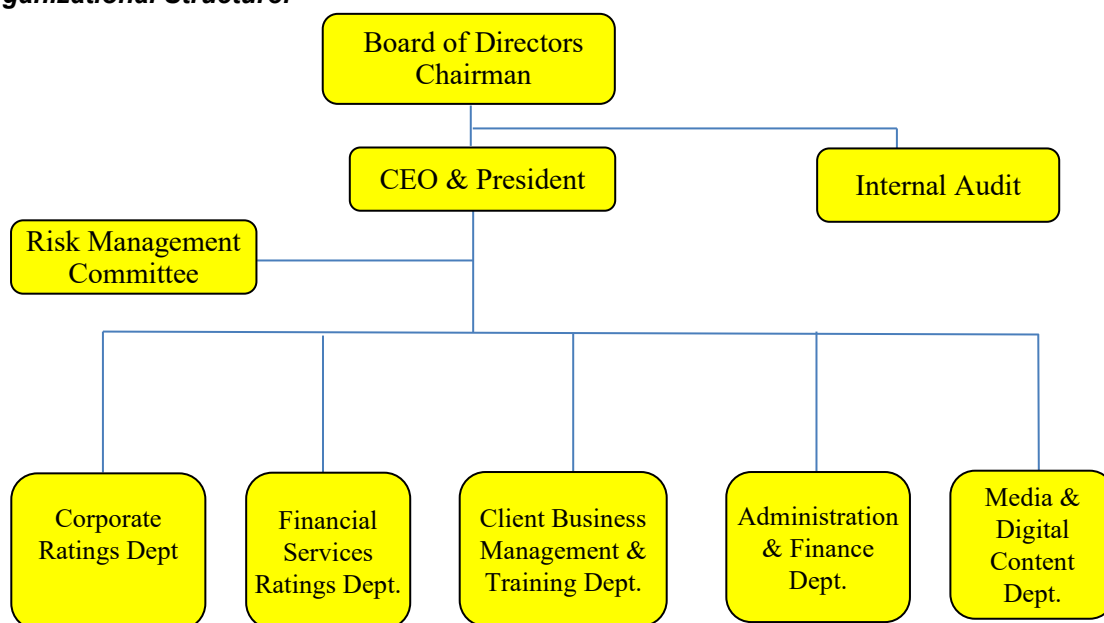


Taiwan Ratings Corporation 2025 Business Report

A: Company Introduction:

Under the policy guidance of the Taiwanese government to introduce an independent and professional credit rating mechanism in Taiwan, Taiwan Ratings Corporation (TRC), the first credit rating agency, was established at the end of May 1997 as a joint venture between the internationally renowned S&P Global Ratings and a few prominent domestic institutions led by the Taiwan Stock Exchange. TRC’s main business line is to assign credit ratings to issuers in the financial and corporate sectors as well as their debt issues, and to provide credit ratings to securitization transactions of different asset types. Other rating-related businesses that TRC provides include rating information database service and credit risk training. TRC, which has been in operation for over 28 years, is a leading provider of credit rating services and financial market intelligence in Taiwan.

Organizational Structure:



Shareholding Structure:

The authorized capital of the Company is in the amount of NT\$70,000,000, all of which is divided into 7,000,000 shares. The shareholding ratio of each shareholder as of December 31, 2025 is listed below:

Name of Shareholders	Holding Shares	Holding %
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Note: This document has been prepared originally in Chinese. In case of discrepancy between the Chinese version and its English translation, the Chinese version shall prevail.

Standard & Poor's International, LLC.	3,569,999	51%
Taiwan Stock Exchange Corporation.	1,399,300	19.99%
Taiwan Depository & Clearing Corp.	1,330,000	19%
Joint Credit Information Center	350,000	5%
China Credit Information Service, Ltd.	350,000	5%
Taiwan Futures Exchange Corporation.	350	0.005%
Taiwan-CA INC.	350	0.005%
S&P Global Asian Holdings Pte. Ltd.	1	0.000%

Members of TRC's Board of Directors and Supervisors as of December 31, 2025 (*):

List of Board of Directors	
Representative of Taiwan Stock Exchange Corporation	Hui-Chuan Tu
Representative of Taiwan Depository & Clearing Corp.	Chen Chen Huang
Representative of Standard & Poor's International, LLC.	Denis O'Sullivan
Representative of Standard & Poor's International, LLC.	Ritesh Maheshwari
Representative of Standard & Poor's International, LLC.	Ching SzePing

List of Board of Supervisors	
Representative of Joint Credit Information Center	Kuo-Ming Chang
Representative of S&P Global Asian Holdings Pte. Ltd	Yah Peng Lee

(*) Please go to "Overview" under the "[About TRC](#)" menu on www.taiwanratings.com for TRC's most updated Board of Directors list.

B: Operations Overview:

1. Credit rating principles, methodologies, models, credit rating assumptions, and the changes made to the aforementioned principles, methodologies, models, credit rating assumptions in the previous year as well as their impact on ratings.
 - a) [TRC criteria published on TRC's official website.](#)
 - b) [S&P Global Ratings' criteria that TRC uses published on TRC's official website.](#)
 - c) [S&P Global Ratings' model disclosure published on its public website.](#)
 - d) For changes in the previous year, see "Editor's Note" Section in related rating criteria.
 - e) Ratings affected by changes in the previous year: None.

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2. No outsourced rating-related activity in year 2025.
3. [The credit ratings outcome issued during the previous year and information on changes in the credit ratings which include the number of ratings for all rating types as well as the ratio of rating affirmation, upgrade, downgrade, ratings default category, and rating withdrawals.](#)
4. Information on [the ratio of all rating default categories for the most recent 10 years](#) as well as [analysis of the rating transition matrix for the most recent one, three, five, and ten years.](#)
5. No client, including in combination with its affiliates, contributed more than 10% to Taiwan Ratings Corporation's annual revenue in year 2025.

C: Financial Overview:

1. Rating Service Revenue/Total Revenue: 96%
2. Other Operating Revenue/Total Revenue: 4%

D. Financial and Operating Performance Review

1. Total Revenue decreased by 1% compared with 2024, mainly due to a decrease in debt issuance rating revenue.
2. Operating Expenses rose by 4% compared with 2024, primarily driven by higher non-VAT expenses.
3. Net operating income decreased by 8% compared with 2024.
4. Net income after tax of current year decreased by 17% compared with 2024.

E. Information on Risk Management

TRC's major risk management items include:

1. Operational Risks:
TRC has formulated operating procedures and control items for its internal control system as well as conducted on-going monitoring and annual self-assessment review pursuant to "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets".
2. Reputation Risks:
With the aim of pursuing the quality, objectivity, and integrity of its credit ratings and independence of its analysts while avoiding conflicts of interest, TRC requires its staff to treat issuers, investors and other market participants in a fair and honest manner.
3. Legal & Compliance Risks:

In addition to strictly complying with all applicable regulations, TRC's operations and systems shall be duly implemented in accordance with newly enacted and amended laws and regulations, while also being subject to ongoing review.

4. Information Security Risks:

All critical data files in TRC's computer systems are regularly backed up. To ward off hacker attacks and virus intrusions, TRC has established a set of security protection mechanisms.

TRC has established a Risk Management Committee since 2016, consisting of all department heads reporting directly to the CEO. The committee is responsible for enterprise risk management, including but not limited to risk identification, measurement, surveillance and reporting.

F. Litigation or Non-litigation Events: None.

G. Special Note: None.