," was commissioned to conduct the board performance evaluation.</p> <p>November 2023: A document review was conducted, covering internal regulations, board meeting minutes, and directors' responses to the evaluation questionnaire.</p> <p>December 4 & 5, 2023:</p>	<p>Board of Directors:</p> <ol style="list-style-type: none"> 1. Board Professional Competency – including board composition and structure, director selection, and continuing education. 2. Board Decision-Making Effectiveness – including participation in company operations and enhancement of board decision quality. 3. Board Oversight of Internal Controls – the board's emphasis on and supervision of internal control mechanisms. 4. Board Commitment to Sustainability – the board's attitude toward sustainable business operations. <p>Functional Committees:</p> <ol style="list-style-type: none"> 1. Audit Committee: All Independent Directors have access to sufficient information regarding proposals. Through close communication with the relevant responsible personnel, they can more effectively oversee the internal control and auditing processes of the evaluated enterprise and provide relevant recommendations for improvement. 2. Remuneration Committee: All Independent Directors are able to engage in
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In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

				thorough discussions. Furthermore, as the evaluated enterprise has established specific evaluation standards, it facilitates the Independent Directors in providing recommendations and reaching consensus on the decision-making assessments of remuneration strategies.
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Recommendations for Improvement:

1. Enhance Communication Frequency between Management and Board Members: Depending on the complexity of the proposals, provide timely briefings to Board members regarding the background of the matters.
2. Continually Strengthen Integrated Risk Assessment and Management Mechanisms: Deepen discussions on topics such as operational strategic layouts and changes in the industry ecosystem, and provide explanations on integrated risk management assessments and actual execution status.

Improvement Plans:

1. The Company's management team will provide timely briefings on the background of proposals to Board members and summarize the opinions and responses raised by Directors prior to meetings. This will facilitate the application of past experiences to future decision-making assessments.
2. The 2023 risk management scope, organizational structure, and operational status were reported to the 26-12th Board Meeting (December 22, 2023). In addition to assessing internal control, financial, strategic/operational, compliance, information security, sustainability, and quality risks, new assessments for supply chain, occupational health and safety, human resources, macroeconomic, geopolitical, and disaster risks were added, alongside reports on their management status and improvement plans. Moving forward, discussions on operational strategic layouts and industry ecosystem changes will be increased as appropriate. The 2023 External Board Performance Evaluation Report was reported to the 26th-21st Board Meeting (March 15, 2024).

4. Objectives and Evaluation of Implementation for Strengthening Board Functions in the Current and Recent Years:

- (1) In fulfillment of directorial duties and to safeguard the interests of the Company and its shareholders, site visits were arranged for Directors to inspect the operations of affiliated companies. In April 2025, a site visit was conducted at the affiliate Motovario S.p.A. in Italy to perform on-site supervision and verification of its business operations, financial management, and internal control implementation.

In 2025, the Board of Directors held 8 meetings. The attendance of the directors is as follows:

- (2) To ensure the Board can effectively oversee ESG-related strategies and plans, dedicated personnel are scheduled to report on various ESG initiatives and their implementation status regularly, facilitating supervision and recommendations from the Directors. The "2025 ESG Work Plan" was reported to the 27-7th Board Meeting (February 19, 2025); the "Implementation Status of the Plan" and the "Company's 2024 Sustainability Report" were reported to the 27-11th Board Meeting (August 13, 2025). Furthermore, in accordance with the requirements of the Taiwan Stock Exchange (TWSE), the following reports are presented to the Board quarterly: the "TECO Group Greenhouse Gas Inventory and Verification Schedule Implementation Report" and the "Implementation Progress Report on the Adoption of IFRS Sustainability Disclosure Standards."

2.2 Operation of Audit Committee

The Company established its **Audit Committee** on **June 15, 2012**, replacing the former supervisor system. The Committee is composed of **four independent directors** appointed by the Board of Directors. One independent director is elected by all committee members to serve as the convener and chairperson of meetings.

For details regarding the professional qualifications and experience of the committee members, please refer to **page 10: “Disclosure of Directors’ Professional Qualifications and Independence.”**

The operations of the Audit Committee are conducted in accordance with the Company’s **“Audit Committee Charter.”** The Committee’s scope of review includes: the Company’s financial statements; auditing and accounting policies and procedures; internal control systems; material asset or derivative transactions; fundraising or issuance of securities; appointment, dismissal, or compensation of the certified public accountant; and the appointment or dismissal of financial, accounting, or internal audit officers.

Key Focus Areas in 2025

a. Reviewed financial reports

The Company’s Board of Directors prepared the 2024 financial statements (including the consolidated financial statements), which were audited and certified by CPA Hsu, Sheng-Chung and CPA Tu, Chan-Yuan of PwC Taiwan. These statements, along with the business report and the proposal for earnings distribution, were reviewed and approved by the 6th meeting of the 5th Audit Committee on March 14, 2025. The proposals were subsequently approved by the 8th meeting of the 27th Board of Directors on March 14, 2025, and have been submitted for approval at the 2025 Annual General Shareholders’ Meeting scheduled for June 3, 2025.

b. Assessed the effectiveness of the internal control system

The Company evaluated the design and implementation of its internal control system for the year 2024 in accordance with the assessment criteria set forth in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to determine its effectiveness.

The internal control self-assessments conducted by the Company’s internal units and subsidiaries have been reviewed and completed, with no material deficiencies identified in the design or implementation of the internal control system. The results were approved by the 6th meeting of the 5th Audit Committee on March 14, 2025, and subsequently approved by the 8th meeting of the 27th Board of Directors on March 14, 2025. The “Internal Control System Statement” for the year 2024 was then issued accordingly.

c. Reviewed the audit plan

The Audit Office formulated the **2026 Audit Plan** based on risk assessment results. The plan includes: routine audits of business units, audits of engineering projects, and audits of both overseas and domestic affiliated companies. The plan was reviewed and approved by the 12th

meeting of the 5th Audit Committee on December 11, 2025, and subsequently approved by the 14th meeting of the 27th Board of Directors on December 12, 2025. In accordance with relevant regulations, the required information will continue to be filed via the internet information system with the competent authority for record-keeping before the end of each fiscal year.

In 2025, the Audit Committee held 7 meetings. The attendance of the members is as follows:					
Position	Name	Actual Attendance	Proxy Attendance	(%) Attendance Rate	Notes
Convener & Chairperson	Hsieh-Hsing Huang	7	0	100%	
Member	Chao-Chin Tung	7	0	100%	
Member	Hui-Yiu Chen	7	0	100%	
Member	Mei-Chun Chao	7	0	100%	

Other Matters to Be Disclosed:

1. If any of the following situations occur regarding the operation of the Audit Committee, the company shall disclose the date and term of the Board meeting, the proposal content, the resolution of the Audit Committee, and how the company handled the opinions of the Audit Committee:

(1) Matters listed under Article 14-5 of the Securities and Exchange Act – summarized in the table below.

(2) Other Board resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors – None.

Board of Directors	Proposal content and subsequent actions	Matters specified in Article 14-5 of the Securities and Exchange Act	Matters that were not approved by the Audit Committee but were resolved with the consent of at least two-thirds of all directors.
27-8 Board of Directors (2025.3.14)	The completion of the Company's 2024 self-assessment of internal control systems.	√	
	Proposal for the Company's 2024 Business Report and Financial Statements (Consolidated and Individual).	√	
	Proposal for the Company's 2024 Profit Distribution.	√	
	Proposal for the assessment of Audit Quality Indicators (AQI), independence, and suitability of the external auditors for engagement.	√	
	Proposal for the engagement and remuneration of the Company's external auditors.	√	
	Proposal to establish the "Regulations Governing the Transfer of Repurchased Shares to Employees" for the 17th share buyback.	√	
	Proposal for the 17th repurchase of the Company's issued shares and subsequent transfer to employees for incentive purposes.	√	
	Proposal for the investment in NCL Energy Sdn Bhd for an amount not exceeding MYR 70 million.	√	
	Proposal to amend the Company's "Procedures for Acquisition or Disposal of Assets."	√	
Proposal to amend the Company's "Procedures for Endorsement and Guarantee."	√		

	Change of the Company's Chief Internal Auditor. Resolution of the Audit Committee (March 12, 2025): Regarding the proposals to amend the Company's "Procedures for Acquisition or Disposal of Assets" and "Procedures for Endorsement and Guarantee," after the Chair consulted all attending members, the proposals were approved as originally proposed, with the exception of certain provisions requiring the Chairman's approval within authorized limits to be submitted to the next Board meeting for ratification. All other proposals were approved with the consent of all attending members of the Audit Committee. The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.	v	
27-9 Board of Directors (2025.5.14)	The Company's 2025 Q1 Consolidated Financial Statements. Proposal for TECO Holding USA Inc. to increase capital in TECO ELECTRIC & MACHINERY SA DE CV (TECO Mexico) by USD 5 million. Proposal to establish a new credit limit for non-guaranteed commercial paper. To streamline the investment structure, the proposal is to sell AAT's equity interest in Dongguan Tung Shing to AEM at its book value of CNY 30,871,975, followed by the liquidation of AAT. To streamline the investment structure, the proposal is for UVG and GTM to invest a total of EUR 12,800 thousand in TNL through debt-to-equity swaps to return TNL's net worth to positive, followed by its liquidation. Proposal to amend the "Regulations Governing the Transfer of Repurchased Shares to Employees" for the 17th share buyback. Proposal to incorporate the management of sustainability information into the General Principles of the Internal Control System. Resolution of the Audit Committee (May 14, 2025): Approved with the consent of all attending members of the Audit Committee. The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.	v v v v v v	
27-10 Board of Directors (2025.7.30)	Proposal for a strategic alliance through a share exchange, using the issuance of new shares as consideration for the acquisition of newly issued shares from Hon Hai Precision Industry Co., Ltd. Resolution of the Audit Committee (July 30, 2025): After the Chair consulted all attending members, the proposal was approved as originally proposed without objection. However, members expressed the expectation that the Company should further negotiate with the counterparty regarding certain attached conditions. The Company's Response to the Audit Committee's Opinions: With the exception of Director Show-Shoun Chou, who recused himself due to a conflict of interest, the Chairman consulted the remaining 10 attending Directors. Two expressed opposition and eight expressed approval. In total, more than one-half of the attending Directors voted in favor, and the proposal was resolved and approved. The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.	v	
27-11 Board of Directors (2025.8.13)	The Company's 2025 Q2 Consolidated Financial Statements. The Company's 2025 Treasury Share Transfer Plan. Resolution of the Audit Committee (August 12, 2025): The Company's 2025 Treasury Share Transfer Plan was resolved following a joint discussion with the Remuneration Committee. (As the members of both committees are identical, the proposal was approved with the consent of all attending members of the Remuneration Committee.) All other proposals were approved with the consent of all attending members of the Audit Committee. The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.	v v	
27-12 Board of Directors (2025.10.15)	Proposal to transfer 14.2 hectares of leased land held by the Company's affiliate, "TECO Technology (Vietnam) Co., Ltd.," to "JINFEIDA (VIETNAM) POWER TOOLS CO., LTD" for a total price of approximately US\$ 20.7 million or more. The transfer will be executed through the establishment of a Special Purpose Vehicle (SPV). Proposal to authorize the Company's participation in the cash capital increase of TECOBAR Technology Co., Ltd., for an amount not exceeding NT\$ 350 million. Resolution of the Audit Committee (October 15, 2025): Approved with the consent of all attending members of the Audit Committee. The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.	v v	
27-13 Board of Directors (2025.11.13)	The Company's 2025 Q3 Consolidated Financial Statements. Proposal to authorize the issuance of unsecured corporate bonds in multiple tranches within one year. Proposal to amend the Company's "Operating Procedures for Financial and Business Matters Between Related Parties." Resolution of the Audit Committee (November 11, 2025): Approved with the consent of all attending members of the Audit Committee.	v v v	

	The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.		
27-14 Board of Directors (2025.12.12)	The Company's 2026 Audit Plan.	v	
	Proposal for TECO Holding USA Inc. to increase capital in TECO ELECTRIC & MACHINERY SA DE CV (TECO Mexico) by US\$ 10 million.	v	
	Proposal for loans to affiliated enterprises.	v	
	Proposal to amend the Internal Control System in response to the Securities and Exchange Act's regulations regarding the enhancement of remuneration for entry-level employees.	v	
	Resolution of the Audit Committee (December 11, 2025): Approved with the consent of all attending members of the Audit Committee.		
	The Company's Response to the Audit Committee's Opinions: Approved with the consent of all attending Directors.		

2. Communication Between Independent Directors, Internal Audit Officers, and Certified Public Accountants

(1) Methods of Communication:

The Company has established direct communication channels between independent directors, the internal audit officer, and the certified public accountants (CPAs). In accordance with regulatory requirements, independent directors regularly review the Company's financial and operational status and communicate directly with both management and governance units.

a. The internal audit officer reports regularly at each quarterly Audit Committee meeting on the execution of audit activities, follow-up and improvements on audit findings, and the overall effectiveness of corrective measures. In addition to submitting written audit reports to independent directors on a monthly basis, the internal audit officer also delivers project-specific reports based on the suggestions of individual independent directors.

b. Upon completion of the annual and quarterly audits or reviews, the CPAs report the audit or review results of the financial statements of the Company and its domestic and overseas subsidiaries to the Audit Committee, along with other communication matters required by relevant laws and regulations.

(2) Communication between independent directors and the internal audit officer was smooth and effective. A summary of key communication matters in 2025 is as follows:

Audit Committee	Discussion Topic	Summary of Communication
	Report on the execution of internal audit tasks for Q4 2024	Acknowledged. No further comments.
5-6 (2025.3.14)	Completion of the 2024 Internal Control Self-Assessment <i>(Internal Control System Statement)</i>	The proposal was approved without objection after the Chair consulted all attending members. It was subsequently submitted to the 27-8th Board of Directors meeting (March 14, 2025) for discussion and resolution, where it was approved. The Company shall act in accordance with the Board's resolution.
5-7 (2025.5.14)	Report on the execution of internal audit tasks for Q1 2025	Acknowledged. No further comments.
5-9 (2025.8.12)	Report on the execution of internal audit tasks for Q2 2025	Acknowledged. No further comments.
5-11 (2025.11.11)	Report on the execution of internal audit tasks for Q3 2025	Acknowledged. No further comments.

	<p>Communication between Independent Directors and the Internal Audit Officer (Without the presence of non-independent Directors and Management)</p> <p>Topic: Audit plans for overseas affiliated enterprises. Independent Directors' Suggestions: Please increase the frequency of audits for overseas affiliated enterprises.</p>	<p>Audit Team:</p> <p>1. Communication with the external auditors of each overseas affiliated enterprise has been scheduled at least once per year.</p> <p>2. Following the Independent Directors' instructions and in alignment with the established audit plan, the team will conduct on-site audits of overseas subsidiaries within feasible scope.</p>
5-12 (2025.12.11)	2026 Audit Plan Proposal	<p>The proposal was approved as submitted without objection after the Chair consulted all attending members. Simultaneously, the Chair requested the integration of overseas sites under various subsidiaries, ensuring that subsidiary sites within the same region are collectively included in the Group's audit scope and items.</p> <p>The proposal was subsequently submitted to the 27-14th Board of Directors meeting (December 12, 2025) for discussion and resolution, where it was approved. The Company shall act in accordance with the Board's resolution.</p>

(3) Communication between the independent directors and the Company's certified public accountants was smooth and effective, with no additional recommendations from the independent directors. A summary of key communication matters in 2025 is as follows:

Audit Committee Meeting	Discussion Topic	Summary of Communication
<p>Private Communication Meeting (March 6, 2025)</p> <p>Without the presence of non-independent Directors and Management</p>	<p>Topics:</p> <p>1. Explanation of the 2024 Consolidated and Parent Company Only Financial Statements Audit: Audit scope, financial statement analysis, adjustment entries, subsequent events, Key Audit Matters (KAMs), and audit conclusions.</p> <p>2. Explanation of Audit Matters: Business combinations, asset impairment, significant asset disposals, and post-audit reminders such as strengthening the internal control systems of subsidiaries and goodwill impairment assessment for the Group.</p> <p>Other Topics: Updates on standards and regulations, such as IFRS 18 and amendments to the Securities and Exchange Act.</p>	<p>Independent Directors' Suggestions/Inquiries:</p> <p>The status of cash balances for individual entities within the Group.</p> <p>The acquisition procedures of subsidiaries.</p> <p>External Auditors: Relevant information has been provided to the Independent Directors.</p>

5-6 (2025.3.14)	Proposal to review the Company's 2024 Business Report and Financial Statements (Consolidated and Parent Company Only).	The proposal was approved without objection after the Chair consulted all attending members. It was subsequently submitted to the 27th-8th Board of Directors meeting (March 14, 2025) for discussion and resolution, where it was approved. The Company shall act in accordance with the Board's resolution.
<p>Private Communication Meeting (May 13, 2025)</p> <p>Without the presence of non-independent Directors and Management</p>	<p>Topics:</p> <p>1. Explanation of the 2025 Q1 Consolidated Financial Statements Review: Review scope, financial statement analysis, adjustment entries, subsequent events, and review conclusions.</p> <p>2. Explanation of Review Matters: Business combinations, consolidation of Group goodwill, impact of the Group's offshore funds and exchange rate fluctuations, significant asset disposals, treasury share buyback issues, and reminders on Expected Credit Loss (ECL) for contract assets.</p> <p>Other Topics: "First Sale Rule" and Private Letter Ruling (PLR) practices regarding U.S. reciprocal tariffs; criteria for identifying reverse acquisitions and key points of their accounting treatment.</p>	<p>Independent Directors' Suggestions/Inquiries:</p> <p>The status of cash balances for individual entities within the Group.</p> <p>External Auditors: Relevant information has been provided to the Independent Directors.</p>
5-7 (2025.5.14)	Proposal to discuss the 2025 Q1 Consolidated Financial Statements.	The proposal was approved without objection after the Chair consulted all attending members. It was subsequently submitted to the 27th-9th Board of Directors meeting (May 14, 2025) for discussion and resolution, where it was approved. The Company shall act in accordance with the Board's resolution.
<p>Private Communication Meeting (August 7, 2025)</p> <p>Without the presence of non-independent Directors and Management</p>	<p>Topics:</p> <p>1. Explanation of the 2025 Q2 Consolidated Financial Statements Review: Review scope, financial statement analysis, adjustment entries, subsequent events, and review conclusions.</p> <p>2. Explanation of Review Matters: Progress of business combinations, consolidation of Group goodwill, operating status of subsidiaries, subsequent events—issues regarding the share exchange with Foxconn (Hon Hai Precision Industry), and significant asset disposals.</p> <p>Other Topics: Overview of reciprocal tariff rates in major countries; updates on tax laws and regulations.</p>	<p>Independent Directors' Suggestions/Inquiries:</p> <p>The variance in revenue and profit/loss figures for the newly acquired entities across two periods.</p> <p>The accounting treatment of employee compensation.</p> <p>The annual amortization amount of goodwill.</p> <p>External Auditors: Relevant information has been provided to the Independent</p>

		Directors.
5-9 (2025.8.12)	Proposal to discuss the 2025 Q2 Consolidated Financial Statements.	The proposal was approved without objection after the Chair consulted all attending members. It was subsequently submitted to the 27th-11th Board of Directors meeting (August 13, 2025) for discussion and resolution, where it was approved. The Company shall act in accordance with the Board's resolution.
Private Communication Meeting (November 6, 2025) Without the presence of non-independent Directors and Management	Topics: 1. Explanation of the 2025 Q3 Consolidated Financial Statements Review: Review scope, financial statement analysis, subsequent events, and review conclusions. 2. Explanation of Review Matters: Issues regarding the share exchange with Foxconn (Hon Hai Precision Industry), consolidation of Group goodwill, operating status of subsidiaries, significant asset disposals, and discussion on the Transfer Pricing (TP) project review. 3. Other Topics: Introduction to Sustainability Bonds.	Independent Directors' Suggestions/Inquiries: The Purchase Price Allocation valuation report for newly acquired entities. Matters related to the TP project review and Country-by-Country reports. The balance of cash and cash equivalents of subsidiaries.
5-11 (2025.11.11)	Proposal to discuss the 2025 Q3 Consolidated Financial Statements.	The proposal was approved as submitted without objection after the Chair consulted all attending members. It was subsequently submitted to the 27th-13th Board of Directors meeting (November 13, 2025) for discussion and resolution, where it was approved. The Company shall act in accordance with the Board's resolution.

2.3 Corporate Governance Practices and Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and Reasons Thereof.

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company established its Corporate Governance Best-Practice Principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,” which were approved at the 13th meeting of the 21st Board of Directors on March 25, 2008. To align with international corporate governance trends and address emerging social and global concerns, the principles have been amended 11 times between 2013 and 2025 through Board resolutions. The latest version is disclosed on the Market Observation Post System (MOPS) and the Company’s official website.	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
2. Shareholding Structure and Protection of Shareholders’ Rights and Interests (1) Has the Company established internal procedures for handling shareholders’ proposals, inquiries, disputes, and litigation matters, and are these procedures duly implemented? (2) Does the Company maintain a list of its major shareholders who have actual control over the Company, as well as the ultimate beneficial owners of these major shareholders? (3) Has the Company established and implemented a risk control and firewall mechanism to manage its interactions with affiliated enterprises?	V		(1) The Company has a dedicated stock affairs unit responsible for handling shareholders’ proposals and inquiries, while shareholder disputes and litigation matters are managed by the Legal Department. All related matters are processed in accordance with established internal procedures. (2) The Company regularly maintains and updates the list of major shareholders with actual control over the Company, as well as the ultimate beneficial owners of such major shareholders. (3) In accordance with the “Regulations for the Division of Authority and Responsibility in Managing Affiliated Enterprises” and the internal control policies regarding “Supervision and Management of Subsidiaries” and “Management of Related Party Transactions,” the Company clearly defines the authority and responsibility for personnel, asset, and financial management between the Company and its affiliated enterprises. The	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
(4) Has the Company established internal regulations to prohibit insiders from trading securities using material non-public information?			<p>Company also conducts regular audits of the financial accounts and internal control systems of its affiliated enterprises to establish appropriate risk control and firewall mechanisms.</p> <p>(4) The Company has established internal regulations, including the “Procedures for Handling Material Inside Information and Prevention of Insider Trading” and the “Code of Ethical Conduct for Directors and Managers,” to prohibit insiders from trading securities using material non-public information.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors formulated a diversity policy, set specific management objectives, and implemented them effectively?</p>	V		<p>(1)The Company is committed to implementing a board diversity policy. The “Corporate Governance Best Practice Principles” set forth the Company’s guidelines for board member diversity, which include but are not limited to the following two key dimensions:</p> <p>a. Basic Attributes and Values: such as gender, age, nationality, ethnicity, and cultural background.</p> <p>b. Professional Knowledge and Skills: including professional background (e.g., law, accounting, industry, finance, marketing, or technology), expertise, and industry experience.</p> <p>Management Objectives: The Board of Directors shall include at least one female director; Independent directors shall account for more than one-third of the total number of board seats; Directors who concurrently serve as company managers shall not exceed one-third of the total number of board seats; No more than two directors shall have a spousal or second-degree kinship relationship with each other.</p> <p>Implementation and Results: At the 2024 Annual General Meeting (held on May 24, 2024), the Company elected a total of 11 directors, including 4 independent directors. The board members possess diverse and complementary industry experience as well as</p>	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
<p>(2) Has the company, in addition to the legally required establishment of the Compensation Committee and the Audit Committee, voluntarily established any other functional committees?</p> <p>(3) Has the company established a method for evaluating the performance of the Board of Directors and its assessment procedures, conducted regular annual performance</p>			<p>professional expertise in finance, accounting, and related fields. The Board includes 3 female directors (27.27%). Independent directors continue to make up 36.36% of the Board. Among the independent directors, three have served for less than three years, and one has served between three to six years.</p> <p>These results align with the Company's board diversity policy and management objectives. Board members actively participated in meetings, with an actual attendance rate of 98.86% in 2025, effectively fulfilling their oversight responsibilities and gaining a clear understanding of the Company's operational plans.</p> <p>(2)To establish a sound corporate governance system, enhance management functions, and promote the fulfillment of corporate social responsibility and sustainable development, the Board of Directors approved the establishment of the Corporate Governance and Sustainability Committee at the 3rd meeting of the 25th Board (held on August 13, 2018). At the 2nd meeting of the 27th Board (held on June 18, 2024), the Board resolved to adjust the governance matters and scope of responsibilities of the Corporate Governance and Sustainability Committee, and approved the establishment of two new committees: the Nomination Committee and the Strategy Committee. For further details, please refer to Note 1: Information on the Operation of Other Functional Committees.</p> <p>(3) To strengthen corporate governance, clearly define performance goals, and enhance the effectiveness and efficiency of the Board of Directors, the Company adopted the "Board Performance Evaluation Procedures" in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed</p>	

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
evaluations, reported the results to the Board, and utilized the results as a reference for determining individual directors' compensation and re-nomination?			<p>Companies. The procedures were approved by resolution at the 5th meeting of the 24th Board (held on November 13, 2015). Since 2015, at the end of each fiscal year, the Board Secretariat has collected information related to board activities, distributed self-assessment questionnaires, and compiled the evaluation results into a report, which is submitted to the Board for review and improvement.</p> <p>An external evaluation is conducted every three years by an independent professional institution or a team of external experts and scholars, who prepare an external analysis report assessing the implementation of the Board's performance evaluation.</p> <p>At the 20th meeting of the 25th Board (held on November 13, 2020), the Board approved amendments to the "Board Performance Evaluation Procedures." The key revisions included: Introducing individual self-assessment for board members, Establishing guidelines for external performance evaluations conducted by professional institutions, and Assigning the Compensation Committee to periodically review the performance evaluation indicators and use the results as a basis for remuneration decisions.</p> <p>In 2025, the Secretariat of the Board of Directors conducted the performance evaluations through the "Board Performance Self-Assessment Questionnaire," "Individual Board Member Performance Self-Assessment Questionnaire," and "Functional Committee Performance Self-Assessment Questionnaire." The "2025 Board Performance Evaluation Report" was submitted to the 15th meeting of the 27th Board of Directors (February 11, 2026). The evaluation results for the Board, individual Board members, Audit Committee, Remuneration Committee, Corporate Governance and Sustainability Committee, Nomination Committee, and Strategy Committee were all rated as "Excellent." All assessment items met the established</p>	

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>standards, demonstrating high operational efficiency of the Board and effective fulfillment of the functional committees' duties.</p> <p>An external evaluation shall be conducted by an independent professional institution or a team of external experts and scholars once every three years. The "2026 Board Performance Evaluation" is scheduled to undergo an external assessment at the end of 2026.</p> <p>For the 2023 fiscal year, the Company engaged an external professional institution, The Taiwan Institute of Ethical Business and Forensics (TIEBF), to conduct the Board Performance Evaluation.</p> <p>TIEBF has established a dedicated Corporate Governance Committee to promote and carry out board evaluation services. The evaluation was performed by scholars and experts with long-standing focus in the field of corporate governance, ensuring a professional assessment conducted in accordance with international standards.</p> <p>Evaluation Team: Dr. Ching-Ping Shao – Chairperson of TIEBF; Distinguished Professor, College of Law, National Taiwan University Dr. Yang-Tzong Tsai – Honorary Professor, Department of Accounting, National Taiwan University Dr. Yueh-Ping Yang – Associate Professor, Department of Law, National Taiwan University</p> <p>An independence statement was provided by all evaluators in the final report.</p> <p>Evaluation Period: January 1, 2023 to December 5, 2023</p> <p>Scope of Evaluation: The evaluation covered the performance and operations of the Board of Directors, as well as its functional committees, including the Audit Committee and the Compensation Committee.</p> <p>Methodology: In November 2023, a document review was conducted, including internal</p>	

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
(4) Has the company regularly evaluated the independence of the certifying CPA?			<p>policies, board meeting minutes, and completed self-assessment questionnaires from directors; On December 4 and 5, 2023, in-person interviews were conducted with members of the Board.</p> <p>Evaluation Content and Results Board of Directors For details regarding the evaluation content, results, suggestions for improvement, and improvement plans, please refer to the "Implementation of Board Performance Evaluation". The "2023 Board Performance Evaluation Report" was submitted to the 21st meeting of the 26th Board of Directors (March 15, 2024).</p> <p>(4) In accordance with the Company's "Procedures for the Election and Evaluation of External Auditors" and Article 29, Paragraph 5 of the "Corporate Governance Best Practice Principles": TWSE/TPEX listed companies shall regularly (at least once a year) evaluate the independence and competency of their appointed external auditors with reference to the Audit Quality Indicators (AQIs). The Company has requested PricewaterhouseCoopers (PwC) Taiwan to issue a Declaration of Independence. Furthermore, based on the "Audit Quality Indicators (AQI) Disclosure Framework and Template" released by the Financial Supervisory Commission (FSC) on August 19, 2021, and the subsequent guidelines issued on July 7, 2022, the firm has provided explanations regarding "Firm-level AQIs" and "Engagement-level AQIs." With reference to the aforementioned AQI evaluation reports, the Company reviewed the independence requirements, independence operations, and competency based on the "External Auditor Evaluation Form" under the "Procedures for the Election and Evaluation of External Auditors" (please refer to Note 2 for details). The evaluation results concluded that CPAs Hsu, Sheng-Chung and Tu, Chan-Yuan showed no circumstances affecting their</p>	

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			independence or competency and are well-qualified to serve as the Company's external auditors. The evaluation of the external auditors' independence and competency was discussed and approved during the 6th meeting of the 5th Audit Committee (March 14, 2025) and the 8th meeting of the 27th Board of Directors (March 14, 2025).	
4. Has the TWSE/TPEX listed company appointed an adequate number of qualified corporate governance personnel and designated a corporate governance officer responsible for handling corporate governance affairs (including but not limited to providing directors and supervisors with necessary information for performing their duties, assisting directors and supervisors in complying with applicable laws and regulations, handling matters related to board and shareholders' meetings in accordance with the law, and preparing meeting minutes for such meetings)?	V		<p>In accordance with Article 3-1 of the Corporate Governance Best Practice Principles, the Company established a Corporate Governance Center in July 2015, staffed with 5 dedicated personnel responsible for handling corporate governance-related affairs.</p> <p>Pursuant to the Regulations Governing the Exercise of Powers by Boards of Directors of Listed Companies, the appointment of Mr. Shih-Hsiung Chien, Director of the Corporate Governance Center, as the Company's dedicated Corporate Governance Officer, was approved at the 7th meeting of the 25th Board of Directors (held on May 13, 2019). Mr. Chien has more than three years of relevant managerial experience in a public company and is registered as an appointed managerial officer in accordance with the Company's Articles of Incorporation.</p> <p>His key responsibilities include:</p> <ol style="list-style-type: none"> (1) Handling matters related to Board and Shareholders' Meetings in accordance with applicable laws and regulations. (2) Preparing minutes for Board and Shareholders' Meetings. (3) Assisting directors with onboarding and continuing education. (4) Providing directors with the necessary information to perform their duties. (5) Assisting directors in complying with laws and regulations. (6) Reporting to the Board of Directors on the compliance status of independent directors' qualifications during nomination, appointment, and tenure. (7) Handling matters related to changes in the composition of the Board of Directors. (8) Carrying out other duties as stipulated in the Company's Articles of Incorporation or contractual agreements. 	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			In accordance with Article 36-3 of the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," Mr. Shih-Hsiung Chien selected and completed training courses relevant to his professional duties. In 2025, he completed 14 hours of continuing education, and the completion was reported to the Market Observation Post System (MOPS) on December 23, 2025.	
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a dedicated stakeholder section on its official website to appropriately respond to key corporate social responsibility (CSR) issues of concern to stakeholders?	V		The Company places great importance on stakeholder concerns and communication channels. The Company has established stakeholder sections on its official website, with dedicated personnel assigned to respond to inquiries. It maintains open and effective lines of communication with a wide range of stakeholders, including shareholders, employees, customers, suppliers, local communities, non-governmental organizations (NGOs), and government agencies. Information is disclosed regularly or on an as-needed basis, and the Company communicates directly with stakeholders to ensure that their legitimate rights and interests are respected and protected. This reflects the Company's commitment to transparent and ethical corporate governance. The 2025 stakeholder communication status was reported to the 14th meeting of the 27th Board of Directors (December 12, 2025). For further details, please refer to Note 3: 2025 Stakeholder Material Issues and Communication Channels.	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
6. Has the Company appointed a professional stock affairs agency to handle matters related to the shareholders' meetings?	V		The Company has appointed a professional stock affairs agency to handle matters related to shareholders' meetings. Stock Transfer Agent: Taishin International Bank – Stock Affairs Department Tel: +886-2-2504-8125 Address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City, Taiwan	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
7. Information Disclosure (1) Has the Company established an official website to disclose	V		(1) The Company has established an official website to disclose information on its financial performance, business	(1) Consistent with the Corporate

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
<p>financial, business, and corporate governance information?</p> <p>(2) Has the Company adopted other methods of information disclosure (such as establishing an English website, appointing designated personnel to collect and disclose information, implementing a spokesperson system, and uploading investor conference materials to the Company's website)?</p> <p>(3) Has the company announced and filed its annual financial report within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial reports, as well as monthly operating results, ahead of the regulatory deadlines?</p>			<p>operations, and corporate governance. The website address is: www.teco.com.tw</p> <p>(2) The Company has established an English website (https://www.teco.com.tw/en-us/). In accordance with the Company's News Release Policy, designated personnel are responsible for collecting and disclosing corporate information. If any department intends to release news, it must first be approved by the President and then communicated to the Public Relations Department, which will coordinate with the spokesperson for official disclosure. Furthermore, the Company has clearly defined the roles and responsibilities of its spokespersons under the Spokesperson Policy, ensuring that information is disclosed publicly and fairly to all investors and media at the same time, thereby fully implementing the spokesperson system.</p> <p>(3) In accordance with Article 36 of the Securities and Exchange Act and other relevant regulations, the Company announces and files its financial and operational reports within the prescribed deadlines: annual financial reports within 75 days, first, second, and third quarter financial reports within 45 days, and monthly operating results by the 10th of each month. Due to the large number of consolidated entities within the Group—over one hundred—it is not currently feasible to announce and file the annual financial report within two months after the end of the fiscal year. The 2025 annual financial statements were announced and filed on March 12, 2025.</p>	<p>Governance Best-Practice Principles for TWSE/TPEX Listed Companies</p> <p>(2) Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</p> <p>(3) There is a slight deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, but the Company remains in compliance with the Securities and Exchange Act.</p>
8. Does the Company have any other important information that may help	V		(1) To safeguard employee rights and interests, the Company has established a labor union and holds regular labor-	Consistent with the Corporate Governance

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
stakeholders better understand its corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relationships, protection of stakeholder rights, director and supervisor training, implementation of risk management policies and risk metrics, customer policy implementation, and the purchase of liability insurance for directors and supervisors)?			<p>management meetings to actively foster communication between employees and management. Each quarter, the Company organizes quarterly meetings at headquarters and morning assemblies at each plant, providing senior executives with opportunities to engage directly with employees, clearly communicate the Company's current performance and challenges, and publicly recognize outstanding employees for their achievements.</p> <p>(2) Since 1964, the Company has established an Employee Welfare Committee to promote various welfare initiatives. The Committee also plans a series of family care and support policies aimed at helping employees improve family relationships, enhance personal health and capabilities, and ultimately boost job performance.</p> <p>(3) The Company has established a dedicated department responsible for regularly disclosing material operational information, thereby enhancing information transparency. It has also set up a feedback mechanism to allow investors to share suggestions regarding the Company's development. In addition, the Company actively participates in investor conferences to help investors stay informed about its operational status and strategic plans.</p> <p>(4) The Company conducts at least two visits or communications per year with each supplier on average. Additionally, the Company has promoted the development of an e-Procurement platform, which not only establishes a unified list of qualified distributors across the Group, but also enhances communication channels between TECO and its global suppliers.</p> <p>(5) To protect the rights and interests of stakeholders, the Company has assigned dedicated personnel and established designated sections to respond to inquiries from shareholders and stakeholders. Communication can be made directly via phone, fax, or email.</p>	Best-Practice Principles for TWSE/TPEX Listed Companies

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>In addition, the Company has set up a whistleblower mailbox to encourage employees to report any illegal or unethical conduct.</p> <p>(6) The Company is committed to establishing a sound risk management system. By adhering to its existing organizational management structure and internal control cycle, the Company proactively addresses and manages risks arising from its operations, while ensuring compliance with all relevant laws and regulations. Through the implementation of an audit system, the Company provides reasonable assurance of the continued effectiveness of its internal controls. In 2025, the audit team completed all planned audit tasks. The results indicated that the design and execution of internal controls were effective, and that all environmental indicators remained within low-risk levels.</p> <p>(7) The Company is dedicated to providing customers with high-quality, cost-effective products. It also seeks to understand customer expectations regarding the Company and its products through a variety of channels, including customer service hotlines, forums, site visits, after-sales service follow-ups, telephone interviews, the official website, and media platforms. These efforts aim to ensure that the Company's products and services continue to meet customer needs and expectations.</p> <p>(8) Since 1999, the Company has purchased directors' liability insurance during each board term to cover compensation liabilities that directors may be legally obligated to bear in the course of performing their duties. This is intended to reduce and diversify the risk of significant damage to the Company and its shareholders resulting from directors' errors or omissions. The Company reported key details of its Directors and Officers (D&O) Liability Insurance to the Board at its 7th meeting of the 27th Board (February 19, 2025) and 15th meeting of the 27th Board (February 11, 2026). These details</p>	

Evaluation Items	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			included the insured amount (US\$ 10 million), scope of coverage (all directors, managers, and members of functional committees, etc.), premium rates, and the insured periods (full years of 2025 and 2026).	
9. Please describe the improvements made based on the most recent Corporate Governance Evaluation Results published by the Corporate Governance Center of the Taiwan Stock Exchange, and specify the priority areas and measures to be strengthened for items that have not yet been improved.	V		<p>On April 30, 2025, the Taiwan Stock Exchange announced the results of the 11th Corporate Governance Evaluation for the year 2024. The Company was ranked in the top 6%~20% of all evaluated companies.</p> <p>Improvements Implemented: In 2025, based on the "Operating Procedures for Financial and Business Matters Between Affiliated Enterprises" template, the Company proposed and obtained approval at the 13th meeting of the 27th Board of Directors (November 13, 2025) to include significant transactions involving the acquisition or disposal of assets with related parties as items to be reported to the Shareholders' Meeting.</p> <p>Priority Areas for Enhancement and Measures:</p> <p>1. Continue to promote the Board Diversity Policy by increasing the proportion of independent and female directors; enhance the transparency of corporate governance information to foster positive communication with stakeholders, thereby strengthening the corporate image and sustainable competitiveness.</p> <p>2. Strengthen Occupational Health and Safety (OHS) risk assessments and review the integrity of improvement and protective measures corresponding to various risk levels. Regularly conduct cross-plant OHS audits and engage external OHS experts to perform on-site audits and training at plants and project sites to enhance employees' safety awareness and cultivate a culture of health and safety.</p>	Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Note 1: Operation of Corporate Governance and Sustainability Committee

(1) Corporate Governance and Sustainability Committee

To establish a sound governance framework, enhance management functions, and promote the implementation of corporate social responsibility and sustainable operations, the Company established the Corporate Governance and Sustainability

Committee in August 2018. The Committee comprises no fewer than three directors, as resolved by the Board of Directors, and a convener and meeting chairperson are elected from among the members. For details regarding their professional qualifications and experience, please refer to the "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" on page 9.

The Committee operates in accordance with the Company's Corporate Governance and Sustainability Committee Charter, with responsibilities including the review and assessment of the Company's corporate governance structure and practices, as well as the supervision of corporate social responsibility and sustainability initiatives. The Committee convenes at least twice a year. The meeting frequency and member attendance are as follows:

In 2025, the Corporate Governance and Sustainability Committee held 2 meetings. The attendance of the members is as follows:

Position	Name	Meetings Attended	(%) Attendance Rate	Remarks
Convener & Chairperson	Chwen-Jy Chiu	2	100%	
Member	Su-Chiu Wu	2	100%	
Member	Hui-Yiu Chen	2	100%	
Member	Mei-Chun Chao	2	100%	
Member	Show-Shoun Chou	2	100%	

Summary of Key Resolutions and Deliberations:

Corporate Governance and Sustainability Committee	Agenda Item	Resolution
3-2 (2025.1.22)	1. FY2025 Work Plans of the Company's ESG Promotion Office, Corporate Governance Center, Compliance and Legal Affairs Office, and Information Security Committee.	1. Key Focus Areas of the ESG Promotion Office: Environmental (E): Greenhouse gas (GHG) inventory and external verification for affiliated enterprises, launch of internal carbon funds, and planning of the decarbonization roadmap for Scope 3. Social (S): Environmental protection, technology, and humanities activities; the "Mountain-to-Sea National Greenway" (Tefuye Ancient Trail restoration) project. Governance (G): Formulation of ESG strategies and implementation of the IFRS Sustainability Disclosure Standards (S1/S2) project. 2. Key Focus Areas of the Corporate Governance Center: Strengthen investor relations and communication; Enhance board functionality and effectiveness; Improve information transparency; Ensure strong performance in corporate governance evaluations

		<p>3. Key Focus Areas of the Compliance and Legal Affairs Office: Implementation of ethical corporate management, intellectual property (IP) management and protection, regulatory compliance, consumer protection, and investment commission application/filing procedures.</p> <p>4. Key Focus Areas of the Information Security Committee: Strengthen cybersecurity management for affiliated enterprises, proactive collection and response to cyber threat intelligence, planning for DDoS attack protection deployment, and evaluation of cybersecurity investment levels.</p> <p>The proposal was approved as submitted without objection after the Chair consulted all attending members. However, the Secretariat of the Board of Directors is requested to track the subsequent implementation of the members' suggestions. This proposal was subsequently reported to the 7th meeting of the 27th Board of Directors (February 19, 2025).</p>
3-3 (2025.8.6)	1. Progress Report on the Implementation of the FY2025 First-Half Work Plans of the Company's ESG Promotion Office, Corporate Governance Center, Compliance and Legal Affairs Office, and Information Security Committee.	The report was noted.
	2. Proposal for the Preparation of the Company's 2024 Sustainability Report.	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reported to the 11th meeting of the 27th Board of Directors (August 13, 2025) for discussion and resolution, and will be implemented in accordance with the Board's resolution.

(2) Nomination Committee

To enhance the functionality of the Board of Directors and strengthen the Company's management mechanisms, the Nomination Committee was established in June 2024. The Committee is composed of no fewer than three directors appointed by the Board, with a majority required to be independent directors. One member is elected by the Committee to serve as the convener and chairperson.

The Committee operates in accordance with the Company's Nomination Committee Charter, and is responsible for establishing the criteria for the professional qualifications, skills, experience, gender diversity, and independence required of board members and senior executives. Based on these established criteria, the Committee identifies, reviews, and nominates candidates for directors,

independent directors, and senior management positions.

In 2025, the Nomination Committee held 4 meetings. The attendance of the members is as follows:

Position	Name	Meeting Attended	Attendance by Proxy	(%) Attendance Rate	Remarks
Convener & Chairperson	Ming-Shieh Li	4	0	100%	
Member	Chao-Chin Tung	4	0	100%	
Member	Hsieh-Hsing Huang	4	0	100%	
Member	Hui-Yiu Chen	4	0	100%	
Member	Chwen-Jy Chiu	4	0	100%	

Summary of Key Resolutions and Deliberations:

Nomination Committee	Agenda Item	Resolution
1-4 (2025.3.14)	1. Proposed appointment of Mr. Fei-Yuan Kao as the President of the Company	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reported to the 8th meeting of the 27th Board of Directors (March 14, 2025) for discussion and resolution, and will be implemented in accordance with the Board's resolution.
1-5 (2025.5.13)	1. Proposed appointment of Mr. David Kuo as the President of the Intelligence Energy Business Group.	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reported to the 9th meeting of the 27th Board of Directors (May 14, 2025) for discussion and resolution, and will be implemented in accordance with the Board's resolution.
1-6 (2025.11.11)	1. Proposal for the creation of the CEO position and the corresponding appointment.	Except for Chairman Ming-Shieh Li, who recused himself due to a conflict of interest, the proposal was approved as submitted without objection after the Acting Chair, Independent Director Chao-Chin Tung, consulted the remaining members. It was subsequently reported to the 13th meeting of the 27th Board of Directors (November 13, 2025) for discussion and resolution, and will be implemented in accordance with the Board's resolution.
	2. Proposal for the creation of the COO position and the corresponding appointment.	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reported to the 13th meeting of the 27th Board of Directors (November 13, 2025) for discussion and resolution, and will be implemented in accordance with the

		Board's resolution.
1-7 (2025.12.11)	1. Proposed promotion of Mr. Jung-Pang Wang to Business Group President.	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reported to the 14th meeting of the 27th Board of Directors (December 12, 2025) for discussion and resolution, and will be implemented in accordance with the Board's resolution.
	2. Proposed promotion of Mr. Cliff Ho to Assistant Vice President.	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reported to the 14th meeting of the 27th Board of Directors (December 12, 2025) for discussion and resolution, and will be implemented in accordance with the Board's resolution.

(3) Strategy Committee

To strengthen the Company's operational strategy development and enhance innovation-driven R&D, the Company established the "Strategy Committee" in June 2024. The Committee comprises at least three members, who may be directors or external experts, as resolved by the Board of Directors. The Chairperson of the Board serves as the convener and the chair of the Committee.

To strengthen the Company's operational strategy development and enhance innovation-driven R&D, the Company established the "Strategy Committee" in June 2024. The Committee comprises at least three members, who may be directors or external experts, as resolved by the Board of Directors. The Chairperson of the Board serves as the convener and the chair of the Committee.

In 2025, the Strategy Committee held 3 meetings. The attendance of the members is as follows:

Position	Name	Actual Attendance	(%) Attendance Rate	Remarks
Chairperson & Convener	Ming-Shieh Li	3	100%	
Member	Jong-Chin Shen	3	100%	
Member	Su- Chiu Wu	3	100%	
Member	Show-Shoun Chou	3	100%	
Member	Chwen-Jy Chiu	3	100%	

Summary of Key Resolutions:

Strategy Committee	Agenda Item	Resolution
1-4 (2025.3.3)	Proposal for the investment in NCL Energy Sdn Bhd, not to exceed MYR 70 million.	After the Chair consulted all attending members, the proposal was approved as submitted without objection. It was subsequently reviewed and approved by the 6th meeting of the 5th Audit

		Committee (March 14, 2025) and approved by resolution at the 8th meeting of the 27th Board of Directors (March 14, 2025), and will be implemented in accordance with the Board's resolution.
1-5 (2025.4.23)	Progress report on the TECO Group's investment entity streamlining and liquidation project.	The report was noted.
	Progress report on the TECO Group's real estate revitalization project.	The report was noted.
	Integration progress report on the subsidiary, Shen Chang Electric Co., Ltd., following its acquisition.	The report was noted.
1-6 (2025.7.23)	Reporting of the investment in Shanghai TECO Electric & Machinery Co., Ltd.	The report was noted.
	Integration progress report on EVK following its acquisition.	The report was noted.
	Integration progress report on NCL Energy following its acquisition.	The report was noted.

Note 2: Assessment Form of the Signing Certified Public Accountant

1. Operational Independence Review			
	Evaluation Item	Evaluation Result	In Compliance with Independence Requirements
01	Does the CPA, their spouse, or minor children have any investment or financial interest in the company?	No	V
02	Does the CPA, their spouse, or minor children have any lending or borrowing relationship with the company? (Excluding normal dealings with financial institutions.)	No	V
03	Has the CPA or any audit team member served as a director, manager, or held any position with significant influence on the audit engagement within the past two years?	No	V
04	Has the CPA or audit team member promoted or brokered any securities issued by the company?	No	V
05	Aside from legally permitted services, has the CPA or audit team member represented the company in legal matters or disputes?	No	V
06	Does the CPA or audit team member have any marital, lineal, or second-degree kinship relationship with the company's directors, managers, or personnel with significant influence on the audit engagement?	No	V
07	Has any former co-practicing CPA taken a position with significant influence at the company within one year after leaving the firm?	No	V
08	Has any former co-practicing CPA taken a position with significant influence at the company within one year after leaving the firm?	No	V
09	Is the CPA currently employed by the company or its auditees as a salaried employee, director, or supervisor (audit committee member)?	No	V
2. Operational Independence Review			
	Evaluation Item	Evaluation Result	In Compliance with Independence Requirements
01	Has the CPA refrained from accepting assignments where they have a direct or material indirect interest that could impair objectivity?	Yes	V
02	When providing audit, review, or special examination services, does the CPA maintain both substantive and formal independence?	Yes	V
03	Do audit team members, other co-practicing CPAs, CPA firm partners, affiliated firms, and alliances also maintain independence from the company?	Yes	V

04	Does the CPA demonstrate integrity and diligence in performing professional services?	Yes	V
05	When performing services, does the CPA maintain objectivity and avoid bias or conflicts that could impair professional judgment?	Yes	V
Fitness and Qualifications Review			
Evaluation Item		Evaluation Details	Evaluation Result
01	Has the CPA received any disciplinary actions in the past two years? Has the CPA firm been involved in any major litigation?	According to CPA disciplinary records, Mr. Hsu Sheng-Chung and Mr. Tu Chan-Yuan have not been subject to any disciplinary action. PwC has adopted standardized audit criteria and International Standards on Auditing (ISA) for internal quality control reviews. Both CPAs have passed such reviews with no deficiencies. Their audit quality meets professional standards.	Satisfactory
02	Does the CPA firm have sufficient scale, resources, and regional coverage to provide audit services?	PwC Taiwan (PricewaterhouseCoopers Taiwan) is part of the largest global professional services network with 743 offices in 158 countries and over 250,000 professionals. PwC is a leading service provider in the UK, China, Germany, Australia, South Korea, ASEAN, and the Middle East. It holds the top position in the Asia-Pacific region. Among Global Fortune 500 companies, 86% (429 companies) are PwC clients.	Satisfactory
03	Does the CPA firm have clear quality control procedures to ensure financial reporting quality?	The appointed CPA firm has established robust quality control policies to ensure effective implementation. These procedures comply with Statement of Quality Control Standards No. 1, and internal departments such as ARM (Assurance Risk Management) and ACS (Accounting Consultant Service) are responsible for reviewing listed companies' financial statements.	Satisfactory
04	Does the CPA firm promptly notify the board of any significant issues related to risk management, corporate governance, accounting, or internal controls?	The appointed CPAs have consistently communicated audit findings promptly to management and the audit committee. Major issues were discussed in advance.	Satisfactory

Note 3: Stakeholder Engagement and Communication

Stakeholder	Key Concerns	Communication Channels / Frequency	Outcomes / Achievements:
Shareholders	Business development, Financial transparency, Risk management, Corporate governance, Environmental protection	<ul style="list-style-type: none"> • Market Observation Post System (MOPS) • Annual shareholders' meeting (at least once a year) • 4 online investor conferences annually • Participation in local and international investor forums • Investor visits and brokerage meetings • Dedicated IR hotline/email (handled promptly) • Contact: Director Chien (IR) ir@teco.com.tw 	<ul style="list-style-type: none"> • Selected as a component of the DJSI and TWSI indices • Monthly revenue, quarterly reports, and 62 bilingual MOPS disclosures • 4 investor meetings with bilingual video links posted in 2025 • Participated in 13 investor forums 496 investor visits (188 from overseas), 18 broker visits
Employees	Business strategy and operations, Labor relations, Employee rights, Training and career development, Workplace environment, Employee communication	<ul style="list-style-type: none"> • Labor-management meetings (quarterly) • Union meetings (semi-annually) • Catering meetings (quarterly) • Employee quarterly meetings • Occupational Safety and Health Committee (quarterly) • Employee satisfaction survey (annually) • E-bulletin updates • Whistleblower/complaint mailbox: HRP@teco.com.tw • Contact: Director Lin (HR) cplin@teco.com.tw 	<ul style="list-style-type: none"> • Labor-Management Meetings: A total of 13 meetings were held across the Nangang site and other factories in 2025. • Union Forums: Held twice a year, chaired by the Chairman, President, factory heads, and HR executives, with participation from union directors and supervisors — 2 meetings in total. • Cafeteria Meetings: A total of 12 meetings were held across the Nangang site and other factories in 2025. • Employee Quarterly Meetings: A total of 7 meetings were held across the Nangang site and other factories in 2025, including 4 in Nangang conducted via communication software to enable all employees to participate online. • Employee Satisfaction Survey: Conducted to understand feedback from employees and supervisors. • Unlawful Conduct/Complaints: A total of 2 cases • Electronic Bulletin Board: Used to irregularly announce various employee welfare updates, labor union committee information, important company news, training programs, and annual performance management notices.

Stakeholder	Key Concerns	Communication Channels / Frequency	Outcomes / Achievements:
Customers	Product and service labeling, Customer health and safety, Product quality, Marketing communications, Customer satisfaction surveys, Green products	<ul style="list-style-type: none"> • Customer satisfaction surveys (1–4 times/year) • Customer service hotline (as needed) • Distributor meetings (1–4 times/year) • After-sales follow-ups and interviews • Website/media updates (as needed) • Contact: Spokesperson Chien speaker@teco.com.tw 	<ul style="list-style-type: none"> • Annually Customer Satisfaction Surveys: Analysis and Follow-up Actions • Quality Control Audits: <ul style="list-style-type: none"> - External system audits conducted 7 times - Internal audits conducted 20 times - Process audits conducted 135 times - Product audits conducted 74 times • Press Conferences: 5 events held. • Exhibitions Participated: 7 events, including the Smart City Expo, ACT Expo, Taipei International Food Show, Automation Taipei, Energy Taiwan & Net-Zero Taiwan International Energy Week, TAITRONICS & AIoT Taiwan 2025, Busworld • Press Releases on Official Website: 34 published articles. • Social Media Engagement: 101 Facebook posts and 34 YouTube videos. • 4rd Green Brain Creative Competition for Elementary and Junior High School Students: Promoting energy-saving awareness at a younger age.
Suppliers	Green supply chain management, Supplier human rights assessments, Operational performance, Order management, Quality control, Production technology	<ul style="list-style-type: none"> • Supplier evaluation: 70 annually • Quarterly supplier assessments • GHG inventory guidance (as needed) • E-procurement platform (as needed) • Contact: Director Chen (Procurement) daniel.chen@teco.com.tw 	<ul style="list-style-type: none"> • On-site risk evaluations of key suppliers • 100% CSR commitment sign-off from major suppliers • In 2025, the Company participated in the Ministry of Economic Affairs' Administration of Industrial Development (AID) "1+N Carbon Neutrality Transformation Promotion Project" to provide carbon management guidance. A total of 10 suppliers and affiliated enterprises participated, and 2 sessions of carbon management training courses were held.
Local Community	Occupational Safety and Health Environmental Management Social	<ul style="list-style-type: none"> • Industrial Park Service Center: Irregular basis • Industrial Park Regional Joint Defense Meetings: Once per quarter 	<ul style="list-style-type: none"> • No violations of air pollution or waste management regulations, and no community-impacting incidents occurred. • Participated in regional joint defense initiatives to enhance

Stakeholder	Key Concerns	Communication Channels / Frequency	Outcomes / Achievements:
	Engagement Volunteer Service	<ul style="list-style-type: none"> • Communication Mailbox on Company Website: Irregular basis • Volunteer Activities: Held quarterly • Contact Person: (PR) Director Chiang – pr@teco.com.tw 	<ul style="list-style-type: none"> • disaster prevention collaboration among companies and prevent incidents affecting community safety and the environment. • Conducted energy-saving education programs for the community and local schools. • A total of 331 employee participations in public welfare activities were recorded, with 1,399 volunteer service hours contributed.
Civil Organizations and NGOs	Environmental Protection Social Welfare Labor Conditions	<ul style="list-style-type: none"> • Actively participate in forums and seminars organized by various civic organizations and academic institutions. • Non-financial Information Disclosure: The Company publishes an annual Sustainability Report to disclose specific initiatives and outcomes in the areas of Environmental (E), Social (S), and Governance (G) performance. • Contact Person: (IR) Director Chien – ir@teco.com.tw 	<ul style="list-style-type: none"> • Participated in 33 industry association forums, with a total of 82 employee attendances. • Publishes an annual Sustainability Report and has consecutively received the Taiwan Corporate Sustainability Awards – Platinum Award for 12 years. • Greenhouse Gas Inventory: The Company undergoes annual verification of its GHG inventory in accordance with BSI (British Standards Institution) ISO 14064-1 and has achieved a “reasonable level” of assurance.
Government Agencies	Regulatory Compliance Occupational Safety and Health Greenhouse Gas (GHG) Reduction Environmental Protection Energy Management	<ul style="list-style-type: none"> • Comply with the requirements of competent authorities and submit regular filings in accordance with regulations. • Participate in forums, regulatory hearings, and official correspondence organized by competent authorities on an irregular basis. • Cooperate with regulatory supervision and inspections conducted by competent authorities. • Contact Person: (Spokesperson) Director Chien – speaker@teco.com.tw 	<ul style="list-style-type: none"> • In accordance with OHSAS 18001 and CNS 15506 (Taiwan Occupational Safety and Health Management System), the Company has established an occupational safety and health management system to systematically promote OSH practices and ensure compliance with regulations and effective implementation of the system.

2.4 Operation of the Compensation Committee

To establish a sound compensation system for directors and managerial officers, the Company established the Compensation Committee in August 2011. The members of the committee are appointed by resolution of the Board of Directors.

The committee shall consist of no fewer than three members, with a majority being independent directors. A convener and chairperson is elected from among the independent directors by all committee members.

The committee operates in accordance with the Company's "Compensation Committee Charter and meets at least twice a year.

Its primary responsibilities include establishing and periodically reviewing policies, systems, standards, and structures for the performance evaluation and remuneration of directors and senior executives. It is also responsible for regularly evaluating and determining the remuneration of directors and senior executives, and submitting recommendations to the Board of Directors for discussion.

2.4.1 Compensation Committee Members' Information

Role	Name	Qualification Criteria	Professional Qualifications and Experience	Independence Disclosure	Number of Other Public Companies Served on a Remuneration Committee
Independent Director	Chao-Chin Tung		Please refer to the "Board Members' Professional Qualifications and Independence Disclosure".	In accordance with the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," directors are elected via a candidate nomination system. During the nomination and selection process, the Company obtained written statements, professional biographies, current employment certificates, and kinship disclosure forms from each director. These documents are used to verify the independence of the directors, their spouses, and relatives within the third degree of kinship in relation to the Company. Furthermore, the Company has verified that the four independent directors listed below met the eligibility requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act during the two years prior to their election and during their term of office. These independent directors have also been granted full authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act to independently exercise their functions and powers.	1
Independent Director	Hsieh-Hsing Huang				1
Independent Director	Hui-Yiu Chen				3
Independent Director	Mei-Chun Chao				1

2.4.2 Operation of the Compensation Committee

- a. The Company’s Compensation Committee consists of four (4) members.
- b. Term of Current Committee Members:

The current term of the Remuneration Committee members is from May 31, 2024 to May 23, 2027. In the most recent fiscal year, the Compensation Committee held six (6) meetings. The qualifications and attendance of each member are as follows:

Position	Name	Actual Attendance	Attendance by Proxy	(%) Attendance Rate	Remarks
Convener & Chairperson	Chao-Chin Tung	6	0	100%	
Member	Hsieh-Hsing Huang	6	0	100%	
Member	Hui-Yiu Chen	6	0	100%	
Member	Mei-Chun Chao	6	0	100%	

Other Matters to Be Disclosed:

1. If the Board of Directors does not adopt or modifies the recommendations of the Compensation Committee, it shall disclose the date of the Board meeting, term, proposal content, resolution result, and how the Company handled the Committee's opinion (e.g., if the Board-approved remuneration exceeds the Committee's recommendation, the differences and reasons shall be stated): Not applicable.
2. If any Compensation Committee member expresses dissenting or qualified opinions on resolutions, and such opinions are recorded or stated in writing, the Company shall disclose the meeting date, term, proposal content, all members' opinions, and how the Company addressed those opinions: Not applicable.

3. A summary of key communication items and resolutions in 2025 is as follows:

Compensation Committee	Matters Communicated	Outcome	The Company’s Response to and Implementation of Compensation Committee Recommendations
6-5 (2025.2.19)	Proposal for the amendment to "Schedule 3 of the Rules for Performance Evaluation of the Board of Directors."	Approved as submitted without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	Proposal for the remuneration of the Company's appointed managers.	(Regarding the expansion of the Grade 13 job evaluation table: amendment to the corresponding job titles for Grades 13 to 15 within the Headquarters staff.) Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	Proposal for the remuneration of the Vice Chairman of the Company.	Approved as submitted without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.

6-6 (2025.3.6)	Proposal for the distribution of 2024 remuneration for Directors of the Company.	The 2024 remuneration for Directors, calculated based on the average distribution rate of the past three years, amounts to NT\$ 108,327 thousand. The proposal was approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	Proposal for the distribution of 2024 remuneration for employees of the Company.	The 2024 remuneration for employees, calculated based on the average distribution rate of the past three years, amounts to NT\$ 400,483 thousand. The proposal was approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
6-7 (2025.5.14)	Proposal for the amendment to the Company's "Rules for Performance Evaluation of the Board of Directors."	Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	Proposal for the remuneration of the President of the Company.	Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	Proposal for the performance-based salary adjustments for the Company's appointed managers.	Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
6-8 (2025.8.12)	Proposal for the remuneration of the Company's managers.	Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	Proposal for the remuneration of the retired Chairman upon appointment as a Senior Consultant.	Remuneration was adjusted to align with changes in duties and responsibilities. The proposal was approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
	The Company's 2025 Treasury Stock Transfer Plan.	Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
6-9 (2025.11.11)	Proposal for the remuneration and incentives for the Chairman and Vice Chairman of the Company.	Approved without objection after the Chair consulted all attending members.	Submitted to the Board of Directors and approved by all attending directors.
6-10 (2025.12.11)	Report on the distribution results of the 2024 employee remuneration for	The report was noted.	The report was noted.

	the Company's managers.		
	Report on the 2025 performance evaluation of the Company's managers.	The report was noted.	The report was noted.
	Report on the distribution of 2025 year-end bonuses for the Company's managers.	The report was noted.	The report was noted.
	Report on the 2026 Long-term Incentive (LTI) scheme.	The report was noted.	The report was noted.

2.5 Implementation Status of Sustainable Development Initiatives and Differences from the “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies,” with Explanations

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
1. Has the Company established a governance structure for promoting sustainable development, appointed dedicated (or concurrent) personnel or units to implement sustainability initiatives, authorized senior management by the Board of Directors to handle related matters, and ensured the Board's oversight of sustainability efforts?	V		<p>a. Establishment of a Dedicated Unit for Promoting Sustainable Development In accordance with the Company's sustainability policy, the Board of Directors serves as the highest level of risk management oversight. Under the Board, five functional committees have been established: the Audit Committee, the Corporate Governance and Sustainability Committee, the Compensation Committee, the Nomination Committee, and the Strategy Committee. The Corporate Governance and Sustainability Committee consists of no fewer than three directors, with a convener and chairperson elected from among the members. The committee is responsible for overseeing sustainability, regulatory compliance, and information security risks, and convenes meetings on a regular basis.</p> <p>b. In 2022, the Company established an ESG Promotion Office and appointed a full-time Sustainability Officer to lead the implementation of sustainability initiatives. To facilitate company-wide coordination and execution, a cross-functional team was assembled, comprising representatives from each business unit and manufacturing site, along with staff departments such as Occupational Safety and Health, Human Resources, and Finance. The ESG Promotion Office reports directly to the Chairman on a regular basis. It is responsible for tracking the progress of TECO's corporate sustainability goals and policy implementation; collecting and assessing climate-related and sustainability risks and opportunities; identifying material sustainability issues relevant to operations and stakeholder concerns; formulating response strategies and action plans; preparing relevant budgets; and planning and executing annual initiatives. The Office also monitors implementation</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>performance to ensure that sustainability strategies are effectively and thoroughly integrated into the Company's day-to-day operations.</p> <p>c. The 2025 sustainability management policies, strategies, and goals, as well as their implementation status, were reported to the Corporate Governance and Sustainability Committee on January 22 and August 6, 2025, and subsequently reported to the Board of Directors on February 19 and August 13, 2025. The Board's oversight of sustainable development is as follows:</p> <p>(a). Environmental Aspect (E):</p> <ul style="list-style-type: none"> ● Consolidated the Group's carbon emission assurance processes and disclosed the total emissions of subsidiaries within the consolidated financial statements. Progress toward the 2030 emissions reduction target remains on track. ● (Expanded the scope of the Internal Carbon Fund and established incentive mechanisms. ● Completed a high-level analysis of all 15 categories of Scope 3 carbon emissions to identify emission hotspots. The results indicate that the "Use of Sold Products" stage accounts for the highest emissions; therefore, it is recommended to prioritize reduction efforts in this area. <p>(b) Social Aspect (S):</p> <ul style="list-style-type: none"> ● Promoting Social Inclusion and Care: Senior communal dining programs, Indigenous music and dance performances, beach clean-up activities, and the "Earth Hour" lights-off event. ● It is recommended that TECO take a leading role in sponsoring technology, humanities, and arts organizations to achieve a balance between technological advancement and cultural enrichment. ● Senior executives led employee volunteers in the Tefuye Historical Trail restoration project and shared 	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>TECO's experience at the press conference hosted by the Administration of Forestry and Nature Conservation's "Matching Platform for Natural Carbon Sinks and Biodiversity Projects." It is recommended to continue the Tefuye Historical Trail restoration efforts and develop a long-term participation plan for TECO</p> <p>(c) Governance Aspect (G):</p> <ul style="list-style-type: none"> ● All managers and employees are required to complete the "Sustainability Trends and TECO's ESG Practices" online video course. Additionally, specialized training sessions on carbon credits and customer ESG requirements are provided for relevant department heads and staff. The Company continues to implement the IFRS S1 and S2 disclosure standards. ● It is recommended that managers and staff of ESG-related units obtain objective, external professional certifications. <p>d. The Sustainability Report for fiscal year 2025 is scheduled to be submitted to the Board of Directors for approval and published by August 2026.</p>	
2. Has the Company conducted risk assessments on environmental, social, and governance (ESG) issues related to its operations based on the principle of materiality, and established corresponding risk management policies or strategies?	V		<p>a. This disclosure covers the Company's sustainability performance across major operating sites from January to December 2025. The scope of the risk assessment primarily focuses on the Company, including operating sites in Taiwan, Mainland China, and other overseas locations.</p> <p>b. TECO updates its sustainability topics based on international sustainability standards and trends, corporate operating goals, and material topics identified by benchmark companies and industry peers. These topics are prioritized and analyzed based on the results of communication with internal and external stakeholders. This process enables the identification of material ESG issues, allowing the Company to focus its sustainability management, assess sustainability risks, and establish internal management systems to ensure goals are achieved. The materiality assessment and sustainability goal-setting process</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof												
	Yes	No	Explanation													
			<p>are conducted annually. The material ESG issues identified through this assessment and their corresponding risk management measures are listed below:</p> <table border="1"> <thead> <tr> <th>Aspect</th> <th>Material Topic</th> <th>Risk Management Action</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Pollution Prevention and Management</td> <td>Comply with relevant regulations concerning production, hygiene, labor, and environmental sustainability. Complete the standard registration of chemical substances within the prescribed deadlines.</td> </tr> <tr> <td>Social</td> <td>Occupational Safety and Health</td> <td>Strengthen the promotion of occupational safety and health activities. Conduct quarterly cross-site operational audits and invite external experts annually for preventive health and safety inspections to prevent workplace injuries.</td> </tr> <tr> <td>Governance</td> <td>Regulatory Compliance</td> <td>Implement ethical management, monitor the latest legislative amendments, and perform rolling adjustments to internal policies.</td> </tr> </tbody> </table> <p>For detailed materiality analysis and risk management content, please refer to the 'Material Topics and Risk Correspondence' section in the Company's 2025 Sustainability Report.</p> <p>c. TECO is committed to establishing a comprehensive risk management system. The Audit Committee and the Corporate Governance and Sustainability Committee serve as the Company's highest-level risk oversight bodies, each responsible for different categories of risk. This structure ensures clear and professional division of responsibilities across various dimensions of risk control, with regular reporting to the Board of Directors.</p> <p>In addition, the Company has established an Audit Office that reports directly to the Board of Directors. This office is responsible for monitoring and auditing the overall risk management mechanism. Through internal audit procedures,</p>	Aspect	Material Topic	Risk Management Action	Environmental	Pollution Prevention and Management	Comply with relevant regulations concerning production, hygiene, labor, and environmental sustainability. Complete the standard registration of chemical substances within the prescribed deadlines.	Social	Occupational Safety and Health	Strengthen the promotion of occupational safety and health activities. Conduct quarterly cross-site operational audits and invite external experts annually for preventive health and safety inspections to prevent workplace injuries.	Governance	Regulatory Compliance	Implement ethical management, monitor the latest legislative amendments, and perform rolling adjustments to internal policies.	
Aspect	Material Topic	Risk Management Action														
Environmental	Pollution Prevention and Management	Comply with relevant regulations concerning production, hygiene, labor, and environmental sustainability. Complete the standard registration of chemical substances within the prescribed deadlines.														
Social	Occupational Safety and Health	Strengthen the promotion of occupational safety and health activities. Conduct quarterly cross-site operational audits and invite external experts annually for preventive health and safety inspections to prevent workplace injuries.														
Governance	Regulatory Compliance	Implement ethical management, monitor the latest legislative amendments, and perform rolling adjustments to internal policies.														

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			the Company ensures the effectiveness of its risk control measures and the appropriate management of potential risks. d. In accordance with Article 44 of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," the Company has established a Risk Management Policy and Procedures.	
3. Environmental Issues a. Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		Each production plant has obtained international certifications such as ISO 9001 and IATF 16949 based on its business nature. Furthermore, the plants are strengthening their management capabilities by implementing ISO 14001, ISO 45001, and hazardous substance identification in original designs. The headquarters (TECO Electric & Machinery Co., Ltd.) and all major production sites have established ISO 14001 Environmental Management Systems and passed third-party verification, achieving a 100% coverage rate with certificates valid through 2026. The validity periods of the ISO 14001 certificates for TECO Electric & Machinery are as follows. For the validity of other certificates, please visit the TECO official website: TECO Sustainability Commitment / Historical Certificates / ISO 14001. Chungli Plant: December 21, 2025 – December 21, 2028 Hukou Plant: October 15, 2025 – October 14, 2028 Guanyin Plant: August 26, 2024 – August 25, 2027	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX
b. Has the Company made efforts to improve energy efficiency and utilize recycled materials with lower environmental impact?	V		a. Energy Efficiency: In 2025, the total energy consumption of the Group was 603,558 GJ, with a coverage rate of 100.00% . The energy intensity was 2.84 MWh per million NTD in revenue. b. Renewable Energy Generation: In 2025, TECO completed the installation of a 1.781 MW solar power facility at its Hukou Plant. Combined with existing capacity, the Group's cumulative global installed solar capacity has reached 17.227 MW. The Company aims to have renewable energy account for 30% of its total electricity consumption by 2030.	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>c. Recycled Materials in Motor Manufacturing: By melting and reusing silicon steel scrap for motor frames, the proportion of recycled iron material has reached over 90%.</p> <p>d. Eco-friendly Refrigerant Transition: The Company continues to promote the replacement of R410a with R32 eco-friendly refrigerant. In 2025, R32 accounted for 53.4% of total refrigerant usage (including residential, commercial, and chillers); notably, R32 has been fully implemented in all residential air conditioning models, achieving a 100% utilization rate.</p>	
3. Has the Company assessed the potential current and future risks and opportunities of climate change on its business, and taken corresponding response measures?	V		<p>a. To enhance carbon management efficiency and encourage internal innovation and transformation—thereby achieving short-to-medium-term emission reduction targets and the 2050 Net-Zero goal—TECO has implemented an Internal Carbon Pricing (ICP) system. Annual carbon emission allowances are established for each business group, with budgets allocated to cover corresponding emission costs. Simultaneously, business groups and staff units can apply for subsidies from the Carbon Fund for projects such as energy management, renewable energy development and application, low-carbon product R&D and innovation, and the development of low-carbon competencies or tools. This system incentivizes a more proactive approach to energy saving and carbon reduction strategies, thereby strengthening corporate competitiveness.</p> <p>b. TECO actively promotes the installation of self-owned power generation facilities worldwide. As of 2025, the cumulative global installed capacity has reached 17.227 MW.</p> <p>For further details on climate change governance, please refer to 'Implementation of Climate-Related Information'.</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof																				
	Yes	No	Explanation																					
4. Has the Company compiled statistics on its greenhouse gas emissions, water consumption, and total waste generation over the past two years, and established policies for GHG reduction, water conservation, or other waste management initiatives?	V		<p>a. Greenhouse Gas (GHG) Emissions: The total emissions for all subsidiaries within the consolidated financial statements were 70,411 metric tons of CO₂e in 2025, with third-party external assurance conducted by PwC Taiwan. Emissions for 2024 were 73,752 metric tons of CO₂e. For detailed data regarding Scope 1, Scope 2, and emission intensity, please refer to Section 1-1-1, "Implementation of Climate-Related Information."</p> <p>b. Water Consumption: TECO's target water consumption for 2025 was 347,460 metric tons, while actual total consumption was 338,576 metric tons. The total consumption for 2024 was 317,020 metric tons. The reporting scope and boundaries are consistent with those defined in the 2025 Sustainability Report.</p> <p>c. Waste Management:</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX																				
			<table border="1"> <thead> <tr> <th>Unit: Metric Tons</th> <th>Non-hazardous Waste</th> <th>Hazardous Waste</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2025 Total Generation</td> <td>14,889.66</td> <td>890.54</td> <td>15,789.20</td> </tr> <tr> <td>2025 Amount Disposed</td> <td>936.12</td> <td>284.51</td> <td>1,220.63</td> </tr> <tr> <td>2025 Disposal Target</td> <td>989.59</td> <td>285.65</td> <td>1,275.24</td> </tr> <tr> <td>2024 Total Generation</td> <td>15,097.85</td> <td>892.37</td> <td>15,900.22</td> </tr> </tbody> </table>		Unit: Metric Tons	Non-hazardous Waste	Hazardous Waste	Total	2025 Total Generation	14,889.66	890.54	15,789.20	2025 Amount Disposed	936.12	284.51	1,220.63	2025 Disposal Target	989.59	285.65	1,275.24	2024 Total Generation	15,097.85	892.37	15,900.22
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<p>4. Social Issues</p> <p>a. Has the Company established relevant management policies and procedures in accordance with applicable laws and international human rights conventions?</p>	V		<p>TECO Electric & Machinery respects and supports the labor standards set forth in the <i>United Nations Universal Declaration of Human Rights</i>, the <i>United Nations Global Compact</i>, and the <i>International Labour Organization (ILO) Conventions</i>. We have publicly issued the "TECO Electric & Machinery Human Rights Policy Declaration," committing to ensure that everyone, both within and outside the company, is treated with equality and dignity. Each year, the Company assesses and reviews human rights risk issues to identify affected stakeholders and risk sources, and to plan strategic actions. Mitigation measures include ensuring a safe and healthy working environment, prohibiting forced labor and child labor, eliminating discrimination, and upholding the freedom of association and the right to collective bargaining.</p> <p>For policy details, please visit our official website: TECO Sustainability Commitment / Historical Certificates / CSR / TECO Human Rights Policy.</p> <p>Responsible Units for Human Rights Protection: Relevant departments, including Human Resources, Procurement, Legal, ESG, Occupational Safety and Health, Operations, and Information Security, collaborate to conduct human rights due diligence, ensuring the implementation of human rights principles in daily operations. The Human Resources Division is responsible for formulating human rights policies and managing employee-related actions and execution. The ESG Office is responsible for consolidating the results of human rights due diligence and disclosing them in the Sustainability Report.</p>	<p>Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX</p>

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>A summary of the Company's human rights management policies and specific implementation measures is as follows:</p> <p>1. Providing a Safe and Healthy Working Environment Please refer to the "Promoting Physical and Mental Health" section under "V. Labor-Management Relations."</p> <p>2. Assisting Employees in Maintaining Physical and Mental Health and Work-Life Balance (1) To balance work and life and implement leave management, the Company regularly reviews the utilization of special leave across all units. The special leave utilization rate is included as a key performance indicator (KPI) in the annual performance appraisal of managers. (2) In addition to statutory leave, the Company offers leave benefits that exceed legal requirements, such as welfare leave, birthday leave, and recuperation leave. (3) The Nankang headquarters implements a 70-minute flexible working hours system to enhance work flexibility.</p> <p>3. Prohibiting Forced Labor (1) Employee overtime must be applied for by the individuals themselves based on work requirements. Overtime hours are monitored and controlled through a system to ensure compliance with laws and regulations. (2) In accordance with occupational safety and health regulations, the Company promotes the "Prevention Plan for Diseases Triggered by Abnormal Workloads." Occupational nursing staff regularly conduct over-load risk assessments. For employees identified at a certain risk level, measures such as adjusting working hours, managing overtime, or reassignment are taken based on professional recommendations to prevent overexertion and safeguard employee health.</p> <p>4. Implementing Human Rights Protection Training Upholding the core values of "Respect for Human Rights, and a Friendly and</p>	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>Safe Workplace," TECO implements a corporate environment centered on Diversity, Equity, and Inclusion (DEI). In 2025, the Company continued to deepen human rights education, integrating human rights awareness into the corporate culture. A total of 62 human rights-related training courses were held throughout the year, with a total of 10,425 attendees and 14,019.5 total training hours, demonstrating the Company's commitment to protecting employee rights and workplace safety.</p> <p>This year's curriculum covered the following core human rights dimensions to ensure policy implementation across all operational levels:</p> <ul style="list-style-type: none"> (1) Workplace Human Rights and Equality: Including new hire orientation, prevention of sexual harassment, and prevention of unlawful infringement in the workplace to actively create a dignified labor environment. (2) Occupational Safety and Health: Regularly held fire drills, CPR and AED training, and occupational safety and health education. Health seminars were also conducted to enhance employee well-being and protect life safety. (3) Ethical Governance and Compliance: Implementing education on ethical management, awareness of the Personal Data Protection Act, and information security training to strengthen legal awareness and privacy protection among employees. (4) Workplace Communication and Transparent Culture: Through communication management courses for managers and staff at all levels, the Company empowers employees with effective dialogue and active listening skills. This ensures open two-way communication channels, reduces organizational gaps, emphasizes employee feedback, and fosters an open and transparent workplace environment. 	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
b. Has the Company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected operational performance or results in employee remuneration?	V		<p>1. Sharing of Business Results</p> <ul style="list-style-type: none"> • Implementation of Performance Management: TECO synchronizes employee compensation with corporate performance to foster a sense of professional mission. According to the Articles of Incorporation, the Company allocates up to 10% of its annual profits as employee remuneration. Additionally, in accordance with the "Year-end Bonus Evaluation Measures," the Company allocates a specific percentage of its operating income for year-end bonuses. • Employee Stock Ownership Trust (ESOT): To enhance employee cohesion, improve performance, and encourage long-term financial planning, all employees have been eligible to participate in the Employee Stock Ownership Trust since 2023. The Company provides matching subsidies to encourage employees to hold company shares long-term, establishing a partnership where employees are also shareholders. • Long-term Incentives: Since 2023, employees at the managerial level and above are granted long-term incentive rewards based on three-year performance targets relevant to their respective roles. <p>2. Employee Benefit Measures</p> <ul style="list-style-type: none"> • Comprehensive Leave System Exceeding Statutory Requirements: <ol style="list-style-type: none"> 1. Social Service Leave: To encourage corporate citizenship, the Company provides 3 days of fully-paid social service leave annually for employees to participate in public welfare activities without affecting their performance appraisal. 2. Welfare Leave: The Company provides 3 days of paid welfare leave annually to help employees balance work and family life. 	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX.

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>3. Birthday Leave: To celebrate each employee's special day, the Company offers a flexible birthday leave to be taken during the employee's birth month.</p> <p>4. Prenatal Check-up Leave: Expectant employees are granted 10 days of fully-paid prenatal check-up leave, exceeding the statutory requirement of 7 days.</p> <p>5. Recuperation Leave: To ensure employees can recover with peace of mind, the Company provides paid recuperation leave following hospitalization, with the number of days equivalent to the duration of the hospital stay.</p> <ul style="list-style-type: none"> • Wedding Subsidies: The Company provides subsidies for congratulatory gifts/cash when an employee or their child gets married. • Funeral Assistance: As a gesture of sympathy, the Company provides subsidies for funeral wreaths, flower baskets, and condolence payments upon the passing of an employee or their immediate relative. • Employee Dormitories: The Company provides free on-site housing for plant employees. A "Dormitory Self-Governance Committee," formed by resident employees, collects a nominal monthly management fee to cover the cleaning and maintenance of public facilities and various recreational activities. <p>3. Employee Retirement System and Implementation The Company has established "Labor Retirement Measures" in accordance with relevant laws. The retirement systems and their implementation are as follows:</p> <ul style="list-style-type: none"> • Defined Benefit Plan (Old System) under the Labor Standards Act: The Company makes monthly contributions to a labor pension reserve fund based on the total salaries of employees under the old system. This fund is deposited with the Bank of Taiwan. At the end of each year, the Company reviews the account balance and settles any required funding by the end of March the following year to ensure 	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>sufficient coverage for retirement payments. In 2025, the total contribution deposited with the Bank of Taiwan was NT\$85,533 thousand.</p> <ul style="list-style-type: none"> • Defined Contribution Plan (New System) under the Labor Pension Act: In accordance with the government's monthly contribution scale, the Company contributes 6% of each employee's monthly wage to their individual pension account at the Bureau of Labor Insurance. In 2025, the contribution amounts were: NT\$83,790 thousand contributed by the Company and NT\$27,728 thousand contributed voluntarily by employees. • Delayed Retirement and Re-employment System: Following amendments to the Labor Standards Act, the Company may negotiate delayed retirement with employees aged 65 or older based on operational needs. Furthermore, "Retirement Re-employment Guidelines" are in place to facilitate the transfer of professional expertise and maintain organizational stability. <p>For other employee benefit matters, such as collective bargaining agreements, please refer to section "V. Labor-Management Relations."</p>	
C. Has the Company provided a safe and healthy working environment for its employees and conduct regular occupational safety and health education and training?	V		<ul style="list-style-type: none"> • ISO 45001 Certification: The Company has established an Occupational Health and Safety (OH&S) management system based on ISO 45001 and continuously promotes its operation. To date, 9 production sites across Taiwan and overseas have completed the implementation of the ISO 45001 management system and passed third-party verification. Annual surveillance audits are conducted to ensure the continued validity of the certificates. The ISO 45001 certificate for TECO Electric & Machinery Co., Ltd. (Chungli Plant) is valid from December 13, 2025, to December 13, 2028. The certificates are disclosed on our official website: TECO Sustainability Commitment / Historical Certificates / ISO 45001. • Training and Safety Culture: To strengthen OH&S management, the Company regularly organizes education, 	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>training, and promotional activities. In 2025, a total of 167 sessions were held, with 2,582 participants and 8,763 cumulative training hours. Every third quarter, we hold "EHS Month" (Environment, Health, and Safety Month) to enhance employees' knowledge and awareness. Furthermore, external experts are invited to conduct on-site audits and provide guidance to review the work environment and management measures, identifying opportunities for continuous improvement and enhancing OH&S management performance. We have also established the "Prevention Plan for Unlawful Infringement in the Performance of Duties" to safeguard the safety and physical and mental health of all employees, protecting them from workplace violence and unlawful infringement.</p> <ul style="list-style-type: none"> ○ Disabling Injury Frequency Rate (FR): 2.49 ○ Disabling Injury Severity Rate (SR): 71 ● Occupational Injury Statistics: A total of 29 incidents were recorded (6 in Taiwan, 5 in Mainland China, 2 in Southeast Asia, 7 in Europe, and 9 in the Americas). ● Incident Investigation and Improvement: Through accident investigation and analysis, we review and implement improvements by re-evaluating the safety of facilities and equipment. Priority is given to engineering controls, supplemented by administrative controls and promotion to raise employee awareness of health and safety, ensuring a safe working environment. <p>Full verification information is primarily disclosed in the Sustainability Report.</p>	
d. Has the company established an effective career competency development training program for employees?	V		<p>Mentor Program To strengthen the succession pipeline and organizational capabilities of middle and senior management, the Company has implemented a Mentor Program for potential successors. Based on 360-degree management competency assessments and individual needs, senior executives serve as Mentors to share their experiences and management philosophies, providing guidance to accelerate the holistic growth of Mentees. Additionally, potential</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>successors selected from middle management form a special group mentored directly by the President. Through the President's coaching, members develop executive-level mindsets. By interacting with Mentees from different business groups, they collectively explore development directions, initiate cross-functional projects, and connect with external resources to broaden their horizons. Regular group mentoring sessions are held where Mentors provide substantive advice and coaching based on each member's progress and project developments, fostering comprehensive talent development and overall organizational capacity.</p> <p>Key Talent System</p> <ul style="list-style-type: none"> • Cultivation and Retention: Key talent consists of high-potential employees below the managerial level. To enhance cultivation and retention, the review and selection process has been adjusted from biennial to annual. Following selection, the development and retention status of these individuals are set as Key Performance Indicators (KPIs) for their respective units. Department heads and key talents collaborate to formulate personalized Individual Development Plans (IDPs), aligning personal growth with corporate direction through systematic training. • 2025 Performance: Through this program in 2025, among 66 key talents, 2 graduated upon promotion to Grade 9 Senior Manager. Among the remaining 64, 21 individuals received promotions, confirmation of appointments, or assumed managerial roles, representing a promotion rate of 32.8%. <p>Digital Transformation and Digital Talent Cultivation</p> <ul style="list-style-type: none"> • Digital Learning Platform: The Company has made significant progress in digitalizing knowledge learning. We introduced the "TECO e-Academy," a new learning platform that establishes a robust digital foundation for hybrid online and offline learning. The platform continues to expand its range of online courses, serving as a key driver for internal knowledge sharing, professional growth, and cultural shaping. 	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<ul style="list-style-type: none"> • Training Hours: In 2025, total training reached 34,944.15 hours, with online courses accounting for 8,187.52 hours (23.4% of the total). • Digital Seed Cultivation: In response to rapid digital transformation, the Company officially adopted the M365 collaboration platform. Beyond basic tool training for all staff, "Digital Seeds" were selected from various business units to focus on mastering M365 tools for process automation and visualization. This fosters overall digital efficiency and develops digital project specialists. To date, the Company has trained 171 individuals proficient in advanced M365 tools (such as RPA and Power BI) and 38 digital project management professionals. • Digital Competition: To prepare for the future implementation of a Data Mid-Platform, the Company held an internal "Data Mid-Platform Idea Pitch" competition. Participating teams went through a comprehensive process from proposal and coaching to final presentation. With executive support, five projects were approved for future execution, accelerating the pace of digital transformation. <p>Management Trainee and Leadership Training</p> <ul style="list-style-type: none"> • Succession Training: To cultivate leadership and management skills, the Company plans annual training series for junior and middle-level reserve managers. Employees identified for future managerial roles must pass these training programs to qualify for promotion, ensuring they possess fundamental leadership and management competencies. • Transformation in 2025: In 2025, the Company deepened its talent cultivation transformation by redefining the management training system. By strengthening logical analysis and problem-solving foundations, managers at all levels are empowered with structured thinking to precisely address operational challenges and drive organizational synergy. Through result presentation mechanisms, managers are guided to translate their learning into practical action plans, ensuring the essence of the training 	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>is implemented in the workplace to enhance competency transfer.</p> <ul style="list-style-type: none"> • 2025 Results: Training sessions were held for middle managers, junior managers, and their respective reserve candidates, with 305 individuals completing a total of 2,135 training hours. <p>Professional Competency Development</p> <ul style="list-style-type: none"> • Knowledge Transfer: Each year, the Company trains new internal instructors and enhances the teaching capabilities of existing ones to facilitate knowledge transfer. Important professional techniques and "know-how" are passed down through internal courses and On-the-Job Training (OJT). Additionally, factories host annual skill certification exams to raise technical standards, develop employee potential, cultivate multi-skilled workers, and reward excellence. • 2025 Results: In 2025, 140 employees passed the skill certification exams, with NT\$134,000 in bonuses awarded. 	
e. Has the Company complied with relevant laws and international standards regarding customer health and safety, customer privacy, marketing, and product labeling, and has it established related policies and grievance mechanisms to protect consumer or customer rights and interests?	V		<p>The integration of environmental protection, energy efficiency, and low-carbon features has become a defining trend in product design. While ensuring compliance with national CNS (Chinese National Standards) regulations, the Company leverages its high-efficiency Inverter Magnetic Bearing Centrifugal Chiller as a core technology to provide Tier 1 energy-efficient air conditioning mainframes. By integrating Big Data and AI Energy Management Platforms, we offer intelligent services such as energy optimization, anomaly alerts, and preventive maintenance, assisting enterprises in meeting government mandates for Net-Zero emissions and Deep Energy Saving policies.</p> <p>In response to the accelerating global trend of data center construction, the Company provides comprehensive cooling and air conditioning solutions that meet PUE (Power Usage Effectiveness) energy efficiency standards and has obtained multiple international certifications, including AHRI, ASME, and UL. Regarding market service deployment, the Company has</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX.

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>simultaneously strengthened pre-sales technical support and standardized delivery and installation processes, while enhancing after-sales repair speed and offering extended warranties and remote support services. Furthermore, we promote Intelligent Customer Service and CRM (Customer Relationship Management) systems to improve customer satisfaction and brand loyalty through data-driven management, thereby increasing market recognition through enhanced brand positioning.</p> <p>Privacy Protection and Personal Data Management To comply with the Personal Data Protection Act and relevant regulations, and to implement the protection and management of personal information, the Company has established the "TECO Electric & Machinery Co., Ltd. Personal Data Protection Policy," which is published on the corporate website. This policy applies to all personal data (including customer data) collected, processed, and utilized across the Company's various business processes. All employees (including contract staff, interns, and part-time personnel), as well as outsourced vendors or third-party partners commissioned by the Company (including their employees, users, or agents), must adhere to this policy.</p> <p>The Company has established a Personal Data File Security Maintenance Plan and Processing Methods. The Chairman serves as the head of the highest management level for this initiative, with dedicated personal data protection administrators appointed in each unit to drive management affairs. On October 7, 2025, the Company conducted personal data inventory training to promote key contents of the Personal Data Protection Act, incident reporting protocols, and inventory procedures (totaling 46 participants and 46 training hours). Through internal audits, data inventory, risk prevention, and education, the Company ensures the proper protection of customer personal data.</p> <p>Consumer Rights</p>	

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>To enhance the safety and quality of products and services, safeguard consumer rights, and establish a comprehensive complaint mechanism, the Company has formulated a Consumer Protection Policy, published on the corporate website. We ensure that all products and services meet safety, health, and quality standards, providing accurate information and clear labeling. For products or services that may pose safety hazards, the Company will immediately implement measures such as recalls or service suspensions and provide clear instructions for returns, exchanges, and refunds.</p> <p>Simultaneously, we handle personal data in a legal, transparent, and fair manner, establishing reporting and emergency response mechanisms to fully protect customer interests. Should consumers have any inquiries, they may request online repairs via the home appliance website (URL: https://www.tecohome.com.tw/tw/Products/Category/1), or call the 24-hour repair hotline (Tel: 02-4055-7888) or the product consultation hotline (Tel: 0800-281-200). Upon receiving such inquiries, dedicated personnel will process and respond as quickly as possible.</p>	
f. Has the Company established a supplier management policy requiring suppliers to comply with relevant standards on environmental protection, occupational health and safety, and labor and human rights, and what is the status of its implementation?	V		<p>TECO has established a Supplier Management Policy, requiring all suppliers to comply with the TECO Supplier Code of Conduct. Suppliers must commit to and agree upon clauses regarding anti-corruption, labor rights (no child labor, no forced labor), information security (Non-Disclosure Agreements, data destruction), and environmental commitments (RoHS/REACH/GP declarations). A termination clause is also included, stating that any major violations will result in the immediate termination of the business relationship.</p> <p>To ensure that suppliers fulfill sustainability goals, the Company not only utilizes appraisal mechanisms to demand competitive quality, delivery, and technology but also integrates an ESG Scoring Scale (covering environmental protection, occupational</p>	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			<p>safety and health, and labor rights) into these appraisals. Furthermore, TECO has developed a Supplier ESG Assessment Form and implemented strategies to increase the proportion of localized procurement. Deepened management techniques include the signing of the "Guarantee of Prohibited/Restricted Substances," the "Conflict-Free Mineral Declaration," and the "Supplier Code of Conduct," which incorporates the "Human Rights and Environmental Sustainability Commitment."</p> <p>The Company evaluates and reviews human rights risk issues annually to identify affected stakeholders and risk sources, planning strategic actions and tracking improvements accordingly. Starting in 2026 (Year 115), with reference to the Ministry of Economic Affairs' "Operational Manual for Corporate Human Rights Due Diligence (2025)," TECO will implement Human Rights Due Diligence (HRDD). The scope of this investigation includes employees and Tier 1 suppliers. Through questionnaires, the Company assesses the negative human rights impacts within its operations and supply chain, develops risk mitigation and remedial measures for identified impacts, and will continue to track implementation progress. For more details, please refer to the Company's 2025 Sustainability Report.</p>	
5. Does the Company follow internationally recognized reporting standards or guidelines in preparing its sustainability report or other reports disclosing non-financial information? Has the aforementioned report been assured or verified by an independent third-party assurance provider?	V		<ul style="list-style-type: none"> The overall content and structure of the Sustainability Report are developed in accordance with the Universal Standards, Sector Standards, and Topic Standards published by the Global Reporting Initiative (GRI). For environmental aspects and greenhouse gas (GHG) inventory, the framework and disclosures are based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Furthermore, sustainability issues with material financial impact on the industry are disclosed in accordance with the Sustainability Accounting Standards Board (SASB) standards. This Sustainability Report adopts the AA1000 Assurance Standard (AA1000AS v3) Type 1 Moderate Level of Assurance, 	Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX

Initiatives	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Explanation	
			with independent assurance completed by the British Standards Institution (BSI).	
<p>6. If the Company has established its own sustainability guidelines in accordance with the “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies,” please describe their implementation and any differences from the said Principles: The Company has established a “Sustainability Best Practice Guidelines,” which apply to the overall business operations of the Company and its group enterprises. The Company aspires to actively align its business operations with international sustainability trends, and, through its role as a responsible corporate citizen, contribute to national economic development, improve the quality of life for employees, communities, and society, and foster a sustainability-driven competitive advantage. There is no difference in the implementation outcome.</p>				
<p>7. Other material information helpful for understanding the Company’s implementation of sustainable development practices:</p> <ul style="list-style-type: none"> • TECO established the "ESG Office" in 2022, which reports regularly to the Chairman to execute and track the implementation of TECO’s sustainability management goals and policies. The Company has declared a "50% Reduction in Ten Years" initiative, aiming to achieve a 50% reduction in operational carbon emissions by 2030 and reaching Net Zero by 2050. • Since 2023, the Company has successively established business departments related to green energy and energy technology services. These units integrate resources to capture opportunities in Virtual Power Plants (VPP) arising from power sector privatization, as well as micro-grids and Energy Service Company (ESCO) markets. • Selected for the Dow Jones Sustainability Index (DJSI) Emerging Markets for six consecutive years. • The TECO Technology Foundation has long been dedicated to the preservation and promotion of Indigenous culture. Through the "Exclamation Mark - Indigenous Sustainability Education Program," the Company actively protects Taiwan’s unique cultural heritage while promoting social inclusivity and sustainability. • Included in the S&P Global Sustainability Yearbook 2025 for six consecutive years. • As of March 23, 2026, TECO received an MSCI ESG Rating of AAA. (The MSCI Notice & Disclaimer: https://www.msci.com/legal/notice-and-disclaimer) • Selected for the FTSE4Good Index. • Listed on the 2025 CDP A-List. • Recipient of the Taiwan Corporate Sustainability Awards (TCSA) for twelve consecutive years. • Ranked within the top 5% of the Corporate Governance Evaluation for nine years. • Selected for the 2025 Best Taiwan Global Brands for the first time. <p>Comprehensive information will be disclosed in the Sustainability Report.</p>				

1. Climate-Related Information Implementation Status

Item	Implementation Status
<p>1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The status of sustainability development for 2025 has been reported to the Corporate Governance and Sustainability Committee. The Board of Directors' supervision of climate-related risks and opportunities in 2025 is summarized as follows:</p> <ol style="list-style-type: none"> (1) Integration of the Group's carbon emission assurance processes and disclosure of total carbon emissions for subsidiaries within the consolidated financial statements. Progress remains on track toward the 2030 emission reduction targets. (2) Expansion of the scope of the Internal Carbon Fund and the establishment of incentive mechanisms. (3) Completion of high-level analysis for the 15 categories of Scope 3 emissions to identify carbon hotspots. The analysis indicates that the "Use of Sold Products" stage accounts for the highest emissions; it is recommended to focus more heavily on reduction strategies in this area. (4) Mandating the "Sustainability Trends and TECO ESG Practices" online video course for all executives and employees. Furthermore, specialized training on carbon credits and customer ESG requirements was provided to relevant department heads and staff. The Company continues the implementation of IFRS S2 disclosure standards. (5) Recommendation for managers and staff of ESG-related units to obtain objective, external professional certifications.
<p>2. Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning over the short, medium, and long term.</p>	<p>TECO has identified the following primary climate risks: carbon pricing systems and carbon tariffs (impacting operations and supply chains), shifts in customer behavior, and the increasing severity of extreme weather events (affecting production environments and labor).</p> <p>Impact on Business, Strategy, and Finance: Risks</p> <ul style="list-style-type: none"> • Impact on Business <ul style="list-style-type: none"> ○ Short-term: Disruption to plant operations, rising costs of critical materials, increased pressure on supply chain management, and shifts in market demand (potential loss of business opportunities). ○ Medium-term: Product upgrades and market restructuring, rising energy costs, and decreased labor productivity. ○ Long-term: Carbon Border Adjustment Mechanisms (CBAM) and industrial transformation risks. • Impact on Strategy <ul style="list-style-type: none"> ○ Short-term: Climate adaptation for factories and construction, implementation of internal carbon pricing/carbon fund mechanisms, supply chain management, cultivation of green-collar and R&D talent, launching high-efficiency/smart energy-saving products, and expanding Energy Service Company (ESCO) business. ○ Medium-term: Global production capacity layout and energy transition. ○ Long-term: Technological innovation, active development of low-carbon technologies such as EV powertrain modules and IE5 motors, and circular economy models. • Impact on Finance <ul style="list-style-type: none"> ○ Short-term: Investments in capacity relocation (e.g., TECO's investments in Vietnam, India, and Mexico to diversify

Item	Implementation Status
	<p>geopolitical risks); investments in hardware and software to strengthen climate resilience.</p> <ul style="list-style-type: none"> ○ Medium-term: Increased R&D expenditure to meet Net-Zero emission requirements. ○ Long-term: Industrial transformation investment; failure to transition timely may lead to market obsolescence due to high product carbon footprints. <p>TECO has identified the following primary climate opportunities: expansion of the low-carbon product market, application of renewable energy and energy storage technologies, green supply chain development, and energy services (ESCO).</p> <p>Impact on Business, Strategy, and Finance: Opportunities</p> <ul style="list-style-type: none"> ● Impact on Business <ul style="list-style-type: none"> ○ Short-term: Growth in the EV market, government subsidies, and green standards. ○ Medium-term: Rising corporate demand for carbon reduction; TECO’s installation of solar and energy storage systems to reduce operational energy costs. ○ Long-term: Global energy transition, expansion of smart grid and green building markets. ○ Impact on Strategy <ul style="list-style-type: none"> ○ Short-term: Market-oriented product development and green supply chain standards. ○ Medium-term: Global market expansion and investment in renewable energy. ○ Long-term: Establishing leadership in low-carbon technology and developing circular economy models. ● Impact on Finance <ul style="list-style-type: none"> ○ Short-term: New revenue from low-carbon products and acquisition of government subsidies (available in certain markets for low-carbon products, enhancing profitability). ○ Medium-term: Returns on renewable energy investments and carbon trading opportunities; reducing future carbon tax burdens through internal carbon pricing mechanisms. ○ Long-term: Becoming a leading brand in the low-carbon market; revenue from carbon-reduction technology licensing and patents.
<p>3. Describe the financial impacts of extreme weather events and transition activities.</p>	<p>Financial Impact of Extreme Climate and Transition Actions</p> <ol style="list-style-type: none"> 1. Financial Impact of Extreme Climate Events <ul style="list-style-type: none"> ● Impact of Carbon Pricing Systems: Regulations in Europe and North America may lead to rising costs for critical materials such as steel and aluminum, potentially impacting export competitiveness. ● Operational Risks: Extreme weather events—including typhoons, floods, and high temperatures—may disrupt production and supply chains, increasing equipment maintenance and insurance costs. ● Increased Energy Costs: Carbon pricing and the demand for low-carbon equipment are driving up energy expenses and capital expenditures (CAPEX) across production sites. 2. Transition Actions and Financial Strategies <ul style="list-style-type: none"> ● Product and Market Transformation: Upgrading motor efficiency and promoting low-carbon technologies, energy storage, renewable energy equipment, and Energy Service Company (ESCO) solutions to optimize the revenue structure.

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	<ul style="list-style-type: none"> • Supply Chain Management: Requiring suppliers to provide carbon footprint data to optimize procurement strategies and mitigate the cost impact of high-carbon materials. <p>3. Financial Planning and Future Outlook</p> <ul style="list-style-type: none"> • Internal Carbon Pricing (ICP): Implementing an internal carbon pricing mechanism to link emission reduction performance with executive and employee appraisals. • Long-term Carbon Cost Assessment: Conducting evaluations of long-term carbon costs to enable flexible resource allocation.
<p>4. Describe how the identification, assessment, and management of climate-related risks are integrated into the overall risk management framework.</p>	<p>TECO continuously updates its sustainability issues based on international sustainability standards and trends, the company's operational goals, and material topics identified in peer and benchmark companies. Through double materiality analysis, TECO identifies potential transition failure risks.</p> <p>The ESG Promotion Office is responsible for validating the content of each issue and detailing the top ten core topics, including their scope of impact, underlying causes, assessment methods, associated risks, and corresponding management strategies.</p> <p>In addition, the company references the "Risk Assessment and Analysis Report" provided by the Finance Department to define key areas for climate risk and sustainability management. The effectiveness of risk management execution by each responsible unit is continuously monitored, and the results are disclosed in the sustainability report to ensure transparency and traceability. The process of identifying material topics and setting sustainability goals is conducted annually to ensure that sustainability strategies are aligned with the company's development direction and to continuously optimize risk response and management mechanisms.</p>
<p>5. If scenario analysis is applied to assess the company's resilience to climate change risks, the selected scenarios, parameters, assumptions, analytical factors, and key financial impacts should be clearly disclosed.</p>	<p>TECO has selected the GCAM 6.0 model in conjunction with the IEA 2050 Net Zero (NZE) scenario to estimate carbon reduction costs. This choice aligns with TECO's declared 2050 Net-Zero goal and is consistent with the requirements of Science-Based Targets (SBT), enabling an effective assessment of the Company's capacity and challenges in addressing climate change.</p> <p>1. Key Parameters and Assumptions</p> <ul style="list-style-type: none"> • Policy Factors: Predictions indicate that global governments will strengthen carbon pricing, carbon taxes, and emission limits. National climate policies will impact energy and operational costs, accelerating the transition to a low-carbon economy and increasing demand for renewable energy. • Regional Variables: Differences in energy resource availability across TECO's major operational hubs (Mainland China, Southeast Asia, and the United States) affect the costs of carbon reduction measures. • Technological Development: High-efficiency, energy-saving equipment and low-carbon energy technologies will reduce TECO's energy transition costs, though the pace of these advancements remains uncertain. <p>2. Key Analytical Factors</p> <ul style="list-style-type: none"> • Financial Risks: Rising carbon prices will increase operational costs; volatility in energy market prices will impact raw material and transportation costs. • Operational Risks: Shifts in policies and regulations will affect market access and compliance costs. High

Item	Implementation Status
	<p>temperatures and extreme weather events will impact productivity and supply chain stability.</p> <p>3. Key Financial Impacts</p> <ul style="list-style-type: none"> • IEA 2050 Net Zero (NZE) Scenario: Carbon prices are expected to rise significantly, prompting enterprises to accelerate their energy transition. • IEA APS (Announced Pledges Scenario): The estimated carbon reduction cost for 2030 is NT\$30.64 million. While the pressure for reduction is lower under this scenario, investment in energy transition technologies remains necessary. • RCP 2.6 & RCP 6.0 Impact on Labor: More resources must be allocated toward improving employee health and the production environment to mitigate climate-related impacts.
<p>6. If there is a transition plan in place to address and manage climate-related risks, please describe the plan, along with the indicators and targets used to identify and manage physical and transition risks.</p>	<p>Operations: TECO has pledged a "50% Emission Reduction in 10 Years," with the goal of achieving a 50% reduction in operational carbon emissions by 2030. This initiative includes energy-saving and carbon-reduction actions at major production sites, as well as the planning and construction of self-owned renewable energy power generation facilities. These measures are expected to be the primary drivers in reaching the target of 30% renewable energy usage as a proportion of total electricity consumption. Furthermore, the Company has implemented a digitalized GHG (Greenhouse Gas) inventory information system to enhance data processing efficiency.</p> <p>Products and Services: TECO has completed the R&D of IE5 ultra-high efficiency motors (the highest energy efficiency rating). Additionally, all small-scale air conditioning units have transitioned to using eco-friendly refrigerants, and the Company provides comprehensive Energy Service Company (ESCO) solutions.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for determining the carbon price should be disclosed.</p>	<p>Since 2023, TECO has officially implemented an internal carbon pricing mechanism. Each business group's general manager is assigned an annual emissions allowance, which is incorporated into the budgeting process. Business units are required to allocate actual budgets to cover their annual carbon emissions. If emissions exceed the target, the excess results in additional budgetary costs, directly impacting the business group's performance evaluation and bonus allocation.</p> <p>TECO's internal carbon price is set at NT\$1,600 per metric ton (approximately USD 50). The pricing was determined based on a comprehensive review of global carbon pricing schemes, research reports from the Taiwan Institute of Economic Research, benchmark practices from leading domestic companies, and the estimated cost of carbon reduction investments at TECO's production sites.</p> <p>Each year, the responsible departments collect internal and external data to review and recalculate the internal carbon price. A formal meeting is then convened to discuss and approve the carbon fee for the following year, which serves as a reference for all business groups in their annual planning and budgeting processes.</p>
<p>8. If climate-related targets have been set, the company should disclose the covered activities, greenhouse gas emission scopes, planning timeline, and</p>	<p>TECO has set a goal to achieve a 50% reduction in Scope 1 and Scope 2 emissions and to reach a renewable energy usage rate of 30% of total electricity consumption by 2030. In 2025, through self-generation and self-consumption of solar energy, the Company obtained a total of 1,202 Taiwan Renewable Energy Certificates (T-</p>

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annual progress toward the targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the sources and quantities of the offsets or RECs should also be disclosed.	RECs).
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and concrete action plans (to be additionally reported in Sections 1-1 and 1-2).	To comply with the "Sustainable Development Roadmap for TWSE/TPEX-Listed Companies" established by the Financial Supervisory Commission (FSC), the Company disclosed the total greenhouse gas (GHG) emissions of its consolidated subsidiaries in the 2024 Annual Report. This year, the Company has, for the first time, completed the external assurance process for the aforementioned emission data.

1-1 Greenhouse Gas Inventory and Assurance Status of the Company in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Disclose the greenhouse gas emissions (in metric tons CO₂e), emission intensity (in metric tons CO₂e per NT\$ million), and data coverage scope for the past two years.

	2024	2025
Scope 1 (metric tons CO ₂ e)	28,139	26,272
Scope 2 (metric tons CO ₂ e)	45,613	44,139
Emission Intensity (metric tons CO ₂ e / TWD million)	1.33	1.19
Coverage Rate (%)	100	100

The information disclosed for 2024 and 2025 covers all entities included in the Company's consolidated financial statements. The 2024 greenhouse gas (GHG) emission data for consolidated subsidiaries (100%) is based on the results of internal inventory, whereas the 2025 GHG emission data for consolidated subsidiaries has undergone third-party external assurance. Full information will be disclosed in the Sustainability Report.

1-1-2 Greenhouse Gas Assurance Information

Description of GHG Assurance for the Two Most Recent Fiscal Years (Up to the Publication Date of the Annual Report)

2024 External Assurance:

The scope of assurance encompasses the Company's core business sectors, including Green Mechatronics, Home Appliances, and Engineering. This includes production bases and major sales systems under substantive control, such as TECO, Tesen Electric & Machinery, TECO-Westinghouse, Wuxi TECO, WUXI TECO Precision, Jiangxi TECO Air Conditioning Equipment, Jiangxi TECO, TECO Vietnam, Motovario, and Tecobar Technology. Non-core business sectors, such as logistics, software, and telecommunications, are also included.

Third-party external assurance was conducted in accordance with the ISO 14064 standard. The assurance bodies involved were:

Taiwan: BSI (British Standards Institution) and PwC (PricewaterhouseCoopers)

Mainland China & Vietnam: CQC (China Quality Certification Centre)

United States: SGS

Italy: TÜV

Australia: Intertek

External Assurance of 2025 Greenhouse Gas (GHG) Emissions:

An external third-party institution, PwC Taiwan, has completed the external assurance work for the greenhouse gas emissions data of all subsidiaries within the scope of the Group's consolidated report. The emissions were measured using the GHG Protocol methodology, and the assurance was conducted in accordance with the ISAE 3410 standard. Comprehensive assurance details will be disclosed in the Sustainability Report (ESG Report).

1-2 Greenhouse Gas Emission Reduction Targets, Strategies, and Concrete Action Plans

Disclose the GHG emissions base year and its data, emission reduction targets, strategies, concrete action plans, and the progress made toward achieving the targets.

As stated in Section 1-1-1, the Company has set a goal to reduce operational emissions by **50% in 10 years**, primarily focusing on core businesses. The coverage rates (by revenue) are as follows:

- **2021 (Base Year):** Scope 1 & 2: 90,116 tonCO₂e (Coverage: 89.5%)
- **2022:** Scope 1 & 2: 76,543 tonCO₂e (Coverage: 82.7%); Cumulative Reduction: 15.0%
- **2023:** Scope 1 & 2: 62,338 tonCO₂e (Coverage: 84.6%); Cumulative Reduction: 30.8%
- **2024:** Scope 1 & 2: 52,007 tonCO₂e (Coverage: 84.3%); Cumulative Reduction: 38.6%
- **2025:** Scope 1 & 2: 49,200 tonCO₂e (Coverage: 82.8%); Cumulative Reduction: 45.4%

The boundary for 2025 GHG emission targets remains consistent with 2024, focusing on core business operational sites. This includes production bases and major sales systems under substantive control across **Mechatronics, Home Appliances, and Engineering**, such as TECO, Tesen Electric & Machinery, TECO-Westinghouse, Tai-An Technology (Wuxi) , Wuxi TECO, WUXI TECO Precision, Jiangxi TECO Air Conditioning Equipment, Jiangxi TECO, TECO Vietnam, Motovario, and Tecobar Technology and Sheng-Chang Electric, accounting for 82.8% of the 2025 consolidated revenue.

In the future, carbon reduction targets will be established and disclosed in accordance with the **consolidated financial reporting boundary**.

Digital Platform for Global GHG Inventory

To rapidly and effectively manage GHG emission reduction performance across global production sites, TECO has implemented an internal **Digital GHG Inventory Platform**. This system allows headquarters and overseas sites to monitor monthly operational emissions in real-time, accelerating data integration, enhancing communication efficiency, and assisting in setting reduction targets, identifying major carbon hotspots, and formulating reduction strategies. (Current scope: Subsidiaries within the consolidated financial statements).

Internal Carbon Pricing (ICP) System

Since 2023, TECO has fully implemented an **Internal Carbon Pricing** system at **NTD 1,600 per tonne**. Business Group General Managers are assigned annual emission quotas and must budget for their respective emissions. Exceeding these

targets requires higher budget allocations, directly impacting business group performance and incentives.

To enhance carbon management efficiency and encourage innovation toward the 2050 Net-Zero goal, the "**Internal Carbon Pricing, Fee Collection, and Fund Management Procedures**" were established in 2024. The accumulated carbon fund serves as a capital source for business groups and staff departments to invest in carbon reduction, accelerating low-carbon transformation. Current applications include operational energy management, renewable energy development, low-carbon product/service R&D, and the construction of low-carbon tools/capabilities. (Current scope: TECO parent company business groups and staff units).

Supply Chain Emission Reduction Actions

TECO has initiated supply chain emission reduction efforts by incorporating GHG mitigation risk assessments into the supplier management system. Since 2024, the Company has participated in the "**Net-Zero Transformation Program for the Manufacturing Sector**" by the Ministry of Economic Affairs, forming a "**1+N Carbon Management Demonstration Team**" alongside research institutions and 11 supplier partners to promote carbon footprint inventories.

In 2025, TECO extended this program to suppliers in the **Intelligence Energy Business Group**, including power equipment manufacturers, metal product manufacturers, and machinery manufacturers, to assist in their low-carbon transition. Furthermore, we encourage suppliers to utilize TECO's Digital GHG Inventory Platform to enhance their sustainability management capabilities. (Current scope: Taiwan supply chain).

2.6 Implementation of Ethical Business Practices and Explanation of Any Differences from the Listed Companies’ Ethical Corporate Management Best Practice Principles

The Company primarily follows the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” to fulfill its commitment to ethical business practices.

Assessment Item	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Summary Description	
<p>1. Establishment of Ethical Corporate Management Policies and Programs</p> <p>a. Has the company established an integrity management policy approved by the board of directors, and clearly outlined the policy, practices, and commitments to implement it in its bylaws and external documents? Additionally, have the board of directors and senior management shown a proactive commitment to ensuring the policy is effectively carried out?</p>	V		<p>a. "Integrity management, the implementation of corporate governance, fulfilling social responsibility, and pursuing sustainable operations" are the core values of the company. On August 14, 2014, the Board of Directors passed a resolution to establish the "Ethical Corporate Management Best Practice Principles," which was amended on December 23, 2016, and November 12, 2019. Additionally, on March 20, 2015, the Board of Directors approved the revision of the "Code of Ethical Conduct for Directors and Managers." In addition to the establishment of the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct for Directors and Managers," which clearly outline the policies for integrity management, all members of the Board of Directors and management personnel have signed a declaration of integrity, demonstrating a proactive commitment to the implementation of integrity management policies. These documents, including the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct for Directors and Managers," are publicly disclosed on the company website. Furthermore, on August 13, 2018, the Board of Directors established the "Corporate Governance and Sustainability Committee Charter" to form the "Corporate Governance and Sustainability Committee," which consists of three or more directors, with at least half being independent directors. The chairperson and meeting convener are to be selected from the independent directors. In consideration of the need to add other functional committees and effectively assign director responsibilities, the committee charter was amended on June 18, 2024, to allow the members to</p>	<p>Consistent with the Ethical Corporate Management Best Practice Principles</p>

Assessment Item	Implementation Status		Differences from the Principles and the reasons thereof
	Yes	No	
<p>b. Has the company established a mechanism for assessing the risk of unethical conduct, regularly analyzing and evaluating business activities within its operations that carry a higher risk of such conduct, and formulated preventive measures accordingly, covering at a minimum the preventive actions outlined in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p>			<p>elect one of their own to serve as the convener and chairperson. The committee is tasked with tracking the implementation of corporate governance, corporate social responsibility, and integrity management initiatives.</p> <p>b. On November 12, 2019, the Board of Directors of the company passed a resolution to amend the "Ethical Corporate Management Best Practice Principles," explicitly outlining an evaluation mechanism for business activities that assess the risks of dishonest conduct. The scope of this mechanism includes the prevention of behaviors as outlined in Article 7, Paragraph 2, of the "Ethical Corporate Management Best Practice Principles for Listed Companies," including: (1) bribery and accepting bribes; (2) providing illegal political donations; (3) improper charitable donations or sponsorships; (4) offering or accepting unreasonable gifts, hospitality, or other improper benefits; (5) infringing on trade secrets, trademarks, patents, copyrights, and other intellectual property rights; (6) engaging in unfair competition; and (7) causing direct or indirect harm to consumers or other stakeholders' rights, health, and safety during the research, procurement, manufacturing, provision, or sale of products and services. The company has established an annual "Integrity Risk Assessment Mechanism" implemented by the Legal & Compliance Division. Each department conducts an annual analysis of risks related to dishonest conduct, with preventive measures and plans. After reviewing the materials, the Legal & Compliance Division submits a review report, and the audit department further monitors and audits the company's integrity risks. Furthermore, the company has established a "Procedures for Ethical Management and Guidelines for Conduct," as well as a reporting system to further prevent dishonest behavior by company members during business operations, as explained in section c. below.</p>

Assessment Item	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Summary Description	
c. Has the company clearly defined in its program for preventing unethical conduct the operating procedures, code of conduct, disciplinary measures for violations, and grievance mechanisms, and does it effectively implement and regularly review and revise the said program?			c. The Company established the "Code of Conduct and Operating Procedures and Guidelines for Integrity Management" on November 16, 2017. These guidelines explicitly prohibit employees from directly or indirectly offering, promising, requesting, or accepting any improper benefits while performing their duties. It further forbids any unethical acts, unlawful activities, or breaches of fiduciary duty aimed at obtaining or maintaining interests. To ensure continuous awareness of ethical standards among all personnel, the Company has published these integrity norms on the internal portal. Furthermore, we mandated that all directors and employees who assumed office in 2024 sign the "Integrity Statement" (achieving a 100% signing rate in 2024). All significant global affiliates were also required to sign the "Affiliate Integrity Management Commitment" (achieving a 100% completion rate). In addition, the Company promotes institutional compliance through diverse channels, including educational training and quarterly town hall meetings. In 2025, the HVAC Technology Business Group conducted an Integrity Management Questionnaire for its top 10 suppliers (each with an annual transaction value exceeding NT\$50 million); all surveyed suppliers responded, confirming no violations of integrity management. To fulfill high standards of regulatory compliance and professional ethics, the Company has established the "Procedures for Handling Reports of Illegal, Immoral, or Unethical Conduct." This system includes internal and external reporting channels and formal handling procedures. The "Compliance & Legal Office," which reports directly to the Board of Directors, serves as the dedicated unit for promoting ethical management. It is responsible for the implementation of integrity policies and prevention programs, as well as regular reviews. Most recently, on November 13, 2025, the Board of Directors approved amendments to the "Code of Conduct and Operating Procedures and Guidelines for Integrity Management."	

Assessment Item	Implementation Status		Differences from the Principles and the reasons thereof
	Yes	No	
<p>2. Implementation of Ethical Corporate Management</p> <p>a. Has the company evaluated the integrity records of its counterparties and included integrity-related clauses in the contracts signed with them?</p> <p>b. Has the company established a dedicated unit under the Board of Directors to promote ethical corporate management, and does it report at least once a year to the Board on the implementation of ethical corporate management policies, prevention programs for unethical conduct, and related supervision?</p> <p>c. Has the company established a conflict of interest prevention policy, provided appropriate reporting channels, and ensured effective implementation?</p>	V		<p>Consistent with the Ethical Corporate Management Best Practice Principles</p>
			<p>a. When conducting business activities, the company considers the integrity records of its trading counterparties before entering into transactions. The "Legal & Compliance Division," which is under the Board of Directors, incorporates integrity behavior clauses into the company's various standard contracts, requiring trading counterparties, including suppliers and distributors, to strictly adhere to the integrity clauses. If any party is found to engage in dishonest behavior, the company may unconditionally terminate or rescind the contract at any time. On June 10, 2021, the company also revised the "Human Rights and Environmental Sustainability Commitment Letter," requiring business partners to sign a declaration of sustainable development. Priority is given to trading counterparties who have signed the commitment to integrity management.</p> <p>b. The company has established the "Legal & Compliance Division" under the Board of Directors as the dedicated unit responsible for formulating and promoting integrity management policies and preventive measures. The department reported its annual work plan and progress at the meetings of the "Corporate Governance and Sustainability Committee" on January 22 and August 6, 2025. It also regularly reports to the Board of Directors annually, with the most recent report presented on December 12, 2025.</p> <p>c. The company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct for Directors and Managers," which explicitly state that all employees must not accept benefits to avoid sacrificing the company's interests for personal gain. If any violation of the integrity regulations is discovered, it may be reported according to the company's "Bylaws to report cases of illegal and</p>

Assessment Item	Implementation Status		Differences from the Principles and the reasons thereof
	Yes	No	
<p>d. Has the company established effective accounting and internal control systems to implement ethical corporate management, and has the internal audit unit developed audit plans based on assessments of unethical conduct risks to audit the compliance with the prevention programs, or has the company engaged external auditors to perform such audits?</p>			<p>unethical conduct." The person being reported is also provided with the opportunity to present their statement or appeal.</p> <p>d. To ensure the implementation of integrity management, the accuracy of accounting and financial processes, and the effectiveness of internal controls, the company has established an "Audit Committee" to oversee the "Financial and Management Center," which is responsible for dynamically managing financial risks. Additionally, the "Audit Team" evaluates compliance with laws and regulations, the COSO internal control framework, and the company's strategic goals, as well as past audit experiences, to assess risks at all organizational levels and propose the audit plan for the following year. This audit plan is presented for approval at the Audit Committee meeting (on December 11, 2025) and the Board of Directors meeting (on December 12, 2025). In the fourth quarter of each year, the company begins internal control self-assessment operations for each business group and major affiliates. The results of the self-assessment are compiled in the first quarter of the following year and reported to the Audit Committee and Board of Directors. This process evaluates the management's control of overall internal and external risks, the management of business group operational risks, and the effectiveness of the internal control system's design and execution. Furthermore, through the annual internal control self-assessment, each business group of Teco Electric & Machinery Co., Ltd. must evaluate the effectiveness of its internal control system's design and implementation.</p>
<p>e. Does the company regularly conduct internal and external training sessions on ethical corporate management?</p>			<p>e. Teco regularly conducts internal training courses for new employees and newly appointed managers, while also promoting the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" and other related integrity</p>

Assessment Item	Implementation Status		Differences from the Principles and the reasons thereof
	Yes	No	
			<p>management standards. Additionally, at least once a year, education and advocacy on relevant laws and regulations are provided for directors, managers, and employees. In 2025, the Company conducted a series of education and training sessions for current directors, managers, and employees. The curriculum included the following:</p> <ol style="list-style-type: none"> 1. Integrity Management: Three sessions held on February 13, February 25, and March 4, 2025 (2 hours each), with 112, 9, and 55 participants, respectively. 2. Employee Conflict of Interest (Moonlighting) Policy: Conducted during the quarterly town hall meeting on October 30, 2025, with 282 participants. 3. Trade Secret Inventory: A 1-hour session held on September 17, 2025, with 20 participants. 4. Fair Trade Law Compliance: A 3-hour session held on October 3, 2025, with 77 participants. 5. Personal Data Inventory: A 1-hour session held on October 7, 2025, with 46 participants. 6. Prevention of Insider Trading and Short-Swing Trading: A 0.5-hour session held on December 15, 2025, with 1,836 participants. <p>In addition to achieving a 100% signing rate of the "Integrity Statement" among current employees in 2025, the Company also complies with the "Management of the Prevention of Insider Trading" regulations. We conduct at least one annual session for directors, supervisors, managers, and employees regarding legal compliance for preventing insider trading.</p> <p>Timely orientation is arranged for new directors, supervisors, and managers. For new employees, the Human Resources Department provides training during pre-employment orientation. Post-training quizzes are administered to evaluate learning outcomes. Furthermore, course presentations and video recordings are</p>

Assessment Item	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Summary Description	
			uploaded to the internal employee portal; employees are required to review the internal policies and must pass the assessment.	
<p>3. The operation of the company's whistleblowing system</p> <p>a. Has the company established a specific whistleblowing and reward system, as well as created convenient channels for whistleblowing? Additionally, has the company assigned appropriate personnel to handle the complaints regarding the reported individuals?</p> <p>b. Has the company established standard operating procedures for investigating whistleblowing matters, the subsequent actions to be taken after the investigation is completed, and relevant confidentiality mechanisms?</p> <p>c. Has the company taken measures to protect whistleblowers from being subjected to improper treatment or retaliation as a result of their whistleblowing?</p>	V		<p>a. The company has established the "Bylaws to report cases of illegal and unethical conduct." Employees who discover any situation that appears to violate professional ethics may raise an alert at any time. The company has set up a whistleblowing mailbox (integrity@teco.com.tw), a hotline, and an integrity reporting platform for employees, external parties, and vendors to directly report any improper business practices related to financial, legal, and integrity issues. The handling unit is the Internal Audit Team under the Board of Directors, and the Internal Audit Team is responsible for processing these reports.</p> <p>b. The "Bylaws to report cases of illegal and unethical conduct" Articles 3 and 4 outline the whistleblowing channels and procedures, the standard operating procedures for investigating reported matters, and the subsequent actions to be taken after the investigation is completed. Article 4, Section 5 specifies the confidentiality mechanisms, ensuring that the identities and contents related to the whistleblower or individuals involved in the investigation are handled confidentially and cautiously according to the procedure.</p> <p>c. The "Bylaws to report cases of illegal and unethical conduct" Article 4, Section 5 clearly defines a whistleblower protection mechanism. The company ensures protection for the whistleblower or any individuals involved in the investigation, strictly prohibiting any form of unfair treatment or retaliation against those who report in good faith or assist in the investigation.</p>	Consistent with the Ethical Corporate Management Best Practice Principles
4. Strengthening Information Disclosure	V			Consistent with the Ethical

Assessment Item	Implementation Status			Differences from the Principles and the reasons thereof
	Yes	No	Summary Description	
a. Has the company disclosed the contents of its "Ethical Corporate Management Best Practice Principles" and the progress of its implementation on its website and the Market Observation Post System (MOPS)?			a. The Company has published integrity management regulations and promotional information on our internal portal for employees to access at any time. Furthermore, TECO's external website (https://www.teco.com.tw) provides detailed disclosures regarding our integrity management policies, codes of conduct, and relevant information. These can be found under the following sections: "Investor Relations": Access to our Annual Reports (also available on the Market Observation Post System (MOPS)). "About TECO": Includes subsections on Corporate Governance, the Management Team, and Internal Regulations. "ESG / Sustainability": Contains the Sustainability Reports (formerly Corporate Social Responsibility Reports), which detail our integrity requirements and compliance standards.	Corporate Management Best Practice Principles
<p>5. If the Company has established its own Integrity Management Code based on the "Ethical Corporate Management Best Practice Principles for Listed Companies," please describe the differences between its operation and the established code:</p> <p>The Company has established the "Ethical Corporate Management Code" and published it on the corporate website. The Company's operations and internal guidelines are fully consistent with the "Ethical Corporate Management Best Practice Principles for Listed Companies."</p>				
<p>6. Other important information that helps understand the company's integrity management operations (e.g., the company's review and revision of its Ethical Corporate Management Best Practice Principles, etc.):</p> <p>The company complies with the Company Act, Securities Exchange Act, relevant regulations for listed companies, and applicable laws as the foundation for implementing integrity management. The Company has successively updated its internal regulations and policies as follows:</p> <ul style="list-style-type: none"> • "Ethical Corporate Management Code": Amended on November 12, 2019. • "Code of Conduct and Operating Procedures and Guidelines for Integrity Management": Amended on November 13, 2025. • "Human Rights and Environmental Sustainability Commitment": Amended on June 10, 2021. • "Supplier Code of Conduct": Established and announced on April 24, 2022. • "TECO Group Trade Secret Protection Policy": Amended and announced on September 14, 2022. 				

2.7 Other important information that can enhance the understanding of the company's governance operations may also be disclosed:

1. The company's important information is disclosed on the Market Observation Post System (MOPS) in accordance with the regulations of the competent authorities.
2. The status of directors' continuing education

Title	Name	Date	Organizer	Course Name	Duration
Chairman	Ming-Shieh Li	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Vice Chairman	Ho Yuan International Investment Co., Ltd. Representative: Su Chiu Wu	2025.7.30	Taiwan Stock Exchange Corporation (TWSE)	2025 Summit on Strengthening Taiwan's Capital Market	3 hours
		2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
Director	Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.10.14	Taiwan Academy of Banking and Finance	Treating Customers Fairly and Sustainable Governance from a Consumer Protection Perspective	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Director	Jong-Chin Shen	2025.8.6	Taipei Foundation of Finance	Corporate Governance Training Course	6 hours
		2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.8.21	Institution of Financial Law and Crime Prevention	Treating Customers Fairly, Financial Inclusion, and the CRPD	3 hours

Title	Name	Date	Organizer	Course Name	Duration
Director	Tong Ho Global Investment Co., Ltd. Representative: Cheng-Tsung Huang	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Director	Ho Yuan International Investment Co., Ltd. Representative: Show-Shoun Chou	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Director	Creative Sensor Inc. Representative: Jack Hou	2025.5.9	Taiwan Institute of Directors	Future Trends in Global Economy and Markets	3 hours
		2025.6.25	Taiwan Corporate Governance Association	Legal Matters for Board Supervision: Avoiding the Red Line of Concerted Actions	3 hours
	Representative: Li-Chong Huang	2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
		115.3.10	Taiwan Corporate Governance Association	Corporate Innovation, Growth, and AI	3 hours
Independent Director	Hsieh-Hsing Huang	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Independent Director	Chao-Chin Tung	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Independent Director	Hui-Yiu Chen	2025.2.18	Institution of Financial Law and Crime Prevention	Treating Customers Fairly and Financial Consumer Protection	3 hours
		2025.4.29	Taiwan Institute of Directors	Future Trends and Opportunities Under Sustainability Themes	3 hours

Title	Name	Date	Organizer	Course Name	Duration
		2025.8.22	The Chinese National Association of Industry and Commerce	2025 Taishin-Shin Kong Net Zero Peak Forum	3 hours
Independent Director	Mei-Chun Chao	2025.7.9	Taiwan Stock Exchange Corporation (TWSE)	2025 Cathay Sustainable Finance and Climate Change Summit	3 hours
		2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours

3. Status of Managers' Continuing Education

Title	Name	Date	Organizer	Course Name	Duration
President	Fei-yuan Kao	114.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		114.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Head of Business Group	Jung-Pang Wang	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Head of Business Group	David Kuo	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Head of Business Group	Chi-Tseng Peng	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Chief Technology Officer	Da-Jeng Yao	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours

Title	Name	Date	Organizer	Course Name	Duration
Assistant Vice President	Cliff Ho	2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Assistant Vice President	Andy Liu	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Assistant Vice President	Amy Liao	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
Corporate Governance Officer	Shih-Hsiung, Chien	2025.8.13	Business Council for Sustainable Development of Taiwan	Forum on "Green and Transition Finance: Policies, Practices, and the Future of Green Securities"	2 hours
		2025.12.5	Taiwan Investor Relations Institute	Cybersecurity Challenges and Governance Strategies for 2026 in the Wake of AI	3 hours
		2025.12.10	Taipei Bar Association	2025 Corporate Governance Forum: Corporate Governance Amidst Changing Landscapes	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours
		2025.12.18	Taiwan Investor Relations Institute	Communicating Sustainability Value: ESG Storytelling and Silver Economy Strategies	3 hours
Accounting Chief	Tommy Wu	2025.8.13	Independent Director Association Taiwan	Challenges and Strategies for the New Global Economic and Trade Landscape	3 hours
		2025.12.16	Taiwan Institute of Directors	Manufacturing Transformation and Board Governance Responsibilities in the AI Era	3 hours

4. Succession Planning for Board Members and Key Management:

The structure of the company's Board of Directors is determined based on the company's business development scale and the shareholding situation of its major shareholders, while also considering practical operational needs. To establish a good governance system, the company established the "Corporate Governance and Sustainability Committee" on August 13, 2018, which is responsible for nominating candidates for directors and independent directors, as well as strengthening the functions of the Board of Directors. On June 18, 2024, the company established a "Nomination Committee," which is now responsible for setting the standards for the professional knowledge, skills, experience, gender diversity, and independence required for board members and senior managers. Based on these established selection standards, the committee identifies, reviews, and nominates candidates for directors, independent directors, and senior managers.

The company implements the board member diversification policy in accordance with the "Corporate Governance Best Practice Principles." At the 2024 Annual Shareholders' Meeting (May 24, 2024), the company elected 11 directors (including 4 independent directors), with diverse and complementary industry experience and expertise in finance, accounting, and other fields. The proportion of independent directors increased to 36.36%, and the number of female directors increased to 3, making up 27.27%.

Regarding the succession plan for the Board of Directors, the company cultivates senior managers to enter the board and familiarize them with board operations and the business of the group's units. Through job rotations, the company deepens their industry experience. Currently, the group has several senior management talents, so the company has a rich talent pool to select from for future board positions. In addition to considering diversification, no more than one-third of the board seats will be held by directors who also serve as managers of the company. The company will also focus on gender equality and ensure that directors have the knowledge, skills, and qualifications required to perform their duties.

Ms. Chwen-Jy Chiu, the Chairperson of the 24th to 26th Board of Directors, joined the TECO management team in 1997. She has held several key positions, including Director of the Finance Department, Assistant Vice President of the Home Appliance Division, Vice President, and President. She joined the Board of Directors in 2006 and served as Chairperson from 2015 to May 2024, possessing over 20 years of operational management experience in the electrical and mechanical equipment industry. During her tenure as Chairperson, Ms. Chiu proactively advanced initiatives in energy conservation, carbon reduction, smart manufacturing, and digital transformation. Her leadership significantly strengthened the Board's governance effectiveness regarding transformation costs and capital allocation.

Mr. Ming-Shieh Li, the Chairperson of the 27th Board of Directors, joined the TECO Group in May 2024. He possesses over 20 years of experience in multinational finance and strategic management, having previously served as Chairman of CTBC Bank, Chairman of Citibank Taiwan, and President of China

Guangfa Bank. Since assuming the chairmanship of TECO, Mr. Li has championed the vision of "Becoming a Global Core Driver of Electrification, Intelligence, and Green Energy," integrating sustainability principles into corporate governance and operational decision-making. He has focused on strengthening low-carbon circular operations, employee well-being, and governance transparency, while collaborating with customers and suppliers to co-create a low-carbon value chain. Furthermore, through forward-looking social investments and talent development, he continues to expand TECO's sustainable influence and economic momentum, accelerating the transition toward Net-Zero.

The succession plan for key management is designed to meet the company's strategic development goals. When a key management position becomes vacant due to the company's strategic layout, priority is given to selecting candidates from the succession talent pool. The details of the succession plan and its operation are as follows:

1. Succession Candidates: The succession plan for key management is focused on nurturing candidates for managerial positions, Assistant Vice President, business group president, and President.
2. Selection Criteria: In addition to work ability and performance, succession candidates must demonstrate the company's five core values: ambition, customer orientation, teamwork, integrity, and innovation, as well as have broad and inclusive leadership traits, along with management ability and thinking.
3. Methods:
 - Talent Pool: Supervisors above the department head level are included in the succession talent pool for key management.
 - Selection Process: Through talent evaluation and reviews, the company regularly assesses and inventories the readiness of the talent pool and tailors individual career development plans for short, medium, and long-term succession needs of the group. In 2022, the company completed talent evaluations and selected 5 supervisors for medium- and long-term development planning.
 - Development: Mentorship system, job rotation, management training, and personal development plans.

Former President Mr. Thomas Fann joined the TECO Group on April 7, 2022. He possesses extensive international experience and a comprehensive industry background, and also serves as a mentor at the National Taiwan University (NTU) Innovation & Incubation Center. Prior to joining TECO, Mr. Fann served as President of Ford Lio Ho Motor, President and Chairman of the Executive Committee of Jiangling Motors (JMC) under the Ford Motor Group, Special Assistant to the Chairman of Foxconn Interconnect Technology (FIT), and Chairperson of the American Chamber of Commerce in Taiwan. His professional career has spanned across Taipei, Mainland China, North America, and Europe.

Mr. Fann focused heavily on the cultivation of senior succession talent. In alignment with individual development plans (IDPs) for selected executives, he conducted regular mentorship programs with five key managers in 2022 and arranged cross-company job rotations within the Group. In 2023, he facilitated overseas assignments for three executives in the United States and Mainland China. Furthermore, starting from 2023, these candidates were invited to participate in the Group's senior executive decision-making meetings to foster global operational decision-making capabilities and elevate their strategic perspectives.

Mr. Fei-Yuan Kao assumed the position of President of the Company on April 7, 2025. Throughout his career, he has held several key leadership roles, including Manager of the Heavy Electric Machinery Division, Assistant Vice President of Wuxi TECO, Assistant Vice President of the Green Energy Motors R&D Division, and President of the Green Mechatronic & Automation Business Group. With a comprehensive background in job rotations across domestic and overseas affiliates, Mr. Kao has demonstrated exceptional operational management performance. Under his leadership, the Green Mechatronic & Automation Business Group achieved an operating profit of NT\$5.5 billion in 2023, contributing over 80% of the Company's total profit. Furthermore, in 2024, TECO Vietnam achieved 100% growth in both revenue and profit. Mr. Kao has been instrumental in building a global resilient supply chain for small motors, leading the establishment of the TECO Vietnam plant in 2019, the EV power system production line at the Chungli plant in 2021, and the new manufacturing facilities in Mexico and India in 2023.

On December 12, 2025, Mr. Jung-Pang Wang was promoted to President of the Green Mechatronic Solution Business Group. He has previously served in several key leadership roles, including Acting Assistant Vice President of the Heavy Electric Machinery R&D Division, President of Wuxi TECO, President of TECO-Westinghouse Motor Company (TWMC), and Acting President of the Green Mechatronic & Automation Business Group. With deep expertise in the research, development, and manufacturing of electrical products, Mr. Wang possesses extensive international experience across subsidiaries in Taiwan, Mainland China, and the United States.

In 2024, Mr. Wang successfully secured North American project orders totaling over USD 10 million, demonstrating his proactive commitment to new business development. He also led the R&D team in Wuxi to develop the first generation of IEC IE5 high-efficiency induction motors. Under his leadership, the Green Mechatronic Solution Business Group achieved an operating profit of NT\$4 billion in 2025, accounting for approximately 70% of the Company's total profit.

2.8 Status of Internal Control System Implementation:

1. Internal Control System Statement

Teco Electric & Machinery Co., Ltd. Internal Control System Statement

Date: March 12, 2026

Based on the results of the self-assessment, the internal control system of our company for fiscal year 2025 is hereby declared as follows:

1. The company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the board of directors and management. The company has established such a system. Its purpose is to achieve the effectiveness and efficiency of operations (including profitability, performance, and asset security), provide reliable, timely, transparent, and compliant reporting, and ensure compliance with relevant regulations and laws, providing reasonable assurance.
2. The internal control system has inherent limitations. Regardless of how well-designed it is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the company's internal control system has a mechanism for self-monitoring, and any deficiencies identified will be rectified promptly by the company.
3. Our company evaluates the effectiveness of the internal control system based on the criteria outlined in the "Guidelines for Establishing Internal Control Systems for Publicly Traded Companies" (hereinafter referred to as the "Guidelines"). These criteria are used to assess the design and implementation effectiveness of the internal control system. The criteria adopted in the "Guidelines" categorize the internal control system into five components based on the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring. Each component includes several elements. Please refer to the provisions of the "Guidelines" for the specific details of these elements.
4. Our company has already adopted the internal control system assessment criteria mentioned above to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the inspection results mentioned above, our company believes that the internal control system (including supervision and management of subsidiaries) as of December 31, 2025, effectively ensures the achievement of operational effectiveness and efficiency goals, reliable, timely, transparent reporting, and compliance with relevant regulations and laws. The design and implementation of the internal control system are effective and can reasonably ensure the achievement of the above objectives.
6. This statement will serve as the main content of our company's annual report and public disclosure document, which will be made available to the public. Any false or concealed information in the above public content may incur legal liabilities under the Securities and Exchange Act, including Articles 20, 32, 171, and 174.
7. This statement has been approved by the board of directors of our company on March 12, 2026. There were 11 directors present or represented by proxy, all of whom fully agreed with the contents of this statement.

Teco Electric & Machinery Co., Ltd.
Chairman: Ming-Shieh Li
President: Fei-Yuan Kao

2. If the company has entrusted an accountant to review the internal controls, the accountant's review report should be disclosed: None.

2.9 Important Resolutions of the Shareholders' Meeting and Board of Directors in the Most Recent Year and up to the Date of the Annual Report Printing:

1. Important Resolutions of the Shareholders' Meeting and Board of Directors:

2025/02/19: The Board of Directors resolved to convene the Annual Shareholders' Meeting on 2025/06/03, to be held at No. 508, Section 7, Zhongxiao East Road, Nangang District, Taipei City, Taiwan (Taipei Bioinnovation Park Multipurpose Hall). The period for suspension of stock transfers is from 2025/04/05 to 2025/06/03.

2025/03/14:

1. The Board of Directors approved the 2024 Financial Report, which includes consolidated revenue of NT\$55,234,746 thousand, net profit of NT\$6,251,281 thousand, net profit attributable to the parent company of NT\$5,767,637 thousand, and basic earnings per share of NT\$2.73.
2. The Board of Directors resolved to distribute a cash dividend of NT\$2.2 per share, totaling NT\$4,705,353 thousand in dividends.
3. The Board of Directors approved an investment of MYR 70,000 thousand to acquire 1,500 thousand common shares of NCL Energy Sdn Bhd, representing 80.0% of the company's total issued shares.
4. The Board of Directors approved the appointment of Mr. Fei-Yuan Kao as the new President and Chief Information Security Officer (CISO), effective April 7, 2025.
5. The Board of Directors approved the appointment of Ms. Chiu-Chen Lin as the new Chief Internal Auditor, effective March 15, 2025.
6. The Board of Directors resolved to implement the 17th share buyback program for the purpose of transferring shares to employees. The Company plans to repurchase 5,000 thousand shares between March 17, 2025, and May 16, 2025.
7. The Board of Directors resolved to add the following items to the 2025 AGM agenda: Report Item: Progress report on the execution of the share buyback program. Discussion Items: Amendments to the "Procedures for Acquisition or Disposal of Assets" and the "Procedures for Endorsements and Guarantees."

2025/05/14:

1. The Board of Directors resolved to set 2025/06/25 as the ex-dividend date and 2025/07/16 as the dividend payout date, totaling NT\$4,705,353 thousand in cash dividends (NT\$2.2 per share).
2. The first-quarter consolidated financial report of 2025 was presented to the Board, showing cumulative revenue of NT\$13,617,166 thousand, net profit of NT\$1,203,087 thousand, net profit attributable to the parent company of NT\$1,147,310 thousand, and basic earnings per share of NT\$0.54.
3. The Board of Directors resolved to amend the 'Procedures for Transferring Repurchased Shares to Employees'.

2025/06/03: Important resolutions of the Shareholders' Meeting:

1. Approval of the 2024 Business Report and Financial Statements (proposed by the Board of Directors).
2. Approval of the 2024 Earnings Distribution (proposed by the Board of Directors).
3. Approval of the amendment to the "Articles of Incorporation." (proposed by the Board of Directors)

4. Approval of the amendment to the "Procedures for Acquisition or Disposal of Assets." (proposed by the Board of Directors)
 5. Approval of the amendment to the "Procedures for Endorsements and Guarantees." (proposed by the Board of Directors)
- 2025/07/30: The Board of Directors resolved to enter into a strategic cooperation with Hon Hai Precision Industry Co., Ltd. (Foxconn) via a share exchange. The tentative record date for the share swap is set for October 1, 2025. Upon completion, the Company will acquire a total of 72,481,441 common shares of Hon Hai Precision Industry Co., Ltd., representing an approximate 0.519% shareholding.
- 2025/08/13: The second-quarter consolidated financial report of 2025 was presented to the Board, showing cumulative revenue of NT\$29,221,136 thousand, net profit of NT\$2,783,717 thousand, net profit attributable to the parent company of NT\$2,596,072 thousand, and basic earnings per share of NT\$1.23.
- 2025/10/15: The Board of Directors approved a capital increase for the subsidiary, TECOBAR TECHNOLOGY Co., Ltd. The total investment amount is NT\$304,625 thousand, acquiring 6,281 thousand shares. Following this transaction, the Company's cumulative holding will reach 18,075 thousand shares, representing a cumulative shareholding of 89.26%.
- 2025/11/13: :
1. The third-quarter consolidated financial report of 2025 was presented to the Board, showing cumulative revenue of NT\$43,759,281 thousand, net profit of NT\$4,474,495 thousand, net profit attributable to the parent company of NT\$4,188,795 thousand, and basic earnings per share of NT\$1.98.
 2. The Board of Directors resolved to issue unsecured common corporate bonds for a total amount not exceeding NT\$10 billion, with a maturity period not exceeding 7 years. The proceeds from the issuance will be used to repay debts and bolster working capital. The Board has authorized the Chairman to determine the specific issuance terms and operational procedures based on prevailing market conditions.
 3. The Board of Directors approved the appointment of Chairman Ming-Shieh Li to concurrently serve as the CEO, and Vice Chairperson Su-Chiu Wu to concurrently serve as the COO.
- 2025/12/12: The Board of Directors approved an overseas investment plan for the subsidiary, TECO Holding USA Inc., with an investment amount of USD 10 million. The specific details of the investment will be finalized following the approval of the Board of Directors of TECO Holding USA Inc.
- 2026/02/11: The Board of Directors resolved to convene the Annual Shareholders' Meeting on 2026/05/28, to be held at No. 508, Section 7, Zhongxiao East Road, Nangang District, Taipei City, Taiwan (Taipei Bioinnovation Park Multipurpose Hall). The period for suspension of stock transfers is from 2026/03/30 to 2026/05/28.
- 2026/03/12:
1. The Board approved the 2025 Financial Report, which includes consolidated revenue of NT\$59,093,897 thousand, net profit of NT\$5,625,176 thousand, net profit attributable to the parent company of NT\$5,242,070 thousand, and basic earnings per share of NT\$2.42.
 2. The Board resolved to distribute a cash dividend of NT\$2 per share, totaling NT\$4,752,881 thousand in dividends.

2. Implementation of Resolutions from the 2025 Annual Shareholders' Meeting (held on 2025/06/03):

Serial No.	Resolution Item	Implementation Status
1.	Ratification of the 2024 Business Report and Financial Statements (proposed by the Board of Directors)	※ The votes in favor accounted for 97.98% of the total voting rights of the shareholders present, and the resolution was passed as proposed.
2.	Ratification of the 2024 Earnings Distribution (proposed by the Board of Directors)	1. The votes in favor accounted for 98.03% of the total voting rights of the shareholders present, and the resolution was passed as proposed. 2. The Board of Directors resolved on 2025/05/14 to set the ex-dividend date as 2025/06/25, and the cash dividend was paid on 2025/07/16, totaling NT\$4,705,353 thousand in cash dividends (NT\$2.2 per share).
3.	Amendment to the "Articles of Incorporation"(Proposed by the Board of Directors)	1. The resolution was approved as proposed, with 97.38% of the total voting rights of the shareholders present voting in favor. 2. The change of registration was approved by the Ministry of Economic Affairs (MOEA) on July 9, 2025 (Letter Ref. No. Jing-Shou-Shang-11430092720). The amended "Articles of Incorporation" has been published on the corporate website in accordance with regulations.
4.	Amendment to the "Procedures for Acquisition or Disposal of Assets"(Proposed by the Board of Directors)	※ The votes in favor accounted for 87.28% of the total voting rights of the shareholders present, and the resolution was passed as proposed.
5	Amendment to the "Procedures for Endorsements and Guarantees"(Proposed by the Board of Directors)	※ The votes in favor accounted for 87.28% of the total voting rights of the shareholders present, and the resolution was passed as proposed.

2.10 In the most recent year and up to the date of the annual report printing, if any director or supervisor expressed disagreement with any important resolution passed by the Board of Directors, and there is a record or written statement, the main content is: None.

3. Information on Fees Paid to Certified Public Accountants

3.1 Accountant Information

Name of accounting firm	CPA names		Auditing period	Note
Pricewaterhouse Coopers, Taiwan	Hsu, Sheng-Chung	Tu, Chan-Yuan	2025	

3.2 Table of Brackets for CPA Fees

Unit: NT\$ thousand

Name of accounting firm	CPA names	Auditing period	Auditing fee	Non-auditing fee	Total	Note
Pricewaterhouse Coopers	Hsu, Sheng-Chung	2025/1/1~12/31	13,380	-	13,380	
	Tu, Chan-Yuan					
Pricewaterhouse Coopers	Hsu, Li-Chen	2025/1/1~12/31	-	8,690	8,690	Note
	Tu, Chan-Yuan					
Pricewaterhouse Coopers	Li, Yi-Hua	2025/1/1~12/31	-	5,950	5,950	Note

Note: The aforementioned non-audit fees were primarily incurred for the preparation of Transfer Pricing (TP) reports, Country-by-Country (CbC) reports, greenhouse gas (GHG) inventory assurance services, and ESG consulting services.

3.3 In case of switching accounting firms and the audit fees for the new accounting firm being lower than the previous year's audit fees: No such situation.

3.4 In case of a decrease of more than 10% in audit fees compared to the previous year: No such situation.

4. Information on Replacement of Accountants: Not applicable.

5. Information on Whether the Chairman, President or Other Managers Have Worked for CPA Firms or Related Entities in the Past Year: None.

6. Share Transfer and Pledge Changes of Directors, Managers, and Shareholders Holding More Than 10% of Shares in the Most Recent Year and up to the Date of the Annual Report Printing.

6.1 Changes in Shareholding of Directors, Managers, and Major Shareholders

6.1.1 Changes in Shareholding of Directors

Title	Name	2025		As of 2026/03/31	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Chairman	Ming-Shieh Li	409,000	0	0	0
Director	Ho Yuan International Investment Co., Ltd. Representative: Su Chiu Wu	0	0	0	0
		0	0	0	0
Director	Ho Yuan International Investment Co., Ltd. Representative: Show- Shoun Chou	0	0	0	0
		0	0	0	0
Director	Tung Kuang Investment Co., Ltd. Representative: Chwen- Jy Chiu	0	0	0	0
		(283,659)	0	(54,000)	0
Director	Tong Ho Global Investment Co., Ltd. Representative: Cheng- Tsong Huang	0	0	0	0
		0	0	0	0
Director	Creative Sensor Inc. Representative: Li- Chong Huang	0	0	0	0
		0	0	0	0
Director	Jong-Chin Shen	0	0	0	0
Independent Director	Hsieh-Hsing Huang	0	0	0	0
Independent Director	Chao-Chin Tung	0	0	0	0
Independent Director	Hui-Yiu Chen	0	0	0	0
Independent Director	Mei-Chun Chao	0	0	0	0

6.1.2 Changes in Shareholding of Management

Title	Name	2025		As of 2026/03/31	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
CEO	Ming-Shieh Li	409,000	0	0	0
COO	Su- Chiu Wu	0	0	0	0
President	Fei-yuan Kao	0	0	0	0
Head of Business Group	Scott Chen	0	0	0	0
Head of Business Group	Jung-Pang Wang	51,485	0	0	0
Head of Business Group	David Kuo	0	0	0	0
Head of Business Group	Chi-Tseng Peng	19,256	0	0	0
Chief Technology Officer	Da-Jeng Yao	0	0	0	0
Assistant Vice President	Cliff Ho	0	0	0	0
Assistant Vice President	Andy Liu	49,819	0	0	0
Assistant Vice President	Amy Liao	0	0	0	0
Regional Head	Shang-yu Tsai	0	0	0	0
Corporate Governance Officer	Shih-Hsiung, Chien	10,000	10,000	(3,000)	(3,000)
Accounting Chief	Tommy Wu	23,631	0	0	0

6.1.3 Changes in Shareholding of Major Shareholders

Title	Name	2025		As of 2026/03/31	
		Shares Increase (Decrease)	Pledged Shares Increase (Decrease)	Shares Increase (Decrease)	Pledged Shares Increase (Decrease)
Major Shareholder	PJ Asset Management	0	0	0	0
Major Shareholder	Walsin Lihwa Corporation (Note)	0	0	Not Applicable	Not Applicable

Note : Walsin Lihwa Corporation ceased to be a major shareholder on September 25, 2025.

6.2 Shares Transfer with Related Parties

Name	Reason of Transfer	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Transaction Price (NTD)
None						

6.3 Shares Pledged with Related Parties

Name	Reason of Pledge	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Shares holding %	Shares Pledged %	Pledged Amount
None								

7. Information Disclosing the Relationship between any of the Company's Top Ten Shareholders

2026.3.31

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Note
	Shares	%	Shares	%	Shares	%	Name	Relation	
PJ Asset Management	373,237,991	15.71%	0	0%	0	0%	Ho Yuan International Investment Co., Ltd.	The representative of the corporate director is the same as the representative of Ho Yuan International.	None
Hon Hai Precision Industry Co., Ltd.	237,644,068	9.99%	0	0%	0	0%	None	None	None
Walsin Lihwa Corporation	228,504,730	9.62%	0	0%	0	0%	None	None	None
Jaryuan Investment Co. Ltd	119,935,000	5.05%	0	0%	0	0%	None	None	None
Ho Yuan International Investment Co., Ltd.	50,420,000	2.12%	0	0%	0	0%	PJ Asset Management	The representative is the same as the representative of the corporate director of PJ Asset Management.	None
Creative Sensor Co., Ltd.	46,987,000	1.98%	0	0%	0	0%	None	None	None
Tong Kuang Investment Co., Ltd.	31,991,364	1.35%	0	0%	0	0%	1. Kuan Yuan Industrial Co., Ltd. 2. Yuban International Investment Co., Ltd.	1. Representative of the Corporate Director, Kuan Yuan Industrial Co., Ltd. 2. Representative of the Corporate Supervisor, Yuban International Investment Co., Ltd.	None

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Note
	Shares	%	Shares	%	Shares	%	Name	Relation	
Kuan Yuan Industrial Co., Ltd.	26,833,919	1.13%	0	0%	0	0%	1. Tong Kuang Investment Co., Ltd. 2. Yuban International Investment Co., Ltd.	1. Representative of the Corporate Director, Tong Kuang Investment Co., Ltd. 2. Representative of the Corporate Supervisor, Yuban International Investment Co., Ltd.	None
Yinge Int. Inv. Co., Ltd	22,554,698	0.95%	0	0%	0	0%	None	None	None
Yuban International Investment Co., Ltd.	20,489,000	0.86%	0	0%	0	0%	1. Kuan Yuan Industrial Co., Ltd. 2. Tong Kuang Investment Co., Ltd.	1. Representative of the Corporate Supervisor, Yuban International Investment Co., Ltd. 2. Representative of the Corporate Supervisor, Yuban International Investment Co., Ltd.	

※ Major shareholders of corporate entities among the top 10 shareholders

2026.3.31

Corporate shareholders	Major shareholders of corporate shareholders
PJ Asset Management	Ho Yang Management Consulting Co., Ltd. (100%)
Hon Hai Precision Industry Co., Ltd.	Terry Gou (12.40%), Labor Pension Fund (New System) (1.77%), Yuanta Taiwan Top 50 ETF under the custody of CTBC Bank (1.68%), LGT Bank Investment Account under the custody of Standard Chartered Bank (1.30%), Stichting Depository APG Emerging Markets Equity Pool under the custody of Standard Chartered Bank (1.26%), Vanguard Emerging Markets Stock Index Fund under the custody of J.P. Morgan Chase Bank (1.20%), iShares MSCI Emerging Markets ETF Investment Account under the custody of Citibank (Taiwan) (0.99%), Norges Bank Investment Account under the custody of Citibank (0.96%), Government of Singapore (GIC) Investment Account under the custody of Citibank (0.93%), Fidelity SAI All-Country World ex U.S. Index Fund under the custody of Standard Chartered Bank (0.63%)
Walsin Lihwa Corporation	Winbond Electronics Corp. (6.09%), Chin-Xin Investment Co., Ltd. (6.04%), Rong Jiang Co., Ltd. (5.00%), TECO Electric & Machinery Co., Ltd. (4.75%), Coutts & Co. Investment Account under the custody of Standard Chartered Bank (Taiwan) Ltd., Business Department (4.13%), HannStar Display Corp. (3.09%), Chiao, Yu-Hui (2.73%), Yu Siang Investment Co., Ltd. (1.79%), Ching An Investment Co., Ltd. (1.79%), Yun Xing International Ltd. (1.78%)
Jaryuan Investment Co. Ltd	Hai Lin-Chen (80.26%), Shu-Chiung Tseng (16.08%), Ho Yuan International Investment Co., Ltd. (3.55%), Chang Wei Management Consulting Co., Ltd. (0.11%)
Ho Yuan International Investment Co., Ltd.	Five Star Asset Management Co., Ltd. (100%)
Creative Sensor Co., Ltd.	Teco Image Co., Ltd. (18.88%), Universal Cement Corporation (8.59%), Tien Da Investment Co., Ltd. (8.06%), Universal Cement Investment Co., Ltd. (5.88%), Kuan-Ling Electronics Co., Ltd. (3.72%), Creative Sensor Inc. (Treasury Shares) (2.06%), Ah-Chung Hou (1.27%), CTBC Bank Co., Ltd. in its capacity as Trustee for the Employee Stock Ownership Association Trust Account of Creative Sensor Inc. (1.20%), Kao-Huang Lin (1.20%), Po-Han Chang (0.94%)
Tong Kuang Investment Co., Ltd.	Kuang Yuan Industrial Co., Ltd. (39.27%), Ho-Hui Huang-Lin (35.01%), Bright Industry (HK) Co., Ltd. (12.73%), Tong Ho Global Investment Co., Ltd. (6.00%), Others (6.99%)
Kuan Yuan Industrial Co., Ltd.	Tung Kuang Investment Co., Ltd. (34.46%), Ho-Hui Huang-Lin (51.58%), Bright Industry (HK) Co., Ltd. (10.0%), Tong Ho Global Investment Co., Ltd. (0.74%), Others (3.22%)
Yinge Int. Inv. Co., Ltd	Huang, Po-Chih (77.72%), Du-Man Investment Co., Ltd. (8.62%), Po-Shih International Investment Co., Ltd. (8.62%), Xiao-Li Creative Co., Ltd. (4.31%), and Hsu, Feng-Mei (0.72%)
Yuban International Investment Co., Ltd.	Kuan Yuan Industrial Co., Ltd.(39.13%), Tong Kuang Investment Co., Ltd.(30.20%), Hong Kong Wealth Friend Limited (8.44%), Huang, Jen-Hsin (2.61%), Liu, Hui-Tzu (2.43%), Lin, Yu-Chao (2.11%), Lin, Li-Chung (2.00%), Lin, Yu-Ping (1.89%), Tseng, Lun-Pin (1.86%), and Chuang, Chung-Jen (1.80%).

8. The number of shares held by the company, its directors, managers, and subsidiaries directly or indirectly controlled by the company in the same investee company, and the consolidated shareholding percentage

Consolidated Shareholding Percentage

Unit: share; % 2025.12.31

Investee	Ownership by TECO		Direct / Indirect Ownership by Directors, Supervisors and Management		Total Investment	
	Shares	%	Shares	%	Shares	%
Tong Dai Co., Ltd.	6,615,234	83.53%	0	0.00%	6,615,234	83.53%
TECO International Investment Co., Ltd.	91,603,000	100.00%	0	0.00%	91,603,000	100.00%
TECO Holding, USA	1,680	100.00%	0	0.00%	1,680	100.00%
TECO Electric & Machinery Pte Ltd. Singapore	7,200,000	90.00%	800,000	10.00%	8,000,000	100.00%
Tong An Assets Management & Development Co., Ltd.	400,000,000	100.00%	0	0.00%	400,000,000	100.00%
Tong An Investment Co., Ltd.	605,510,234	99.60%	2,431,766	0.40%	607,942,000	100.00%
Tecnos International Consultant Co., Ltd.	8,229,876	57.52%	2,292,117	16.02%	10,521,993	73.54%
UVG Investment Co., Ltd.	195,416,844	100.00%	0	0.00%	195,416,844	100.00%
Information Technology Total Services Co., Ltd.	11,467,248	41.97%	1,924,250	7.04%	13,391,498	49.01%
Tesen Electric & Machinery Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
Taitec Technology CO.,LTD.	950,000	95.00%	50,000	5.00%	1,000,000	100.00%
Yatec Engineering Corp.	7,800,000	64.95%	0	0.00%	7,800,000	64.95%
Taian (Subic) Electric Co., Inc.	17,131,155	76.70%	0	0.00%	17,131,155	76.70%
An Tai International Investment Co., Ltd.	46,232,000	100.00%	0	0.00%	46,232,000	100.00%
Micropac (BVI)	6,883,591	100.00%	0	0.00%	6,883,591	100.00%
TECOBAR Technology Co., Ltd.	18,075,440	89.26%	0	0.00%	18,075,440	89.26%
Taian Electric Co., Ltd.	100,000	100.00%	0	0.00%	100,000	100.00%
Tecom	19,228,898	63.52%	0	0.00%	19,228,898	63.52%
E-Joy International Co., Ltd.	12,181,472	93.16%	641,129	4.90%	12,822,601	98.07%
A-Ok Technical Co., Ltd.	1,950,000	86.67%	0	0.00%	1,950,000	86.67%
TECO Technology (Vietnam) Co., Ltd.	0	100.00%	0	0.00%	0	100.00%
TECO (Philippines) 3C & Appliances, Inc.	2,604,000	60.00%	0	0.00%	2,604,000	60.00%
An-Sheng Travel Co., Ltd.	480,000	16.00%	2,207,500	73.58%	2,687,500	89.58%
Taiwan Pelican Express Co., Ltd.	24,121,700	25.27%	7,740,800	8.11%	31,862,500	33.38%
Eagle Holding Co.	1	100.00%	0	0.00%	1	100.00%
Century Development	103,208,299	28.67%	85,717,738	24.08%	188,926,037	52.75%
Teco Sun Energy	2,100,000	30.00%	2,100,000	30.00%	4,200,000	60.00%
Temico Inteernational Pte. Ltd.	7,728,000	60.00%	0	0.00%	7,728,000	60.00%
Tong An Energy	5,000,000	100.00%	0	0.00%	5,000,000	100.00%
Teco Electro Devices Xo., Ltd.	2,510,000	100.00%	0	0.00%	2,510,000	100.00%
Shen Chang Electric Co., Ltd.	23,840,416	57.21%	0	0.00%	23,840,416	57.21%
NCL ENERGY SDN. BHD.	1,500,000	80.00%	0	0.00%	1,500,000	80.00%

9. Major Information Processing Procedures: The company has established the " Procedures for Handling Material Inside Information and Prevention of Insider Trading " within its internal control system. These procedures have been announced to and are to be followed by all employees.