

台灣半導體股份有限公司  
TAIWAN SEMICONDUCTOR CO., LTD.

2025 Annual General Meeting  
(On-site meeting)

Meeting Agenda  
(Translation)

June 19, 2025

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TAIWAN SEMICONDUCTOR CO., LTD.

Agenda of the 2025 Annual General Meeting

Time: 9:00 a.m. on June 19 (Thursday), 2025

Place: No.96, Meizhou 2nd Rd., Yilan City, Yilan County 260023, Taiwan (R.O.C.)  
(TAIWAN SEMICONDUCTOR CO., LTD. Yilan factory)

Attendants: (All Shareholders and their proxy holder)

Meeting Agenda:

1. Commencement
2. Chairman's Address
3. Report Items (Please refer to Page 2 - 17)
  - (1) 2024 Business Report and 2025 Annual Business Plan Report
  - (2) Audit Committee's 2024 Review Report
  - (3) Status report on the Endorsement and Guarantee, Loaning of Company Funds, Regulations Governing the Acquisition and Disposal of Assets, the Trading of Financial Derivatives of the Company and its subsidiaries in 2024
  - (4) Report on 2024 employees' profit sharing bonus and directors' compensation
  - (5) Report on the Content and Amount of Performance Evaluation and Remuneration of Directors and Managers, and the Relationship between the Evaluation Results and the Reasonableness Report.
4. Approval Items (Please refer to Page 18 - 39)
  - (1) To accept 2024 Business Report and Financial Statements
  - (2) To approve the company's 2024 Earnings Distribution
5. Discussion Items (Please refer to Page 40 - 41)
  - (1) Amendment to the "Articles of Incorporation" of Taiwan Semiconductor Co., Ltd.
6. Extraordinary Motions
7. Adjournment

## Report Items

## Report Items

### 1. 2024 Business Report and 2025 Annual Business Plan Report

Explanatory Notes: Please refer to Page 4~9 of the Meeting Agenda for the Business Report

# 1. 2024 Business Report

## (1) Implementation of Business Plan

The Company's and its subsidiaries major businesses included the production and sale of rectifiers and barcode printers. In 2024, the earnings per share after tax was NT\$1.87. The 2024 consolidated operating revenue, gross profit, operating income, net income before tax, net income, comprehensive income, and after-tax earnings per share compared to 2023 is presented below:

Unit: NT\$ thousand

Item	Implementation of Business Plan		
	2024	2023	Increase (decrease)
Operating revenue	14,828,792	14,616,014	1.46%
Gross Profit	4,234,590	4,492,662	(5.74%)
Operating Income	1,257,215	1,768,528	(28.91%)
Net income before tax	1,328,359	1,837,797	(27.72%)
Net income	894,913	1,309,993	(31.69%)
Comprehensive income	1,100,383	1,257,184	(12.47%)
Net income attributable to the Parent Company	463,851	718,640	(35.45%)
Comprehensive income attributable to the Parent Company	636,032	655,242	(2.93%)
After-tax earnings per share (NT\$)	1.87	2.89	(35.29%)

(2) Budget Implementation: The Company did not disclose its financial forecasts of the year of 2024, so it is not necessary to publicly disclose the implementation of the budget.

## (3) Financial Status and Profitability

Unit: NT\$ thousand

Item	Annual revenue and expenditure		
	2024	2023	Increase(decrease)
Interest Revenue	41,582	42,817	(2.88%)
Interest Expense	116,975	80,472	45.36%

Item		2024	2023
Financial Structure	Total debt to assets (%)	49.19	39.01
	Long-term asset to real estate, plant and equipment ratio (%)	357.73	288.48
Liquidity Analysis	Current ratio (%)	204.11	200.15
	Quick ratio (%)	130.80	127.74
Profitability	Return on assets (%)	4.98	7.65
	Return on equity (%)	8.27	12.23
	Profit ratio (%)	6.03	8.96
	After-tax earnings per share (NT\$)	1.87	2.89

#### (4) Research and Development

##### (A) Rectifier

To increase our overall competitiveness and gross margin, the Company invests a great deal of manpower and budget every year in collecting market information, analyzing market demand, and setting the direction and strategy for new product development. As most of the mainstream products in the market today are becoming thin and light, our products are also actively developing toward small, energy-saving, and comprehensive in order to develop new markets. We have developed and increased market penetration in personal handheld products, automotive electronics, industrial control industry and white goods market.

In recent years, with self-developed chip technology and the advantage of automated packaging, we have continued to develop Schottky rectifier, R&D efforts in Fast Recovery Diodes (FRED), Transient Voltage Suppressor (TVS), MOSFET, ESD protection, and automotive low-dropout/low-power voltage regulator ICs, among other products.

The development of the new generation of trench Schottky rectifier, Fast Recovery Diodes (FRED), Super Junction MOSFET, and Shielded Gate Technology MOSFET that can effectively reduce conduction loss and switching loss to meet market trends and needs for environmental protection, energy-saving, and low power consumption. These new technologies will be developed in a full range to facilitate the promotion of active and passive safety applications for automotive electronics, industrial, communications, and energy industries.

The company is also actively investing resources in the development of technologies and products for emerging third-generation semiconductors. Silicon Carbide (SiC) Schottky Diodes have been launched progressively, and the development of Silicon Carbide Metal-Oxide-Semiconductor Field-Effect Transistors (SiC MOSFETs) is ongoing.

The development of ESD protection has been focused on products for static protection that meet various in-car communication standards and Ethernet requirements.

Additionally, a range of low power, high output current automotive low-dropout/low-power voltage regulator ICs are being developed to cover stable voltage supplies for automotive MCUs at 3.3V and 5V. Some of these have been independently developed and are currently undergoing more rigorous human and equipment investment for validation under automotive regulations, progressively meeting the AEC-Q100 automotive standards, with the hope of gaining recognition from automotive clients for high quality and service.

##### (B) Barcode printer

With the increase in applications for automatic identification in the global market, the Company spent NT\$304,582 thousand on research and development in 2024, accounting for 3.5% of the revenue and will continue invest in development of remote printer management value-added software tools (TSC Console Web) accessible via the Internet or intranet, to help clients manage devices and expand service scopes. On the other hand, fortifying the safety of product IoT is also the Company's strategic objective in alignment with the requirements of the laws and corporate users. In addition to developing new generation products and applications in new fields, the Company will focus on the reduction of energy consumption and the usage of recycled plastic, green packaging materials, and recyclable components during the course of production. The Company will also spend the funds on the capital expenditures on labeling paper equipment to strengthen competitiveness and ensure sustainable potential for revenue and profit growth.

## 2. 2025 Business Plan

### (1) Business Policy

#### (A) Rectifier

##### (1) Global marketing and brand establishment

Continue to set up and optimize global marketing channels; strengthen the professional marketing and technical service teams both domestically and internationally; and improve our brand image and customer stickiness through comprehensive customer support.

##### (2) Innovative research/development and leading technology

Continue to expand and strengthen our R&D team to accelerate the R&D of new generation products and integration solutions; and ensure that our core technology, such as Rectifier, Metal-Oxide-Semiconductor Field Effect Transistor (MOSFET), and Trench Schottkys, remain prominent.

##### (3) Production upgrade and cost optimization

Proactively implement advanced production equipment and automation technology to improve production efficiency and capacity; and use new packaging technologies and higher current density surface mount power device solutions to reduce manufacturing cost and to further increase profitability.

##### (4) Vertical integration and strategic alliance

Establish a comprehensive supply chain from the upstream of wafer products to the downstream of system applications; engage in close collaboration with internationally-prestigious companies and multi-national designing service partners and jointly research and develop revolutionary products to integrate solutions tailoring the diverse market demands.

#### (B) Barcode printer

In response to the global corporate emphasis on ESG sustainability and the comprehensive demands on the entire supply chain, our company is actively launching new products made from recyclable materials to expand our business domain. Additionally, we will continue to develop complete software and hardware solutions required by our customers, expand the marketing channels for our full range of products from low to high-end, deepen the operation of our own brands globally, increase customer utilization of automatic identification systems, and provide a more comprehensive network of application services to create diverse value for our customers.

### (2) Important Production and Marketing Policies

#### (A) Rectifier

The Company adopts the combination mode of build-to-stock and make-to-order production. In this regard, production arrangements are flexibly adjusted based on market demands, inventory status, and production capacity planning. Process optimization is continuously implementation to reduce costs, increase productivity, and enhance product competitiveness through lean management and automated production. It also ensures optimal inventory level and supply flexibility, providing most ideal deployment of resources and maximum efficiency of operations.

#### (B) Bar Code printer

Future production and marketing policies will focus on the following:

(1) Ensure stability and quality of supplies from important suppliers and maintain appropriate inventory levels and turnover rates.

(2) Continuously expand the global operational scale and strengthen the core competitive strength of the company's operational fundamentals.

(3) Provide all-around high-quality service to build sustainable business capabilities.



### (3) Operation Goals

#### (A) Rectifier

The Company's main products are rectifier diodes and analog ICs. The sales volume is based on the Company's annual sales objectives, market demand, development trend, customers' operating overview, the Company's current order intake, etc., and is reasonably prepared considering the Company's operational scale. It is expected that the Company's performance will show a stable development trend, which will have a positive impact on the Company's financial and business conditions.

#### (B) Bar Code Printer

The Company's major source of income is the sales and service of automatic identification printers, the sales of label paper consumables, and the sales of corporate portable computers. The sales volume is based on the Company's annual sales objectives, market demand, development trend, customers' operating overview, the Company's current order intake, etc., and is reasonably prepared considering the Company's operational scale. It is expected that the Company's performance will show a stable development trend, which will have a positive impact on the Company's financial and business conditions.

### 3. Future Development Strategies and Influence from External Competition, Regulations and Macro-operating Environment

#### (1) Future Development Strategies

##### (A) Rectifier:

Continuing to innovate technology, accelerate research and development, increase product value, fortify technological barriers, establish complete upstream and downstream deployment, and strengthen integration benefits.

##### (B) Bar Code printer:

Continuously adhering to the customer-centered principle, we persist in integrating brand, product, marketing, and customer service to offer a unified service and experience, thereby strengthening the market image and enhancing competitive advantage. By understanding the various application changes of different industry customers worldwide and collaborating more closely with upstream and downstream partners, we explore new customers, new solutions, innovative service models, and develop new products with a new business mindset, creating multiple win-win growth opportunities.

#### (2) Influence from External Competition

##### (A) Rectifier

Despite the challenge of global price competition in the mid- and low-end markets, the Company has always adhered to the course of high-specification and high-quality development and has continued to span our technology and application fields. From consumer electronics to automotive, industrial control, medical, and communication equipment, the Company has achieved a balanced deployment in each market levels. In the meantime, we proactively enter new areas with higher technological barriers to ensure that our technological R&D and profitability are always steps ahead of the coming competitors. At present, we are on par with the world-prestigious manufacturers in terms of our new technology and high-end products. We have even transcended in various fields. Looking into the future, the Company will continue to launch revolutionary and innovative products, and, in the meanwhile, vigorously promote environmental protection, energy-saving, and carbon-reducing measures to contribute our part to the sustainable development of the industry.

##### (B) Bar Code printer

As the demand for automatic identification becomes more life-oriented and common, the demand for or automatic identification solution is becoming more and more active; moreover,

there is an increasing need for products to meet ESG requirements. In the face of the external competitive environment, the Company continues to develop innovative technologies, strengthen core capabilities for resource integration and interdisciplinary development, expand market cooperation and links, focus on the development of the application solutions in the vertical market combining label printers, consumables, and hand-held input devices, provide green products with deeper environmentally-friendly concept, and actively face external challenges with the goal of profitability and stable growth.

### (3) Influence from Regulations

#### (A) Rectifier

As the global environmental protection and energy-saving requirements become increasingly stringent, the semiconductor industry is faced by various regulatory challenges. The market demand for power components in regard to environmentally-friendly materials, low energy consumption, high efficiency, and miniaturization continues to increase. The Company have actively responded to these regulatory changes in terms of our product design, manufacturing process, and R&D innovations to ensure that our products not only comply with national standards, but also lead the market in the areas of technology and performance.

##### 1. Non-halogen environmental design – adapting the EU RoHS norms

All series of our products are made of non-halogen materials to comply with the EU RoHS norms. Through the selection of environmentally-friendly materials and the management of the supply chain, we are able to reduce the use of hazardous substances while ensuring product reliability and performance stability.

##### 2. Enhancing efficiency to comply with the EISA2007 Standards

For rectifiers and power components, we focus on reducing the wastage of electrical property and minimize the packaging size. In terms of white goods, Schottkys components are designed for high voltage tolerance, quick and soft switching, and low consumption to meet the strict requirements of stand-by energy consumption and power conversion efficiency.

##### 3. Facilitating the applications of renewable energy

Our Schottkys products, which are low-consuming with high junction temperature, are suitable for solar modules and power converters. We assist customers in achieving high-performing energy conversion while pursuing environmental protection and energy conservation.

##### 4. Technological innovation and support for electric vehicles

The charging specification of electric vehicles has been changed from AC to DC 600V direct charging; and power system from 12V/24V to 48V. In response to this trend, we have launched high-voltage fast-recovery diodes, ultra-low power rectifiers, and trench Schottky components. By providing competitive technical solutions in alignment with the new specifications, we have targeted an important entry point for the design of electric vehicle system.

#### (B) Bar Code Printer

There haven't been significant influences for the Company that attributes to the important policy and law changes domestic and foreign in recent years.

### (4)Influence from Macro-operating Environment

#### (A) Rectifier

In the era where global economy is integrated and electronic industry is rapidly evolving, the Company persists in introducing cutting-edge technology and comprehensive solutions through our network of global channels as well as locations for technical service to construct an efficient, stable, and forward-looking products and services. This globalized deployment not only effectively connects the Company with customers and supply chains from all over

the world, but also allows us to face with confidence the various challenges brought by external business environment. Additionally, we are able to accomplish a steady growth in the fierce market competition and continuously enhance the brand value.

Facing the multiple impacts of the overall business environment, the Company has adopted the following strategies to promote regional industrial development and market expansion:

- North America  
Concentrating on automobiles, industry, telecommunication, and illumination sectors; and continuously optimizing our product structure by taking advantage of the demands in mature markets.
- Japan and Korea  
Focusing on the automobiles and industry; and strengthening our brand influence and meet the demand for high quality through refined technical service.
- Europe  
Highlighting the automotive electronics, industry, renewable energy, and illumination sectors; and actively responding to the European market's demand for green, environmentally-friendly, and innovative technology.
- China and emerging markets  
Covering a wide range of consumer electronics, automobiles, and industry while expanding our reach to emerging markets such as India, South Asia, and South America. With the rapid expansion of the middle class and the unleashing potential of the domestic demand market, coupled with the continued introduction of infrastructure, home appliances, and telecommunication industry, these markets offer the Company ample room for growth.

(B) Bar Code Printer

The Company follows all changes of regulation.

In the future, with the growing stability and the expansion of the applied field of rectifier and bar code printer markets, the Company and each subsidiary company will uphold our innovative, professional, and dedicated corporate philosophy. Also, keep strengthening the research and development and salability, improve our performance, and company profits, in order share the profits with the stockholders, clients, and employees.

Chairman: Wang, Shiu-Ting



President: Wang, Shiu-Ting



CFO: Cheng, I-Cheng



No.2:

Audit Committee's 2024 Review Report

Explanation:

The Audit Committee's Review Report is attached as P.11.

TAIWAN SEMICONDUCTOR Co., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the business report, individual financial report, consolidated financial report, and surplus earnings distribution proposal of 2024 of the company. Among them, the individual financial report and consolidated financial report were appointed by the board of directors to accountants Guo, Yang-Lun and Xiao, Pei-Ru of KPMG to complete the audit and issue an audit report. The business report, individual financial report, consolidated financial report, and surplus earnings distribution proposal are reviewed by the Committee and found true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to:

2025 Annual General Meeting of TAIWAN SEMICONDUCTOR Co., LTD.

TAIWAN SEMICONDUCTOR Co., LTD.

Convener of Audit Committee: Jhan, Cian-Long



Audit Committeeman: Ma, Shu-Zhuang



Audit Committeeman: Chen, Shu-Ling



Audit Committeeman: Wang, Nian-Qiu



March 14, 2025

3. Status report on the Endorsement and Guarantee, Loaning of Company Funds, Regulations Governing the Acquisition and Disposal of Assets, the Trading of Financial Derivatives of the Company and its subsidiaries in 2024.

Explanation:

- (1) The Endorsement and Guarantee of the Company and its subsidiaries:
  1. Until December 31, 2024, there is no Endorsement and Guarantee by the Company.
  2. Until December 31, 2024, there are USD 6 million of the aggregate balance of endorsements guarantees by its subsidiaries.
- (2) Loaning of Company Funds of the Company and its subsidiaries
  1. Until December 31, 2024, there is no loaning of the Company.
  2. Until December 31, 2024, the balance of loaning of each subsidiary is EUR 17.21 million and USD 3 million.
- (3) Acquisition and Disposal of Assets
  1. As of December 31 of year 2024, our company did not reach the reporting threshold; the amount of buying or selling the same securities did not exceed three hundred million New Taiwan Dollars.
  2. As of December 31 of year 2024, the cumulative amount for each subsidiary buying or selling the same securities reached three hundred million New Taiwan Dollars or more than 20% of the paid-in capital:

Unit: Thousand New Taiwan Dollars / Thousand shares

Buying, Selling Company	Type and Name of Securities	Account ing Entry	Trading Counterpar ty	Relati onship	Beginning of Period		Purchases		Sales				Other (Note 1)	End of Period	
					Num ber of Share s	Amou nt	Numb er of Shares	Amount	Numbe r of Shares	Selling Price	Book Cost	Disposal Profit/L oss		Number of Shares	Amount
TSC Auto ID Technology Co., Ltd.	Bluebird Inc.	Investm ents Account ed for Using the Equity Method	H-ALPHA PRIVATE EQUITY FUND · JANG WON LEE · CHOI CHAN SIK · UM TAE HOON & HAN SOO HEE	-	-	-	6,777	2,783,490	-	-	-	-	(69,049)	6,777	2,714,441

Note 1: Including the recognition of the exchange differences from the financial statements of foreign business entities (NTD 118,918 thousand), the actuarial losses of defined benefit plans (NTD 12,637 thousand), and the investment income (NTD 62,506 thousand).

(4) Trading of Financial Derivatives

1. The Company's realized loss of Trading of Financial Derivatives in 2024 is NTD 5,006 thousand which was listed under non-operating expenditures. Until December 31, 2024, the trading transaction of unexpired financial derivatives is USD 4 million. The estimated unrealized loss is NTD 859 thousand.
2. The subsidiary's realized loss of Trading of Financial Derivatives in 2024 is NTD 1,556 thousand and be listed under non-operating expenditures. Until December 31, 2024, the trading transaction of unexpired financial derivatives is USD 2 million and EUR 1 million. The estimated unrealized loss is NTD 287 thousand.

#### 4. Report on 2024 employees' profit-sharing bonus and directors' compensation

Explanation: According to Article 20 of the Article of Incorporation, in 2024, the Company contributes 1% as the remuneration of the directors (NTD5,722,609) and 6% as the employees' consideration (NTD34,335,654). All will be paid by cash.

5. Report on the Content and Amount of Performance Evaluation and Remuneration of Directors and Managers, and the Relationship between the Evaluation Results and the Reasonableness Report.

Explanation: In accordance with Article 7 of the "Organizational Regulations of the Remuneration Committee" of the Company, the Remuneration Committee shall regularly assess the achievement of performance goals of directors and managers, and based on the evaluation results obtained according to the performance evaluation criteria, determine the content and amount of remuneration and submit it to the shareholders' meeting. The relevant report on the relationship and reasonableness of the evaluation results is as follows:



TAIWAN SEMICONDUCTOR Co., LTD.

Report on the Performance Evaluation Results of the Board of Directors, Functional Committees, Individual Directors, and Individual Committee Members for the Year 2024

Performance Evaluation Mechanism and Scope:	Assessment Period	Self-Assessment Results of Performance	The content and amount of remuneration for directors and executives are correlated with the results of performance evaluations and deemed reasonable.		
<p>To implement corporate governance, the company conducts the annual performance evaluation of the board of directors for the current year in December, based on the "Organizational Regulations of the Remuneration Committee of TAIWAN SEMICONDUCTOR Co., LTD." passed by the board of directors and the "Board Performance Evaluation Method." The evaluation scope includes the overall operation of the board of directors, functional committees, as well as the performance of <u>individual directors</u> and committee members. The evaluation results and improvement plans are reported to the board of directors.</p> <p>In accordance with Article 37 of the Company's Corporate Governance Guidelines, evaluations are conducted on internal board of directors, functional committees, individual directors, and individual committee members from five and six dimensions, respectively. Five dimensions include:</p> <p>1. Participation in company operations</p> <p>2. Enhancement of the quality of board decisions</p> <p>3. Composition and structure of the board of directors</p> <p>4. Appointment and continuous education of directors</p> <p>5. Internal control</p> <p>Six dimensions include:</p>	<p>From January 1, <u>2024</u> to December 31, <u>2024</u></p>	<p>1. Self-assessment of the board of directors' operation performance: Includes five dimensions and a total of 45 indicators, with a score of Excellent (average of 4.88 points), indicating that the board of directors not only actively participates in the company's operations but also fulfills its responsibilities in guiding and supervising the company's strategies, major business, and risk management. They have also established appropriate internal control systems in accordance with corporate governance requirements.</p>	<p>For director remuneration, it is governed by Article 20 of the company's articles of association. It may be allocated within 1% of the annual profit, considering the company's operational results and the individual's contribution to company performance.</p> <p>As for executive compensation policy and procedures, they adhere to the company's salary management regulations and the salary levels in the industry market for the respective positions. The determination of compensation follows the company's annual performance evaluation guidelines. This evaluation considers both the overall company performance, industry risks, and future trends, as well as individual performance and contribution to company objectives.</p> <p>The reasonableness of performance assessments and compensation is reviewed by the Compensation Committee and the Board of Directors. The compensation system is periodically reviewed to ensure alignment with actual operating conditions and relevant laws, aiming to achieve a balance between sustainable business operations and risk management.</p>		
		Self-Assessment in Five Dimensions		Assessment Items	Scoring Results
		1. Degree of Participation in Company Operations		12 items	4.83
		2. Enhancement of Board Decision Quality		12 items	4.89
		3. Composition and Structure of the Board of Directors		7 items	4.90
		4. Appointment and Continuous Education of Directors		7 items	4.88
		5. Internal Control		7 items	4.88
		<p>2. Self-assessment of individual directors' performance: Includes six dimensions and a total of 23 indicators, with a score of Excellent (average of 4.84 points), indicating positive evaluations from both general directors and independent directors regarding the efficiency and effectiveness of the current operation of the company's board of directors.</p>			
		Self-Assessment in Six Dimensions		Assessment Items	Scoring Results
		1. Mastering company goal and tasks		3 items	4.86
		2. Cognition of directors’ duty		3 items	4.90
		3. Degree of cohesion toward company operation		8 items	4.86
		4. Internal relationship operation and communication		3 items	4.71
		5. Director’s professionalism and continuous advanced study programs		3 items	4.81
		6. Internal control		3 items	4.90
<p>3. Self-assessment of the audit committee's operation performance: Includes five dimensions and a total of 22 indicators, with a score of Excellent (average of 4.79 points), indicating that the audit committee operates maturely, fulfills its supervisory responsibilities for compliance with relevant laws, risk management, and</p>					

<div>1. Understanding of company goals and missions</div> <div>2. Recognition of director duties</div> <div>3. Participation in company operations</div> <div>4. Internal relationship management and communication</div> <div>5. Professionalism and continuous education of directors</div> <div>6. Internal control °</div> <div>The assessment results are presented in five levels, with the following principles: Score 1: Poor (Strongly Disagree); Score 2: Fair (Disagree); Score 3: Average (Neutral); Score 4: Good (Agree); Score 5: Excellent (Strongly Agree)</div>	<div>audit matters, fully leveraging its professional capabilities to effectively supervise the overall operation of the company.</div> <table><tr><th>Self-Assessment in Five Dimensions</th><th>Assessment Items</th><th>Scoring Results</th></tr><tr><td>1. Degree of Participation in Company Operations</td><td>4 items</td><td>4.81</td></tr><tr><td>2. Understanding of Functional Committee Responsibilities</td><td>5 items</td><td>4.80</td></tr><tr><td>3. Enhancement of Functional Committee Decision Quality</td><td>7 items</td><td>4.86</td></tr><tr><td>4. Composition and Member Selection of Functional Committees</td><td>3 items</td><td>4.75</td></tr><tr><td>5. Internal Control</td><td>3 items</td><td>4.75</td></tr></table> <div>4. Self-assessment of individual audit committee members' performance: Includes five dimensions and a total of 22 indicators, with a score of Excellent (average of 4.73 points), indicating positive evaluations from the audit committee members regarding the efficiency and effectiveness of the current operation of the company's audit committee.</div> <table><tr><th>Self-Assessment in Five Dimensions</th><th>Assessment Items</th><th>Scoring Results</th></tr><tr><td>1. Degree of Participation in Company Operations</td><td>4 items</td><td>4.81</td></tr><tr><td>2. Understanding of Functional Committee Responsibilities</td><td>5 items</td><td>4.50</td></tr><tr><td>3. Enhancement of Functional Committee Decision Quality</td><td>7 items</td><td>4.82</td></tr><tr><td>4. Composition and Member Selection of Functional Committees</td><td>3 items</td><td>4.75</td></tr><tr><td>5. Internal Control</td><td>3 items</td><td>4.75</td></tr></table> <div>5. Self-assessment of the remuneration committee's operation performance: Includes four dimensions and a total of 18 indicators, with a score of Excellent (average of 4.79 points), indicating that the remuneration committee operates soundly and effectively fulfills its duties and functions.</div> <table><tr><th>Self-Assessment in Four Dimensions</th><th>Assessment Items</th><th>Scoring Results</th></tr><tr><td>1. Degree of Participation in Company Operations</td><td>4 items</td><td>4.81</td></tr><tr><td>2. Understanding of Functional Committee Responsibilities</td><td>5 items</td><td>4.80</td></tr><tr><td>3. Enhancement of Functional Committee Decision Quality</td><td>6 items</td><td>4.79</td></tr><tr><td>4. Composition and Member Selection of Functional Committees</td><td>3 items</td><td>4.75</td></tr></table> <div>6. Self-assessment of individual remuneration committee members' performance: Includes four dimensions and a total of 18 indicators, with a score of Excellent (average of 4.76 points), indicating positive evaluations from the remuneration committee</div>	Self-Assessment in Five Dimensions	Assessment Items	Scoring Results	1. Degree of Participation in Company Operations	4 items	4.81	2. Understanding of Functional Committee Responsibilities	5 items	4.80	3. Enhancement of Functional Committee Decision Quality	7 items	4.86	4. Composition and Member Selection of Functional Committees	3 items	4.75	5. Internal Control	3 items	4.75	Self-Assessment in Five Dimensions	Assessment Items	Scoring Results	1. Degree of Participation in Company Operations	4 items	4.81	2. Understanding of Functional Committee Responsibilities	5 items	4.50	3. Enhancement of Functional Committee Decision Quality	7 items	4.82	4. Composition and Member Selection of Functional Committees	3 items	4.75	5. Internal Control	3 items	4.75	Self-Assessment in Four Dimensions	Assessment Items	Scoring Results	1. Degree of Participation in Company Operations	4 items	4.81	2. Understanding of Functional Committee Responsibilities	5 items	4.80	3. Enhancement of Functional Committee Decision Quality	6 items	4.79	4. Composition and Member Selection of Functional Committees	3 items	4.75
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Self-Assessment in Four Dimensions	Assessment Items	Scoring Results																																																		
1. Degree of Participation in Company Operations	4 items	4.81																																																		
2. Understanding of Functional Committee Responsibilities	5 items	4.80																																																		
3. Enhancement of Functional Committee Decision Quality	6 items	4.79																																																		
4. Composition and Member Selection of Functional Committees	3 items	4.75																																																		

members regarding the efficiency and effectiveness of the current operation of the company's remuneration committee.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.75
2. Understanding of Functional Committee Responsibilities	5 items	4.75
3. Enhancement of Functional Committee Decision Quality	6 items	4.79
4. Composition and Member Selection of Functional Committees	3 items	4.75

7. Self-assessment of the corporate sustainable development committee's operation performance:  
Includes four dimensions and a total of 16 indicators, with a score of Excellent (average of 4.76 points), indicating that the corporate sustainable development committee operates well and effectively implements sustainable governance standards.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.75
2. Understanding of Functional Committee Responsibilities	3 items	4.75
3. Enhancement of Functional Committee Decision Quality	6 items	4.79
4. Composition and Member Selection of Functional Committees	3 items	4.75

8. Self-assessment of individual corporate sustainable development committee's performance:  
Includes four dimensions and a total of 16 indicators, with a score of Excellent (average of 4.75 points), indicating positive evaluations from the corporate sustainable development members regarding the efficiency and effectiveness of the current operation of the company's sustainable development.

Self-Assessment in Four Dimensions	Assessment Items	Scoring Results
1. Degree of Participation in Company Operations	4 items	4.75
2. Understanding of Functional Committee Responsibilities	3 items	4.75
3. Enhancement of Functional Committee Decision Quality	6 items	4.75
4. Composition and Member Selection of Functional Committees	3 items	4.75

## Approval Items

## Approval Items

### Proposal 1

Proposed by the Board

Proposal: To accept 2024 Business Report and Financial Statements

#### Explanation:

- (1) The Company's 2024 business report, standalone financial statement, and consolidated financial statements have been approved by the Board and examined by the audit committee.
- (2) The business report, standalone financial statement, and consolidated financial statements are attached in the Meeting Agenda, P. 4-9, 20-37.

#### Resolution:



安侯建業聯合會計師事務所  
KPMG

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## Independent Auditors' Report

To the Board of Directors of TAIWAN SEMICONDUCTOR CO., LTD.:

### Opinion

We have audited the financial statements of TAIWAN SEMICONDUCTOR CO., LTD.( “the Company” ), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of the other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) of which represented investment accounted for using the equity method of the Company. Those statements were audited by the other Certified Public Accountants whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TSC Auto ID, is based solely on the report of the other Certified Public Accountants. The investment in TSC Auto ID amounted for using the equity method constituting 10.49% and 10.67% of the total assets at December 31, 2024 and 2023, respectively, and the related share of profit of subsidiaries accounted for using the equity method constituting 39.31% and 31.95% of the total income before tax for the years then ended respectively.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 1. Revenue recognition

Please refer to note 4(m) to financial statements for accounting policy of revenue recognition; and note 6(o) “Revenue from contracts with customers” for details on the related explanation.

### Description of the key audit matter:

The main business items of the Company are the manufacture and sale of rectifiers. Revenue recognition is one of the key assessment matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) Performing trend analysis on the top ten sales customers to assess whether there are any material abnormality. (iv) using system tools to sample sales transactions before and after the year end to evaluate the accuracy of the period and amount of revenue recognition.

## 2. Impairment on investment accounted for using the equity method

Please refer to note 4(h) “Investment in subsidiaries” and (l) “Impairment of non-financial assets” of the financial statements for the details on the accounting policy about investments accounted for using equity method; note 5(c) “Investments impairment assessment for using equity method” for details on the significant accounts assumptions and judgments; note 6(e) “investments accounted for using equity method” for details on the related explanation.

### Description of the key audit matter:

When TSC Auto ID Technology (TSC Auto ID) obtained the business combinations and its control, and recognized a goodwill in the consolidated financial report, the amount is regarded as material. Besides, evaluating whether goodwill is impaired depends on the estimation of the future cash flow of the cash-generating unit to determine the recoverable amount. The estimation of the future cash flow involves industrial environment and the forecast of the future operating results. Once the indicators of the forecast change, the recoverable amount will change as well and may cause an impairment loss. Due to the investments are the important investees and the amount is regarded as material. Therefore, the impairment on investment amounted for using the equity method is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: communication of the related issue with other Certified Public Accountants, which included sending audit instruction to other Certified Public Accountants and obtaining the independent auditor’s report of TSC Auto ID issued by other Certified Public Accountants.

The audit procedure executed by other Certified Public Accountants included (i) obtaining the report of the assessment of impairment loss of goodwill provided by the evaluation expert appointed by the management of TSC Auto ID. (ii) understanding and assessing the reasonableness of the recoverable amount based on the evaluation model. (iii) comprehensively assessing the reasonableness of the assessment of impairment loss of goodwill based on the assumption used in the evaluation model, including sales growth rate, profit margin, weighted average cost of capital (WACC, which includes risk-free return rate and risk premium), etc. and assessing the previous operating conditions, the conditions of industrial environment and future outlook.

Our audit procedure also compare the difference of the investment amounted and the net assets of TSC Auto ID (according to our ownership share) and observe TSC Auto ID’s stock price.

## **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Yang-Lun and Hsiao, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)  
March 14, 2025

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAIWAN SEMICONDUCTOR CO., LTD.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 562,610	5	795,597	8	2100	Short-term borrowings (note 6(i))	\$ 445,065	5	950,000	9
1110	Current financial assets at fair value through profit or loss - current (note 6(b))	20,089	-	21,060	-	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	859	-	-	-
1150	Notes receivable, net (note 6(c))	12	-	282	-	2170	Accounts payable	250,992	2	263,239	2
1170	Accounts receivable, net (note 6(c))	490,650	5	435,637	4	2181	Accounts payable to related parties (note 7)	323,092	3	303,235	3
1180	Accounts receivable due from related parties, net (note 7)	526,973	5	442,830	4	2220	Other payables to related parties (note 7)	43,971	-	35,604	-
1200	Other receivables (note 7)	31,252	-	32,318	-	2230	Current tax liabilities	113,137	1	98,768	1
1220	Current tax assets	89,684	1	-	-	2320	Long-term borrowings, current portion (note 6(j))	106,683	1	298,583	3
130X	Inventories(note6(d))	1,083,837	10	1,224,393	11	2280	Lease liabilities, current (note 6(k))	957	-	940	-
1479	Other current assets	74,286	1	32,587	-	2399	Other current liabilities	330,636	3	325,091	3
		2,879,393	27	2,984,704	27	<b>Non-Current liabilities:</b>		1,615,392	15	2,275,460	21
<b>Non-current assets:</b>											
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	66,152	-	22,383	-	2541	Long-term borrowings (note 6(j))	644,675	6	228,808	2
1551	Investments accounted for using equity method (note (e))	5,192,648	50	5,212,425	49	2570	Deferred tax liabilities (note 6(m))	425,721	4	449,473	4
1600	Property, plant and equipment (note (f))	2,086,694	20	2,089,063	20	2580	Lease liabilities non-current (note (k))	403	-	1,360	-
1755	Right-of-use assets (note (g))	2,359	-	4,024	-	2640	Net defined benefit liability, non-current (note 6(l))	5,602	-	22,493	-
1822	Intangible assets (note (h))	55,786	1	71,765	1	<b>Total liabilities</b>		1,076,401	10	702,134	6
1840	Deferred tax assets (note (m))	60,299	1	110,445	1	<b>Stockholder' equity attributable to parent:(note 6(n))</b>		2,691,793	25	2,977,594	27
1980	Other non-current financial assets (note (b))	18,143	-	51,867	-						
1990	Other non-current assets	124,673	1	166,313	2	3110	Common stock	2,634,854	25	2,634,854	25
		7,606,754	73	7,728,285	73	3200	Capital surplus	2,252,984	22	2,209,251	21
						3300	Retained earnings	3,751,072	36	3,816,863	36
						3400	Other stockholders' equity	(244,678)	(2)	(419,530)	(4)
						3500	Treasury shares	(599,878)	(6)	(506,043)	(5)
						<b>Total equity</b>		7,794,354	75	7,735,395	73
<b>Total assets</b>		<b>\$ 10,486,147</b>	<b>100</b>	<b>10,712,989</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$ 10,486,147</b>	<b>100</b>	<b>10,712,989</b>	<b>100</b>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4110	Total sales revenue (note 6(o) and 7)	\$ 4,295,553	102	4,708,842	102
4190	Less: Sales discounts and allowances	<u>98,547</u>	<u>2</u>	<u>98,369</u>	<u>2</u>
	<b>Net operating revenues</b>	4,197,006	100	4,610,473	100
5000	Cost of goods sold (note 6(d) and 7)	<u>3,489,795</u>	<u>83</u>	<u>3,506,778</u>	<u>76</u>
	<b>Gross profit</b>	707,211	17	1,103,695	24
5910	Less: Unrealized profit (loss) from sales	<u>354</u>	<u>-</u>	<u>(15,662)</u>	<u>-</u>
		<u>706,857</u>	<u>17</u>	<u>1,119,357</u>	<u>24</u>
6000	<b>Operating expenses (note 6(l), (q) and 7):</b>				
6100	Selling expenses	351,858	8	354,097	7
6200	Administrative expenses	198,054	5	215,950	5
6300	Research and development expenses	126,066	3	141,341	3
6450	Expected credit losses (gains on reversal)(note 6(c))	<u>151</u>	<u>-</u>	<u>(7,803)</u>	<u>-</u>
		<u>676,129</u>	<u>16</u>	<u>703,585</u>	<u>15</u>
	<b>Operating income</b>	<u>30,728</u>	<u>1</u>	<u>415,772</u>	<u>9</u>
	<b>Non-operating income and expenses (note 6(p) and 7):</b>				
7100	Interest income	5,476	-	11,614	-
7010	Other income	15,649	-	19,311	-
7020	Other gains and losses	84,863	2	36,031	1
7050	Finance costs	(24,400)	-	(22,675)	-
7070	Share of profit of subsidiaries accounted for using equity method (note 6(e))				
		<u>419,887</u>	<u>10</u>	<u>404,836</u>	<u>9</u>
		<u>501,475</u>	<u>12</u>	<u>449,117</u>	<u>10</u>
	<b>Profit before income tax</b>	532,203	13	864,889	19
7950	<b>Less: Income tax expenses (note 6(m))</b>	<u>68,352</u>	<u>2</u>	<u>146,249</u>	<u>3</u>
	<b>Profit</b>	<u>463,851</u>	<u>11</u>	<u>718,640</u>	<u>16</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(l))	1,328	-	(2,775)	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	<u>(3,999)</u>	<u>-</u>	<u>(651)</u>	<u>-</u>
		<u>(2,671)</u>	<u>-</u>	<u>(3,426)</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	<u>174,852</u>	<u>4</u>	<u>(59,972)</u>	<u>(1)</u>
		<u>174,852</u>	<u>4</u>	<u>(59,972)</u>	<u>(1)</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>172,181</u>	<u>4</u>	<u>(63,398)</u>	<u>(1)</u>
	<b>Comprehensive income</b>	<u>\$ 636,032</u>	<u>15</u>	<u>655,242</u>	<u>15</u>
	<b>Basic earnings per common share (NT dollars) (note 6(r))</b>	<u>\$ 1.87</u>		<u>2.89</u>	
	<b>Diluted earnings per common share (NT dollars) (note 6(r))</b>	<u>\$ 1.87</u>		<u>2.88</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD.**

**Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Total other equity interest		
							Exchange		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	differences on translation of foreign financial statements	Treasury shares	Total equity
<b>Balance at January 1, 2023</b>	<u>\$ 2,634,854</u>	<u>2,137,088</u>	<u>973,024</u>	<u>531,125</u>	<u>2,651,442</u>	<u>4,155,591</u>	<u>(359,558)</u>	<u>(506,043)</u>	<u>8,061,932</u>
Net income	-	-	-	-	718,640	718,640	-	-	718,640
Other comprehensive income	-	-	-	-	(3,426)	(3,426)	(59,972)	-	(63,398)
Total comprehensive income	-	-	-	-	715,214	715,214	(59,972)	-	655,242
Appropriation and distribution of retained earnings:									
Provision of legal reserve	-	-	156,719	-	(156,719)	-	-	-	-
Cash dividends	-	-	-	-	(1,053,942)	(1,053,942)	-	-	(1,053,942)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	59,200	-	-	-	-	-	-	59,200
Changes in equity of affiliate accounted for using equity method	-	12,963	-	-	-	-	-	-	12,963
<b>Balance at December 31, 2023</b>	<u>2,634,854</u>	<u>2,209,251</u>	<u>1,129,743</u>	<u>531,125</u>	<u>2,155,995</u>	<u>3,816,863</u>	<u>(419,530)</u>	<u>(506,043)</u>	<u>7,735,395</u>
Net income	-	-	-	-	463,851	463,851	-	-	463,851
Other comprehensive income	-	-	-	-	(2,671)	(2,671)	174,852	-	172,181
Total comprehensive income	-	-	-	-	461,180	461,180	174,852	-	636,032
Subsidiaries purchase of treasury shares	-	-	-	-	-	-	-	(93,835)	(93,835)
Appropriation and distribution of retained earnings:									
Provision of legal reserve	-	-	71,521	-	(71,521)	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	31,920	-	-	-	-	-	-	31,920
Changes in equity of affiliate accounted for using equity method	-	11,813	-	-	-	-	-	-	11,813
<b>Balance at December 31, 2024</b>	<u><u>\$ 2,634,854</u></u>	<u><u>2,252,984</u></u>	<u><u>1,201,264</u></u>	<u><u>531,125</u></u>	<u><u>2,018,683</u></u>	<u><u>3,751,072</u></u>	<u><u>(244,678)</u></u>	<u><u>(599,878)</u></u>	<u><u>7,794,354</u></u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 532,203	864,889
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	371,455	333,878
Amortization expense	35,853	51,927
Expected credit losses (gains on reversal)	151	(7,803)
Gain on financial assets or liabilities at fair value through profit or loss	(9,430)	(3,169)
Interest expense	23,247	21,285
Interest income	(5,476)	(11,614)
Share of profit of subsidiaries accounted for using equity method	(419,887)	(404,836)
Gain on disposal of property, plan and equipment	(746)	(99)
Others	354	(15,662)
<b>Total adjustments to reconcile profit (loss)</b>	<b>(4,479)</b>	<b>(36,093)</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in financial assets at fair value through profit or loss	1,636	(16,918)
(Increase) decrease in notes receivable	270	(230)
(Increase) decrease in accounts receivable	(55,164)	190,174
(Increase) decrease in accounts receivable due from related parties	(84,143)	227,966
Decrease in other receivable	1,064	5,230
(Increase) decrease in inventories	140,556	(30,395)
(Increase) decrease in other current assets	(41,699)	76,848
Decrease in accounts payable	(12,247)	(219,263)
Increase (decrease) in accounts payable to related parties	19,857	(35,392)
Increase (decrease) in other payable	605	(252)
Increase (decrease) in other payable to related parties	8,367	(2,951)
Increase (decrease) in other current liabilities	5,545	(93,459)
Decrease in net defined benefit liability	(15,563)	(328)
<b>Total adjustments</b>	<b>(35,395)</b>	<b>64,937</b>
Cash inflow generated from operations	496,808	929,826
Interest received	5,478	12,071
Dividends received	560,165	333,180
Interest paid	(25,614)	(22,432)
Income taxes paid	(117,273)	(300,972)
<b>Net cash flows from operating activities</b>	<b>919,564</b>	<b>951,673</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(34,145)	(19,607)
Acquisition of property, plant and equipment	(115,047)	(105,072)
Proceeds from disposal of property, plant and equipment	1,101	-
Acquisition of right-of-use assets	-	(2,035)
Acquisition of intangible assets	(9,092)	(59,233)
Decrease in other non-current assets	66,361	70,878
Increase in prepayments for equipment	(252,819)	(226,692)
<b>Net cash flows used in investing activities</b>	<b>(343,641)</b>	<b>(341,761)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	(504,935)	360,000
Proceeds from long-term borrowings	522,550	-
Repayments of long-term borrowings	(298,583)	(259,349)
Payment of lease liabilities	(971)	(567)
Cash dividends paid	(526,971)	(1,053,942)
<b>Net cash flows used in financing activities</b>	<b>(808,910)</b>	<b>(953,858)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(232,987)</b>	<b>(343,946)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>795,597</b>	<b>1,139,543</b>
<b>Cash and cash equivalents at the end of period</b>	<b>\$ 562,610</b>	<b>795,597</b>

## **Representation Letter**

The entities that are required to be included in the consolidated financial statements of TAIWAN SEMICONDUCTOR CO., LTD. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 “Consolidated Financial Statements” . In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, TAIWAN SEMICONDUCTOR CO., LTD. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: TAIWAN SEMICONDUCTOR CO., LTD.

Chairman: Wang Shiu-Ting

Date: March 14, 2025



安侯建業聯合會計師事務所  
KPMG

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## Independent Auditors' Report

To the Board of Directors of TAIWAN SEMICONDUCTOR CO., LTD.:

### Opinion

We have audited the consolidated financial statements of TAIWAN SEMICONDUCTOR CO., LTD. ("the Company") and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, consolidated changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of the other auditors (please refer to other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( "IFRSs" ), International Accounting Standards ( "IASs" ), Interpretations developed by the International Financial Reporting Interpretations Committee ( "IFRIC" ) or the former Standing Interpretations Committee ( "SIC" ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Emphasis of Matter

TSC Auto ID acquired the entire shares of MGN sp. z o.o. on June 12, 2023. Since the evaluation of the identifiable net assets obtained from the business combination was completed during the year, the original accounting treatment and provisional amount from the acquisition date were adjusted according to the purchase price allocation report, and the information for the comparative period was retrospectively restated. Our opinion is not modified in respect of this matter. Please refer to note 6 (i) and (v).

### Other Matter

We did not audit the financial statements of TSC Auto ID Technology Co., Ltd. (TSC Auto ID) of the Group. Those statements were audited by the other Certified Public Accountants whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TSC Auto ID, is based solely on the report of the other Certified Public Accountants. The financial statements of TSC Auto ID reflect the total assets constituting 55.02% and 43.30% of the consolidated total assets at December 31, 2024 and 2023, respectively, and the total operating revenues constituting 59.33% and 57.14% of the consolidated total operating revenues for the years then ended respectively.

The company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion with other matters paragraph.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **1. Revenue recognition**

Please refer to note 4(n) “Revenue recognition” to the consolidated financial statements for accounting policy of revenue recognition; and note 6(r) “Revenue from contracts with customers” for details on the related explanation .

#### Description of the key audit matter

The main business items of the Group are the manufacture and sale of rectifiers, and the manufacture and service of automatic identification system products. Revenue recognition is one of the key assessment matters in our audit. Revenue is the key indicator to evaluate the performance by investors and management. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) conducting trend analysis on the top ten sales customers to assess whether there are any major anomalies. (iv) using system tools to sample sales transactions before and after the year end to evaluate the correctness of the period and amount of revenue recognition.

### **2. The assessment of impairment loss of goodwill**

Please refer to note 4(l) “Impairment of non-financial assets” of the consolidated financial statements for details on the accounting policy related to impairment loss of goodwill; note 5(c) “The assessment of impairment loss of goodwill” of the accounting estimates and estimation uncertainty of the assessment of impairment loss of goodwill; and note 6(i) “Goodwill” for details on the related explanation.

#### Description of key audit matter

When the Groups Bar Code Printers department obtained the business combinations and its control, and recognized a goodwill in the consolidated financial report, the amount is regarded as material. Besides, evaluating whether goodwill is impaired depends on the estimation of the future cash flow of the cashgenerating unit to determine the recoverable amount. The estimation of the future cash flow involves industrial environment and the forecast of the future operating results. Once the indicators of the forecast change, the recoverable amount will change as well and may cause an impairment loss.

How the matter was addressed in our audit:

Our key audit procedures included: communication of the related issue with other Certified Public Accountants, which included sending audit instruction to other Certified Public Accountants and obtaining the independent auditor’ s report of TSC Auto ID issued by other Certified Public Accountants.



The audit procedure executed by other Certified Public Accountants included (i) obtaining the report of the assessment of impairment loss of goodwill provided by the evaluation expert commissioned by the management of TSC Auto ID. (ii) understanding and assessing the reasonableness of the recoverable amount based on the evaluation model. (iii) comprehensively assessing the reasonableness of the assessment of impairment loss of goodwill based on the assumption used in the evaluation model, including sales growth rate, profit margin, weighted average cost of capital (WACC, which includes risk-free rate and risk premium), and considering TSC Auto ID's operational status, industry conditions, and future outlook to comprehensively assess the reasonableness of the report of the assessment of impairment loss of goodwill.

### 3. Identification and evaluation of tangible and intangible assets acquired through business combinations

Please refer to note 4(r) "Business combinations" for accounting policy of business combinations; and note 6(v) "Business combinations" for details on the related explanation.

#### Description of the key audit matter

The Group's Bar Code Printers department acquired the entire shares of MGN sp. z o.o. on June 12, 2023, and completed the measurement of the fair value of net assets and goodwill based on the purchase price allocation report in 2024; hence, the intangible assets generated by the acquisition are significant to the consolidated financial statements.

Due to the aforementioned business combination transaction, the consideration for the acquisition of equity, the reasonableness of the purchase price allocation, and the determination of the fair value of net assets acquired on the acquisition date, as well as intangible assets and goodwill, were based on the purchase price allocation report issued by external expert commissioned by the management. The valuation methods and assumptions adopted involve significant estimates and judgments by the management.

How the matter was addressed in our audit:

Our key audit procedures included: communicating the related issue with other Certified Public Accountants, which included sending audit instruction to other Certified Public Accountants and obtaining the independent auditor's report of TSC Auto ID issued by other Certified Public Accountants.

The audit procedure executed by other Certified Public Accountants included: (i) obtaining the purchase price allocation report issued by external expert commissioned by the management of TSC Auto ID and evaluating the competence and independence of external independent valuers. (ii) reviewing the expected financial information used by the management of TSC Auto ID to prepare the purchase price allocation report and comparing it with TSC Auto ID's historical financial information and market industry future expectations to assess the reasonableness of key assumptions (including sales growth rate, gross profit margin, and operating profit margin). (iii) evaluating the valuation models and key assumptions used in the purchase price allocation report, including the useful life of intangible assets, weighted average cost of capital (including risk-free rate, volatility, and equity market risk premium), and considering TSC Auto ID's operational status, industry conditions, and future outlook to comprehensively assess the reasonableness of the purchase price allocation report.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance including the Audit committee are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Yang-Lun and Hsiao, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2025

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(Expressed in Thousands of New Taiwan Dollars)

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4110	Total sales revenue (note 6(r))	\$ 15,353,489	104	15,214,856	104
4190	Less: Sales discounts and allowances	524,697	4	598,842	4
	<b>Net operating revenues</b>	14,828,792	100	14,616,014	100
5000	Cost of goods sold (note 6(d))	10,594,202	71	10,123,352	69
	<b>Gross profit</b>	4,234,590	29	4,492,662	31
6000	<b>Operating expenses</b> (notes 6(n) and (t)):				
6100	Selling expenses	1,605,261	11	1,382,342	9
6200	Administrative expenses	884,260	6	890,966	6
6300	Research and development expenses	496,684	3	443,113	3
6450	Expected credit losses (gains on reversal) (note 6(c))	(8,830)	-	7,713	-
		2,977,375	20	2,724,134	18
	<b>Operating income</b>	1,257,215	9	1,768,528	13
	<b>Non-operating income and expenses</b> (note 6(s)):				
7100	Interest income	41,582	-	42,817	-
7010	Other income	47,322	-	52,142	-
7020	Other gains and losses	100,760	1	56,619	-
7050	Finance costs	(118,520)	(1)	(82,309)	(1)
		71,144	-	69,269	(1)
	<b>Profit before income tax</b>	1,328,359	9	1,837,797	12
7950	<b>Less: Income tax expenses</b> (note 6(o))	433,446	3	527,804	4
	<b>Profit</b>	894,913	6	1,309,993	8
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans (note 6(n))	(10,275)	-	(4,578)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(10,275)	-	(4,578)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	232,964	2	(43,641)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(o))	(17,219)	-	(4,590)	-
		215,745	2	(48,231)	-
8300	<b>Other comprehensive income (after tax)</b>	205,470	2	(52,809)	-
	<b>Total comprehensive income</b>	<b>\$ 1,100,383</b>	<b>8</b>	<b>1,257,184</b>	<b>8</b>
	<b>Net income attributable to:</b>				
	Owners of the parent	\$ 463,851	3	718,640	4
	Non-controlling interests (note 6(e))	431,062	3	591,353	4
		<b>\$ 894,913</b>	<b>6</b>	<b>1,309,993</b>	<b>8</b>
	<b>Total comprehensive income attributable to:</b>				
	Owners of the parent	\$ 636,032	5	655,242	4
	Non-controlling interests (note 6(e))	464,351	3	601,942	4
		<b>\$ 1,100,383</b>	<b>8</b>	<b>1,257,184</b>	<b>8</b>
	<b>Basic earnings per common share (NT dollars)</b> (note 6(u))	<b>\$ 1.87</b>		<b>2.89</b>	
	<b>Diluted earnings per common share (NT dollars)</b> (note 6(u))	<b>\$ 1.87</b>		<b>2.88</b>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
<b>Balance at January 1, 2023</b>	\$ 2,634,854	2,137,088	973,024	531,125	2,651,442	4,155,591	(359,558)	(506,043)	8,061,932	2,663,551	10,725,483
Net income	-	-	-	-	718,640	718,640	-	-	718,640	591,353	1,309,993
Other comprehensive income	-	-	-	-	(3,426)	(3,426)	(59,972)	-	(63,398)	10,589	(52,809)
Total comprehensive income	-	-	-	-	715,214	715,214	(59,972)	-	655,242	601,942	1,257,184
Appropriation and distribution of retained earnings:											
Provision of legal reserve	-	-	156,719	-	(156,719)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,053,942)	(1,053,942)	-	-	(1,053,942)	-	(1,053,942)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	59,200	-	-	-	-	-	-	59,200	-	59,200
Changes in equity of affiliate accounted for using equity method	-	12,963	-	-	-	-	-	-	12,963	-	12,963
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(301,420)	(301,420)
<b>Balance at December 31, 2023</b>	2,634,854	2,209,251	1,129,743	531,125	2,155,995	3,816,863	(419,530)	(506,043)	7,735,395	2,964,073	10,699,468
Net income	-	-	-	-	463,851	463,851	-	-	463,851	431,062	894,913
Other comprehensive income	-	-	-	-	(2,671)	(2,671)	174,852	-	172,181	33,289	205,470
Total comprehensive income	-	-	-	-	461,180	461,180	174,852	-	636,032	464,351	1,100,383
Subsidiaries purchase of treasury shares	-	-	-	-	-	-	-	(93,835)	(93,835)	-	(93,835)
Appropriation and distribution of retained earnings:											
Provision of legal reserve	-	-	71,521	-	(71,521)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,971)	(526,971)	-	-	(526,971)	-	(526,971)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	31,920	-	-	-	-	-	-	31,920	-	31,920
Changes in equity of affiliate accounted for using equity method	-	11,813	-	-	-	-	-	-	11,813	-	11,813
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(278,151)	(278,151)
<b>Balance at December 31, 2024</b>	<b>\$ 2,634,854</b>	<b>2,252,984</b>	<b>1,201,264</b>	<b>531,125</b>	<b>2,018,683</b>	<b>3,751,072</b>	<b>(244,678)</b>	<b>(599,878)</b>	<b>7,794,354</b>	<b>3,150,273</b>	<b>10,944,627</b>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**TAIWAN SEMICONDUCTOR CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023 (restated)
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,328,359	1,837,797
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	901,862	848,095
Amortization expense	125,077	139,801
Expected credit losses (gains on reversal)	(8,830)	7,713
Net loss on financial assets or liabilities at fair value through profit or loss	18,315	5,965
Interest expense	116,975	80,472
Interest income	(41,582)	(42,817)
(Gains) losses on disposal of property, plant and equipment	6,444	(274)
Losses on disposal of intangible assets	20	-
Reversal of impairment gain on non-financial assets	(1,648)	(88)
Others	11,813	12,963
<b>Total adjustments to reconcile profit (loss)</b>	<b>1,128,446</b>	<b>1,051,830</b>
<b>Changes in operating assets and liabilities:</b>		
Increases and decreases in financial assets/liabilities at fair value through profit or loss	242	43,414
Decrease in notes receivable	295	281
(Increase) decrease in accounts receivable	(336,107)	512,390
Decrease in other receivables	11,045	35,388
Decrease in inventories	216,415	207,442
(Increase) decrease in prepayments	(144,537)	53,877
Decrease in other current assets	10,654	-
Decrease in other financial assets	78,990	210,058
Decrease in accounts payable	(107,916)	(386,090)
Decrease in other payable	(56,445)	(162,871)
Decrease in other current liabilities	(27,372)	(77,867)
Increase (decrease) in net defined benefit liabilities	(22,756)	4,335
Increase (decrease) in other non-current liabilities	8,898	(29,954)
<b>Total adjustments</b>	<b>759,852</b>	<b>1,462,233</b>
Cash inflow generated from operations	2,088,211	3,300,030
Interest received	41,584	43,274
Interest paid	(87,332)	(74,284)
Income taxes paid	(417,197)	(737,970)
<b>Net cash flows from operating activities</b>	<b>1,625,266</b>	<b>2,531,050</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(34,145)	(19,607)
Acquisition of subsidiaries (net of cash acquired)	(2,370,265)	(358,490)
Acquisition of property, plant and equipment	(220,085)	(262,647)
Proceeds from disposal of property, plant and equipment	3,030	1,599
Acquisition of right-of-use assets	-	(2,035)
Acquisition of intangible assets	(33,425)	(42,622)
Increase in other financial assets	(234,210)	(133,237)
(Increase) decrease in other non-current assets	(21,606)	8,325
Increase in prepayments for equipment	(235,217)	(303,471)
<b>Net cash flows used in investing activities</b>	<b>(3,145,923)</b>	<b>(1,112,185)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	665,306	146,091
Proceeds from long-term borrowings	2,754,753	300,000
Repayments of long-term borrowings	(607,482)	(586,822)
Repayments of lease principals	(96,646)	(130,872)
Increase (decrease) in guarantee deposits received	(1)	(246)
Cash dividends paid	(495,051)	(994,742)
Repurchase of treasury shares	(93,835)	-
Change in non-controlling interests	(278,151)	(301,420)
<b>Net cash flows used in financing activities</b>	<b>1,848,893</b>	<b>(1,568,011)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(187,062)</b>	<b>(63,088)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>141,174</b>	<b>(212,234)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>3,383,447</b>	<b>3,595,681</b>
<b>Cash and cash equivalents at the end of period</b>	<b>\$ 3,524,621</b>	<b>3,383,447</b>

Proposal: To approve the Company's 2024 Earnings Distribution.

Explanation:

- (1) In order to improve the capital structure and avoid dilution of earnings, the Company proposes full cash dividend distribution.
- (2) In the fiscal year 2024, the company's net profit after tax was NT\$ 463,851,126 after deducting the remeasurement amount of the defined benefit plan of NT\$ 2,670,952 and allocating NT\$ 46,118,017 to legal reserve. Additionally, considering the special reserve of NT\$ 228,975,072 reversed from the net amount of other deductions from equity and the retained earnings from the previous period of NT\$ 1,557,503,102, the distributable earnings for the current period are NT\$2,201,540,331. The proposed shareholder dividend is NT\$ 526,970,972 to be distributed entirely in cash. This proposal awaits approval at the ordinary shareholder meeting, after which the dates for the cash dividend record and payment will be set. According to the record of shareholders on the cash dividend record date, each share will receive a dividend of NT\$ 2.0, rounded down to the nearest cent, with any remaining fractions accumulated into the company's other income.  
In case there are fluctuations in the company's outstanding shares resulting in changes to the shareholder's dividend rate, the Board of Directors will seek authorization from the shareholders to handle it accordingly.
- (3) Please refer to Earnings Distribution Table on page 39 of this Meeting Agenda.

Resolution:



TAIWAN SEMICONDUCTOR CO., LTD.

Fiscal Year 2024

Earnings Distribution Table

Unit: NTD

Items	Subtotal	Total
Beginning retained earnings (Beginning Balance)	1,557,503,102	
Add: 2024 Net profit after tax	463,851,126	
Less: Remeasurements of defined benefit plan	2,670,952	
Less: 10% legal reserve	46,118,017	
Add: Special reserve reversed from the net amount of other deductions from equity	228,975,072	
<b>Distributable earnings</b>		<b><u>2,201,540,331</u></b>
Less : Distributable items		
(1) Dividend to shareholders (NTD 2.0 per share)		
(NTD 2.0 per share of cash dividend) ----(Note)	<u>526,970,972</u>	<u>526,970,972</u>
<b>Unappropriated retained earnings (Ending Balance)</b>		<b><u>1,674,569,359</u></b>

Note:

- 1) If there is an increase or decrease in the total number of outstanding shares of the Company, which results in a change in the shareholders' payout ratio, it is proposed to request the shareholders' meeting to authorize the Board of Directors to deal with the matter in its sole discretion.
- 2) Total Stock dividend of the director for the current period NTD 526,970,972
- 3) 2024 net profit after tax after distribution NTD 117,066,257 Hasn't been distributed.

## Discussion Items

## Discussion Items

### 1. Proposed by the Board

#### Proposal:

Amendment to the "Articles of Incorporation" of Taiwan Semiconductor Co., Ltd.

#### Explanation:

- (1) The amendments to the relevant articles of the Company's "Articles of Incorporation" are made in accordance with the stipulations promulgated in Paragraph 6 of Article 14 of the Securities and Exchange Act as well as the Financial Supervisory Commission's letter No. 1130385442.
- (2) It is proposed to amend the Articles of Incorporation" of the company. The comparison table of the amendments before and after, along with their explanations, are provided below, and it is requested to be approved at the 2025 Annual Shareholders' Meeting.
- (3) Please proceed to discuss.

TAIWAN SEMICONDUCTOR Co., LTD.  
Comparison Table of Amendments to the "Articles of Incorporation"

Clause	Content Before Amendment	Revised Content	Reason for Amendment
20	<p>In the case of a profitable fiscal year, the Company shall allocate not less than 4% but not more than 10% to employee compensation, and not more than 1 percent as profit-sharing compensation to Directors.</p> <p>If the Company still has any accumulated loss <del>in a profitable fiscal year</del>, it shall first set aside the amount to offset the loss and then allocate <del>compensation to employee and Directors proportionately</del>. When employee compensation is paid in stock or cash, the recipients include employees of the parent or subsidiary company who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, authorize the board of Directors to make separate provisions in accordance with the company law.</p> <p>The above Director compensation shall only be distributed as stock or cash. The distribution of employee and Director's compensation shall be submitted to the shareholders' meeting for resolution and report to the shareholders' meeting.</p>	<p>In the case of a profitable fiscal year, the Company shall allocate not less than 4% but not more than 10% to employee compensation, and not more than 1 percent as profit-sharing compensation to Directors. <u>No less than 1% from the aforementioned employee compensation shall be allocated for compensation distributions for the non-executive employees.</u></p> <p>If the Company still has any accumulated loss, it shall first set aside the amount to offset the loss and then allocate the remaining balance according to the proportion in the preceding paragraph. When employee compensation is paid in stock or cash, the recipients include employees of the parent or subsidiary company who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, authorize the board of Directors to make separate provisions in accordance with the company law.</p>	Amended pursuant to the stipulations promulgated by Paragraph 6 of Article 14 in the Securities and Exchange Act
22	.....	<p>.....</p> <p>The forty-sixth amendment was made on June 19, 2025.</p>	In alignment with the current amendment to the Articles of Incorporation

#### Resolution:

Extraordinary Motions

Adjournment

# Appendix

(Appendix 1)

## TAIWAN SEMICONDUCTOR CO., LTD. Articles of Incorporation

### Section I - General Provisions

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall Taiwan Semiconductor CO., LTD.

Article 2: The scope of business of the Company shall be as follows:

- 1、CC01080 Electronic Parts and Components Manufacturing
- 2、CB01020 Affairs Machine Manufacturing
- 3、CC01110 Computer and Peripheral Equipment Manufacturing
- 4、F401010 International Trade
- 5、I103060 Management Consulting
- 6、F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 7、CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- 8、ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide mutual guarantees with companies in the same industry for its business needs.

Article 2-2: The Company may, by resolution of the board of directors, invest in other entities, and is not subject to Article 13 of the Company Act that the total amount of investment shall not exceed 40% of the company's paid in capital.

Article 3: The Company set up its headquarters in New Taipei City. If necessary, it may set up branch offices domestically or abroad with a resolution by the board of directors.

Article 4: (Deleted).

### Section II - Shares

Article 5: The total capital of the company is set at New Taiwan Dollars ninety billion, divided into nine billion shares, with a par value of New Taiwan Dollars ten per share, authorized for issuance by the Board of Directors in installments. Within the total capital mentioned above, one billion New Taiwan Dollars is reserved, divided into ten million shares, with a par value of New Taiwan Dollars ten per share, designated for the issuance of employee stock subscription warrants by the Company, authorized for issuance by the Board of Directors in installments. The remaining unissued shares may be issued in installments by the Board of Directors in accordance with the law.

Article 6: If the company issued new shares, it shall reserve 10 to 15 percent of the total number of shares issued for employee subscription, which could be subscribed by employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company repurchased treasury share, it could be transferred to the employees of the company (or its

parents or subsidiaries) who qualified certain requirements. If the company issued share subscription warrant, it could be participated by employees of the company (or its parents or subsidiaries) who qualified certain requirements. If the company issued restricted stock, it could be participated by employees of the company (or its parents or subsidiaries) who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, the Board of Directors is authorized to make separate provisions in accordance with the Company Act.

Article 7: The share certificates of the Company shall all be registered share certificates, affixed with the signature or seal of representative directors and assigned with serial numbers, and may be issued only after having been duly certified or authenticated by the competent authority or by a registrar authorized by the competent authority. Share certificates issued by the Company are not required to be printed. The Company, however, shall register the issued shares with a centralized securities depositary enterprise.

Article 8: Registration for transfer of shares shall be suspended sixty days immediately before the date of regular meeting of shareholders, and thirty days immediately before the date of any special meeting of shareholders, or within five days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9: The Company's stock matters shall be governed by the relevant regulations of the competent authority.

### Section III - Shareholders' Meeting

Article 10: Shareholders' meeting can be divided into regular meetings and special meetings. Regular meetings are convened once a year and usually within six months of the end of each fiscal year. Special meetings may be convened according to the law when necessary. The meeting notice may be made by electronic means with the consent of the counterpart shareholder. Notwithstanding the foregoing, a public notice may be made in lieu of separate notice in the case of shareholders with less than 1,000 registered shares.

Article 10-1: The shareholders meeting may be held in virtual or other ways announced by the Ministry of Economic Affairs.

Article 11: If a shareholder cannot attend a Shareholders Meeting for any reason, it may designate another person to represent it by submitting a proxy that is printed by the Company, specifying the scope of authorization.

Article 12: A shareholder of the Company shall be entitled to one vote for each share held, except in the circumstances article 179 of the Company Act. Unless otherwise stated in the Company Act, any resolution made by the Shareholders Meeting shall be made during a Shareholders Meeting attended by more than half of all shares and passed by the majority of voting rights in attendance.

Article 13: Resolutions adopted at a shareholders' meeting shall be recorded in meeting minutes signed by or affixed with the seal of the chairman of the meeting, and the meeting minutes shall be distributed to each shareholders within twenty days after the meeting. The meeting minutes under the preceding paragraph shall be made and distributed in accordance with the Company Act.

## Section IV - Directors and Supervisors

Article 14: The Company shall have five to seven directors. The term of directors shall be three years. Directors are elected from the list of candidates and may be eligible for re-election.

In the aforementioned quota of directors of the Company, the number of independent directors shall be 3 (or more), which are elected from the list of candidates of independent directors in the shareholders' meeting under the candidate nomination system. In accordance with the relevant regulations of the competent authority, the professional qualifications, shareholding, prohibition on positions held at other companies, nomination and selection process and other matters of the Company's Independent Directors, are processed under relevant legal regulations.

The Elections for independent Directors and non-independent Directors shall be held concurrently but the respective voting rights shall be separately calculated to determine the elected independent Directors and non-independent Directors.

The minimum total number of registered stock of shares held by all Directors shall be subject to the requirements of relevant regulations.

Article 15: The board of the directors is formed by the directors. The chairperson, who is to represent the Company externally, is elected by a majority voting of the directors present at a meeting of its board of directors attended by two-thirds or more of the directors of the Company.

Article 15-1: To convene a meeting of the Board of Directors, a notice of the meeting shall state the reasons of the meeting and shall be given to each Director by 7 days before the meeting, provided that a meeting may be convened at any time in case of emergency.

The notice of a meeting under the preceding paragraph shall be clearly stated in the written notices, e-mail, or facsimile. The directors who participate in the video conference shall be deemed to have attended the meeting in person.

Article 16: In case the Chairperson of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, his representative shall be selected according to Article 208 of the Company Act.

Article 16-1: Unless otherwise provided by law or regulation, a resolution of the Board of Directors shall be made with the approval of a majority of the Directors present at a meeting at which a majority of the Directors is present. If a director is unable to attend a board meeting for causes, he may issue a proxy to appoint another director to represent him at the meeting. The proceedings of a meeting of the Board of Directors shall be recorded in the meeting minutes. A director may accept only one appointment per meeting.

Article 16-2: The authority of the Board of Directors shall be governed by the Company Act and the relevant regulations.

Article 16-3: The Company shall establish an Audit Committee, which shall consist of all independent directors. The number of members, terms of office, authority, rules of procedure, and the resources to be provided by the Company when exercising its duties shall be separately regulated by the organizational rules of the audit committee.

The Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations, except for the matters of duties prescribed by Article 14-4, paragraph 4, of the Securities and Exchange Act.



The provisions of Article 14-4, paragraph 4, of the Securities and Exchange Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the independent director members on the audit committee.

Article 17: Directors of the Company shall be entitled to remuneration for their duties based on the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry, no matter whether the Company is in a loss or not.

Article 17-1: In order to establish a directors' liability insurance system and to reduce the risks from the execution of duties by directors, the Company may purchase liability insurance for directors after each director is elected with respect to the liabilities resulting from exercising their duties during their term of office.

## Section V - Manager

Article 18: The Company may have managers and their appointment, dismissal and remuneration shall be conducted in accordance with Article 29 of the Company Act.

## Section VI - Accounting

Article 19: The fiscal year of the Company shall begin on January 1 of each year and end on December 31 of the same year. After the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to a regular shareholders' meeting for recognition:

1. A business report
2. Financial statements.
3. A proposal for the distribution of profits or offsetting of losses.

Article 20: In the case of a profitable fiscal year, the Company shall allocate not less than 4% but not more than 10% to employee compensation, and not more than 1 percent as profit-sharing compensation to Directors.

If the Company still has any accumulated loss in a profitable fiscal year, it shall first set aside the amount to offset the loss and then allocate compensation to employee and Directors proportionately. When employee compensation is paid in stock or cash, the recipients include employees of the parent or subsidiary company who are qualified certain requirements. The term "employees of parent or subsidiary company who are qualified certain requirements" as used in this article, authorize the board of Directors to make separate provisions in accordance with the company law.

The above Director compensation shall only be distributed as stock or cash. The distribution of employee and Director's compensation shall be submitted to the shareholders' meeting for resolution and report to the shareholders' meeting.

Article 20-1: In the case of a profitable fiscal year, the Company shall deduct the payment of all taxes required by law, the allocation of the 10 percent legal reserve (no such allocation is necessary if the legal reserve is maintained at the level of the paid-in capital of the Company), and the provision or reversal for the special reserve pursuant to law or regulation, and submit a proposal to a shareholders' meeting for resolution on the distribution of dividends to shareholders.

Article 20-2: When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders. The earnings distribution proposal shall be prepared by the Board of Directors and be approved at a shareholders' meeting. If the Company plans to make distributions, the percentage of earnings to be distributed shall be no less than 10% of the distributable earnings for the year. Dividends shall be distributed in cash or stock, of which no less than 10% of the total dividends shall be distributed in cash, and no less than 10% of the total stock dividends shall be distributed in cash. However, if the cash dividend is less than \$0.2 per share, it will not be paid and will be paid as stock dividend instead.

## Section VII - Supplementary Provisions

Article 21: In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 22: The Articles were enacted on December 15, 1978.

The first amendment was made on January 18, 1979.

The second amendment was made on August 1, 1979.

The third amendment was made on July 5, 1980.

The fourth amendment was made on August 14, 1980.

The fifth amendment was made on June 23, 1982.

The sixth amendment was made on August 19, 1982.

The seventh amendment was made on June 17, 1983.

The eighth amendment was made on August 1, 1984.

The ninth amendment was made on June 23, 1986.

The tenth amendment was made on April 24, 1987.

The eleventh amendment was made on October 29, 1987.

The twelfth amendment was made on June 30, 1988.

The thirteenth amendment was made on August 10, 1989.

The fourteenth amendment was made on October 2, 1989.

The fifteenth amendment was made on March 4, 1990.

The sixteenth amendment was made on April 15, 1990.

The seventeenth amendment was made on June 30, 1990.

The eighteenth amendment was made on April 27, 1991.

The nineteenth amendment was made on August 20, 1991.

The twentieth amendment was made on June 30, 1992.

The twenty-first amendment was made on August 6, 1992.

The twenty-second amendment was made on December 23, 1994.

The twenty-third amendment was made on May 20, 1995.

The twenty-fourth amendment was made on June 22, 1996.

The twenty-fifth amendment was made on June 28, 1997.

The twenty-sixth amendment was made on June 19, 1998.

The twenty-seventh amendment was made on September 28, 1998.

The twenty-eighth amendment was made on May 22, 2000.

The twenty-ninth amendment was made on May 28, 2001.

The thirtieth amendment was made on June 24, 2002.

The thirty-first amendment was made on June 23, 2003.

The thirty-second amendment was made on June 15, 2004.

The thirty-third amendment was made on June 14, 2005.  
The thirty-fourth amendment was made on June 14, 2006.  
The thirty-fifth amendment was made on June 13, 2007.  
The thirty-sixth amendment was made on June 13, 2008.  
The thirty-seventh amendment was made on June 19, 2009.  
The thirty-eighth amendment was made on June 15, 2010.  
The thirty-ninth amendment was made on June 27, 2012.  
The fortieth amendment was made on June 19, 2013.  
The forty-first amendment was made on June 13, 2016.  
The forty-second amendment was made on June 14, 2019.  
The forty-third amendment was made on June 16, 2020.  
The forty-fourth amendment was made on June 21, 2022.  
The forty-fifth amendment was made on June 19, 2023.

(Appendix 2)

TAIWAN SEMICONDUCTOR CO., LTD.  
Convention Rules for Shareholders' Meetings

	<p style="text-align: right;">Implementation Date: 22 June, 1996</p> <p style="text-align: right;">First amendment and implementation date : June 19, 1998</p> <p style="text-align: right;">Second amendment and implementation date : June 24, 2002</p> <p style="text-align: right;">Third amendment and implementation date : June 15, 2004</p> <p style="text-align: right;">Fourth amendment and implementation date : June 13, 2008</p> <p style="text-align: right;">Fifth amendment and implementation date : June 13, 2016</p> <p style="text-align: right;">Sixth amendment and implementation date : June 16, 2020</p> <p style="text-align: right;">Seventh amendment and implementation date : July 26, 2021</p> <p style="text-align: right;">Eighth amendment and implementation date : June 21, 2022</p> <p style="text-align: right;">Ninth amendment and implementation date : June 19, 2024</p>
1	<p>The rules of procedures for the Company's Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.</p> <p><u>Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p><u>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</u></p> <p><u>This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <ol style="list-style-type: none"> <li><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></li> <li><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></li> <li><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></li> </ol>
2	<p><u>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</u></p> <p><u>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p><u>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents</u></p>

	<p>beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>A sign-in book shall be provided at the shareholders' meeting for the attending shareholders to sign in, or the attending shareholder shall surrender the attendance sign-in card in place of signing the sign-in book.</p> <p>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</p> <p>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p> <p>The number of shares in attendance and voting rights shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>
2-1	<p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> <li>1. How shareholders attend the virtual meeting and exercise their rights.</li> <li>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> <li>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</li> <li>B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</li> <li>C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</li> <li>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</li> </ol> </li> <li>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending the video shareholders meeting online shall be specified.</li> </ol>
3	<p>Attendance and voting at Shareholders' Meetings shall be calculated based on numbers of shares.</p> <p>With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.</p> <p>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder</p> <p>The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.</p> <p>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.</p>
4	<p>Shareholders' meetings shall be held at the location of the Company or factory or otherwise at a place convenient for the shareholders to attend and suitable for the holding of shareholders' meetings, and shall start at a time not earlier than 9 a.m. and not later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</p>
5	<p>If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors. When the Chairperson by reason of leave or otherwise is unable to</p>

	<p>exercise the power of office, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p> <p>If a shareholders' meeting is convened by any person, other than the Board of Directors, entitled to convene such a meeting, the meeting shall be chaired by that person. If the meeting is convened by two or more such persons, they shall select one of their number to chair the meeting.</p>
6	<p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a Shareholders' Meeting.</p> <p>All staff members working at shareholders' meetings shall wear identification cards or arm badges.</p>
7	<p>The Company shall make an uninterrupted audio and video recording of the proceedings of the Shareholders' Meeting. The recorded audio and video materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the aforementioned materials shall be retained until the conclusion of the litigation.</p> <p>The holding of the shareholders meeting of the Company may involve trade secret reports, unless otherwise stipulated by laws and regulations, video and audio recordings are required. It is forbidden for anyone, including shareholders, to video, audio record, or take pictures of the shareholder meeting place and the contents of the meeting.</p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>
8	<p>The chair shall call the meeting to order at the appointed meeting time and announce relevant information such as number of non-voting rights and of shares present at the same time.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. <u>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, the situation must be handled in accordance with Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 2.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolutions made previously for a vote by the Shareholders' Meeting in accordance with Article 174 of the Company Law.</p>
9	<p>If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors; <u>relevant agenda items (including extraordinary motions and amendments to original proposals) shall be voted on an item-by-item basis</u>. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders' Meeting.</p> <p>The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda under the two preceding paragraphs (including extraordinary motions), except by a resolution of the Shareholders' Meeting. In the event that the chair dissolves the meeting in violation of the rules of meeting procedure, a new chair may be selected to continue the meeting with the approval of a majority of the voting rights of the shareholders present.</p>

	<p>After the meeting is adjourned, the shareholders may not designate another person as chair and continue the meeting in the original location or at a different location.</p> <p><u>The chair shall allow sufficient opportunity for the explanation and discussion of an agenda item or any amendment or extraordinary motion submitted by a shareholder, and when the chair thinks that any such item has been discussed sufficiently to put it to a vote, the chair may declare the discussion closed, put forward the voting, and arrange an adequate time for voting.</u></p>
10	<p>When an attending shareholder wishes to speak regarding a proposal up for discussion, he or she must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p>
11	<p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.</p> <p>If the speech of any shareholder violates the above Article or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 10 and paragraphs 1 to 2 of this Article do not apply.</u></p>
12	<p>When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.</p>
13	<p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>
14	<p>The chair shall announce the end of discussion on a proposed resolution and proceed with voting when he/she feels there has been sufficient discussion.</p>
15	<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>The result of the vote shall be announced immediately at the voting place and shall be recorded.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>
16	<p>When a meeting is in progress, the chair may announce a break at his or her discretion. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p> <p>If the venue of a shareholder's meeting becomes unavailable for use before the conclusion of all agenda items (including extraordinary motions), the shareholders at the meeting may resolve to continue the meeting at another venue.</p>

	A shareholders' meeting may, by a resolution made under Article 182 of the Company Act, be adjourned to or resumed on a date within the next five days.
17	<p>Each shareholder is entitled to one vote for each share held, except for restricted shares or for non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall <u>adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence</u>. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; <u>it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals</u>.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p> <p>Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</p> <p>In the resolution, after the Chairman or delegate thereof announces the total number of voting rights represented by shareholders in attendance for voting on each issue, shareholders will proceed with voting on a case-by-case basis. On the day after the shareholders' meeting, the results of shareholders' approval, disapproval and abstention will be entered into the MOPS.</p>
18	When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19	The chair shall direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
20	<p><u>When voting for the directors in the shareholders meeting, the process shall follow the relevant rules made by the company, and the chairman shall announce the voting result immediately, including the list of elected directors with the number of votes and the lost directors with the number of votes.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots are retained until the litigation is concluded.</u></p>
21	<p>Matters relating to the resolutions of a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and shall be distributed to each shareholder within twenty days after the meeting. The meeting minutes may be made and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the procedures by which resolutions were adopted, and a summary of the deliberations and their</p>



	<p>results (including the number of voting rights) for director and supervisors elections, the number of votes for each candidate should be disclosed, and shall be retained for the duration of the existence of the Company.</p> <p><u>In the event of a virtual shareholders meeting, the meeting minutes shall be recorded in accordance with the provisions of the preceding paragraph and the meeting minutes shall also record the starting and ending time of the shareholders meeting, the method of holding the meeting, the name of the chair and the recorder, and the action and the situation to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>
<u>22</u>	<p><u>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>
<u>23</u>	<p><u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned</u></p>
<u>24</u>	<p><u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>
<u>25</u>	<p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting</u></p>

	<p><u>those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>
<u>26</u>	<u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending the video shareholders meeting online.</u>
<u>27</u>	These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

## (Appendix 3)

## Shareholding of Directors

Roster of director

Date: April 21, 2025

Tittle	Identity Number	Name	Election Date	Number of shares held on election date			Number of shares held at present		
				Type	Shares	Percentage when public	Type	Shares	Percentage when public
Chairman	A00010	Wang, Shiu Ting	June 19, 2024	ordinary shares	12,383,340	4.70%	ordinary shares	12,749,512	4.84%
Director	D00060	TSC Auto ID Technology Co., Ltd. Representative: Wang Hsing Lei	June 19, 2024	ordinary shares	15,960,000	6.06%	ordinary shares	15,960,000	6.06%
Director	D00080	Yan Guo Yin	June 19, 2024	ordinary shares	1,700,772	0.65%	ordinary shares	1,766,944	0.67%
Independent director	N00010	Jhan, Cian-Long	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Independent Director	N00040	Ma, Shu-Zhuang	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Independent Director	N00050	Chen, Shu-Ling	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Independent Director	N00060	Wang, Nien-Chiu	June 19, 2024	ordinary shares	0	0.00%	ordinary shares	0	0.00%
Total				ordinary shares	30,044,112		ordinary shares	30,476,456	

Total shares issued on June 19, 2024: 263,485,486 shares

Total shares issued on April 21, 2025: 263,485,486 shares

Remark : All directors of the Company shall legally hold shares : 12,000,000 shares , hold as of April 21, 2025 : 30,476,456 shares

The Company has established an Audit Committee ; therefore, the Supervisors' shareholdings requirement is not applicable.

© Shares held by independent directors are not included in the number of shares held by directors