

Stock Code: 8249

Taiwan Stock Exchange Market Observation Post System

<http://mops.twse.com.tw>

Corporate Website

<http://www.csi-sensor.com.tw>

# Creative Sensor Inc.

2024 Annual Report

Printed on: March 31, 2025

I. Name, title, phone number, and email address of the spokesperson and the acting spokesperson

Name of Spokesperson:

Yao-Ming Wei

Title: President

TEL.: (02)8912-1289

Email: spokesperson@csi-sensor.com.tw

Name of Acting Spokesperson:

Chien-Chung Hung

Title: Senior Manager

TEL.: (02)8912-1289

II. Address and phone number of the headquarters, branch, and factory

Name	Address	Telephone
Headquarters	9F., No. 501, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City 114	(02) 8912-1289

III. Name, address, website and phone number of the stock transfer agency

Name: Registrar Department of Yuanta Securities

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.)

Website: <http://www.yuanta.com>

TEL.: 02-2586-5859

IV. Name of the CPA and name, address, website and phone number of the accounting firm for the financial report in the most recent year

Name: CPA Po-Chuan Lin, CPA Chun-Yao Lin

Accounting firm: PwC Taiwan

Address: 27F., No.333, Sec. 1, Keelung Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)

Website: <http://www.pwc.com/tw>

TEL.: (02)2729-6666

V. Name(s) of the exchange(s) where our securities are traded offshore, and the method(s) with which the information of the offshore securities is/are accessed: None.

VI. Official website: <http://www.csi-sensor.com.tw>

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# ONE. LETTER TO SHAREHOLDERS

## I. 2024 Operating Overview

In the beginning of 2024, as the global economy gradually recovered, inventory destocking effects in the semiconductor and related electronics industries, resulted in replenishment demand emergence, leading to increased shipment volumes. Initially, the global economy was expected to remain sluggish throughout 2024 due to inflation and geopolitical factors. However, with inflation coming under control in the United States and concomitant interest rate cuts, the US economy thus remained strong. Affected by US-China trade tensions, many companies shifted manufacturing to emerging countries, driving demand growth and resulting in strong demand throughout 2024: The continuing appreciation of the US dollar and relative depreciation of the New Taiwan dollar (NTD, NT\$) enhanced revenue through favorable exchange rates. Also, through aggressive pricing strategy adjustments and production efficiency optimization, both overall revenue and gross profit increased. Overall, due to these aforesaid factors, Creative Sensor Inc. 2024 business plan implementation results exhibited growth compared to the same period in the year prior.

(1) Business plan implementation results and profit analysis were as follows:

Unit: NTD thousands			
Item \ Year	2024	2023	Growth rate
Operating revenue	4,200,192	3,056,224	37.4%
Gross profit	858,386	573,831	49.6%
Earnings per share	3.27	2.18	50%

(2) Revenue, profit and loss:

The 2024 revenue was NTD 4.2 billion, representing a 37.4% increase from the 2023 revenue of NTD 3.056 billion. The 2024 gross profit was NTD 858 million, up by 49.6% compared with NTD 573 million in 2023. From 2024, with the gradual recovery of the global economy, revenue and gross profit growth were mainly driven by customer inventory clearing effects and end-market demand recovery. Earnings per share after tax was NTD 3.27, a 50% increase from NTD 2.18 in 2023.

2024 R & D results:

1. Completed objectives for trial production of newly emerging linear optical sensing components and light sources, among other key components, achieving vertical integration and mastering key technologies.
2. Completed the development of a Smart Pattern Sensor prototype, which compared to competitors, affords advantages including time-saving operation, low misjudgment rate, high speed, and diverse functionalities. Positive feedback was received after testing from three end customers in collaborative development.
3. Enhanced the performance of infrared imaging cores and optimized AI algorithms to further improve image clarity and product competitiveness, securing orders from a total of 20 customers.
4. Collaborated with strategic partners to integrate human posture recognition algorithms into healthcare and caregiving products.
5. Obtained a total of five invention patents across various countries for light sources, optical sensors, infrared sensing cores, and image transmission methods.

## II. 2025 Outlook

We expect global economic growth in 2025 to remain on par with 2024. Key driving factors include strong demand for advanced semiconductor processes and servers, and continued innovation in the energy sector. As major central banks ease monetary tightening, consumption and investment momentum in the advanced economies are expected to recover, supporting stable global economic growth. However, following the change in US administration, policies to increase tariffs on trading partners may push up commodity prices, while tighter immigration policies could lead to rising inflation. In addition to the impact of multiple US policy changes, extreme weather events (heatwaves, floods, and droughts) occurred frequently in 2024 with widespread adverse effects. Combined with still-high geopolitical risks, the Russia-Ukraine war and Israel-Hamas conflicts unresolved, global economic and political remain uncertain and instable.

Thus, in 2025, the Company's key business focus will be to deepen customer relationships and develop new business opportunities, increase in-house production and integration of key components, and maintain strong relationships with upstream and downstream supply chains,

to ensure stable material supply. On the factory side, efforts will continue to enhance the efficiency and proportion of automated production to increase output, strengthen quality control to reduce defect rates, and promote process optimization and product yield improvement, to ensure profitability. In terms of new product development, the Company will continue to focus on "security monitoring applications" and "industrial inspection applications," differentiating products through modular design and the integration of AI image processing to enhance product competitiveness.

The Company's operating policies in 2025 will pursue the following efforts:

1. Strengthen control of raw material and finished goods inventory levels, maintain close communication with customers and monitor prevailing market trends, to respond to global economic uncertainties.
2. Enhance the flexibility and proportion of automated production.
3. Continue planning for the second production base to increase our in-house production rate for components and establish a fully automated intelligent production line.
4. Master the mass production technology of self-developed linear optical sensors and key components, ensuring owning both technology and product autonomy.
5. Complete small-scale shipments of Smart Pattern Sensors to end customers and secure ODM business from brand manufacturers, while expanding into new application markets.
6. Develop the next generation of infrared imaging and temperature measurement cores, enhancing overall performance, optimizing artificial intelligence image processing algorithms, strengthening competitiveness, and expanding the application scope of the cores.
7. Continue applying for patents in various countries, to build competitive advantages.

Chairman: Yu-Jen Huang

## Two. Corporate Governance Report

### I. Information Concerning the Directors, General Managers, Vice Presidents, Assistant Vice Presidents, and Department and Branch Managers

#### (I) Directors

##### 1. Information of Directors

March 22, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Appointment)	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Education and Selected Past Positions	Other Current Positions within the Company and in Other Companies	Executives, Directors or Supervisors who are Spouses or Within Two Degrees of Kinship			Remarks
					(years)		Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Republic of China	TECO Image Systems Co., Ltd.		May 31, 2024	3	June 20, 2003	28,906,260	19.39%	26,015,634	19.39%	0	0	0	0	Chairman and president of TECO Image Systems Co., Ltd.	(Note 1)	None	None	None	
	Japan	Representative: Yu-Jen Huang	Male 51-60 years old	May 31, 2024	3	June 20, 2003	450,000	0.30%	405,000	0.30%	0	0	0	0	CEO of TECO Group, IT Business Unit M.E.E. of Columbia University		None	None	None	
Director	Republic of China	Universal Cement Corporation		May 31, 2024	3	May 31, 2024	13,158,000	8.83%	11,842,200	8.83%	0	0	0	0	President, Universal Cement Corporation Master & Bachelor with Distinction from Stanford in Electrical Engineering and Biomedical Information		None	None	None	
	Republic of China	Representative: Chih-Sheng Hou	Male 41-50 years old	May 31, 2024	3	March 13, 2023	0	0.00%	0	0.00%	0	0	0	0	PhD in Electrical Engineering, Massachusetts Institute of Technology		None	None	None	
Director	Republic of China	Koryo Electronics Co., Ltd.		May 31, 2024	3	June 14, 2006	5,701,000	3.82%	5,130,900	3.82%	0	0	0	0	Chairman, Tong Seng Applied Materials Inc. Master of Science in		None	None	None	



	Republic of China	Representative: En-Hsin Hsiao	Male 61-70 years old	December 4, 2024	3	July 9 2021	0	0.00%	0	0.00%	0	0	0	0	Electrical Engineering, Texas State University		None	None	None	
Independent Director	Republic of China	Hsiu-Ming Wang	Male 61-70 years old	May 31, 2024	3	June 16, 2009	0	0.00%	0	0.00%	0	0	0	0	Chairman of Ming Shing Creativity Management Consultant Co., Ltd. MBA, University of Leicester		None	None	None	
Independent Director	Republic of China	Shih-Ing Huang	Female 41-50 years old	May 31, 2024	3	July 9, 2018	0	0.00%	0	0.00%	0	0	0	0	Independent Director, Uni Pharma Co., Ltd. Independent Director, M31 Technology Corporation PhD in Financial Management, Guangzhou Jinan University		None	None	None	
Independent Director	Republic of China	Yun-Hsiang Hsiao	Male 61-70 years old	May 31, 2024	3	November 29, 2022	0	0.00%	0	0.00%	0	0	0	0	Chairman, Taoyuan City Autism Association Management Group, In-Service Master's Program, School of Business, Kainan University		None	None	None	
Independent Director	Republic of China	Chi-Tung Ku	Male 51-60 years old	May 31, 2024	3	May 31, 2024	0	0.00%	0	0.00%	0	0	0	0	Lawyer, BN Law Firm Independent Director, Roo Hsing Co., Ltd Independent Director, D-Link Corporation Section Chief, Shanghai Commercial & Savings Bank Master's in Law, Soochow University		None	None	None	

Note 1: Other current positions within the Company and in other companies thereof

Title	Name	Other Current Positions within the Company and in Other Companies	
Chairman	Yu-Jen Huang	Chairman:	Creative Sensor Inc.; TECO Image Systems Co., Ltd.
		Director:	Independent Director of Genetics Generation Advancement Corp.; Wuxi Creative Sensor Technology Co., Ltd.; NanChang Creative Sensor Technology Co., Ltd.; Creative Sensor (USA) Co.; Creative Sensor Co., Ltd. (HK); Creative Sensor Inc. (BVI); Darjiun Venture Corporation; Sensorem Photonics India Private Limited
		Others:	Chief Strategist, Creative Sensor Inc.; Chief Strategist, TECO Image Systems Co., Ltd.
Director	Chih-Sheng Hou	Director:	Creative Sensor Inc.; Universal Cement Corporation, Tainan Spinning Co., Ltd., Universal Cement Investment Co., Ltd.; Institute for Information Industry
		Supervisor:	Huanchung Cement International Corporation, Lio Ho Machine Works Ltd.
Director	En-Hsin Hsiao	Chairman:	Tong Seng Applied Materials Inc.
		Director:	Creative Sensor Inc.; Sensorem Photonics India Private Limited
Independent Director	Hsiu-Ming Wang	Chairman:	Ming Shing Creativity Management Consultant Co., Ltd.
		Director:	Independent Director, Creative Sensor Inc.; FIT Holding Co., Ltd.; Independent Director of King Yuan Electronics Co., Ltd.
		Others:	Director, Taiwan Electrical and Electronic Manufacturers' Association
Independent Director	Shih-Ing Huang	Director:	Independent Director, Creative Sensor Inc.; Independent Director, M31 Technology Corporation; Independent Director, Alliance Material Co., Ltd.; Independent Director, Pet Pharm Biotech Co., Ltd
		Others:	CPA Partner, Zhixin Co., CPAs
Independent Director	Yun-Hsiang Hsiao	Director:	Independent Director, Creative Sensor Inc.
		Others:	Committee, Taoyuan City Department of Education review committee Chairman, Taoyuan City The League For Persons With Disabilities. Chairman, Taoyuan City Autism Association Founding Chairman, Hutoushan Lions Clubs, Taoyuan City Placement Committee Member, Committee for the Identification and Placement of Students with Physical and Mental Disabilities in Senior High Schools, Department of Education, Taoyuan
Independent Director	Chi-Tung Ku	Director:	Independent Director, Creative Sensor Inc.; Independent Director, Roo Hsing Co., Ltd
		Others:	Lawyer, BN Law Firm; Adjunct Instructor, NTOU-National Taiwan Ocean University

Note: En-Hsin Hsiao was newly elected as an independent director of the company at the Annual General Meeting on July 9, 2021, and resigned from his position on June 24, 2022. On December 4, 2024, Koryo Electronics Co., Ltd. appointed En-Hsin Hsiao as their representative director.

## 2. Names of top 10 institutional shareholders and shareholding percentage

### Major shareholders of institutional shareholders

March 22, 2025

Institutional Shareholder	Major Shareholders of Institutional Shareholders
TECO Image Systems Co., Ltd.	Creative Sensor Inc. (29.69%); Tien Da Investment Co., Ltd. (10.45%); Koryo Electronics Co., Ltd. (10.15%); An-Fu International Investment Co., Ltd. (9.41%); Tong-An Investment Co., Ltd. (5.50%); TECO International Investment Co., Ltd. (4.52%); Guang Yuan Industrial Co., Ltd. (4.24%); Citibank Custodian for UBS Europe SE Investment Account(0.77%); Dong-He International Investment Co., Ltd.(0.45%); An-Tai International Investment Co., Ltd. (0.44%)
Universal Cement Corporation	Sheng Yuan Investment Co., Ltd. (10.32%); Yu Sheng Investment Co., Ltd. (10.29%); Bo-Yi Hou(7.94%); stodian Pictet investment accounts (4.87%); Bo-Chih Investment Co., Ltd. (4.27%); Ching-Chieh Hou Su (3.43%); Standard Chartered custodian DBS Bank 0600049662(3.09%); Bo-Yu Hou (2.76%); T.H. Wu Foundation (1.79%); Long-Yi-Chang Sand & Stone Co., Ltd (1.45%)
Koryo Electronics Co., Ltd.	TECO Image Systems Co., Ltd. (19.29%); Creative Sensor Inc. (19.07%); Multilite International Co., Ltd. (11.30%); Chuan-Fu Lu (10.05%); Tien Da Investment Co., Ltd. (9.82%); Joyce Worldwide Ltd. (2.91%); Lin-Ho-Hui Huang (2.22%); Mao-Hsiung Huang (0.94%); Joyce Investment Corp.(0.81%); Fu-Sing Li(0.75%)

### Major shareholders of the major shareholders who are juristic persons

March 22, 2025

Name of Juristic Person	Major Shareholders of the Juristic Person
Tien Da Investment Co., Ltd.	Creative Sensor Inc. (29.85%); Koryo Electronics Co., Ltd. (27.27%); TECO Image Systems Co., Ltd. (25.17%); Lien Chang Electronic Enterprise Co., Ltd. (9.79%); Multilite International Co., Ltd. (6.99%); Victron Technology Co., Ltd. (0.92%)
An-Fu International Investment Co., Ltd.	Yuban International Investment Co., Ltd. (35%); Tung-Kuang Investment Co., Ltd. (31%); An-Shin Food Services Co., Ltd. (30%); Guang Yuan Industrial Co., Ltd. (4%)
Tong-An Investment Co., Ltd.	TECO Electric & Machinery Co., Ltd. (99.60%); An-Tai International Investment Co., Ltd. (0.20%); TECO International Investment Co., Ltd. (0.20%)
TECO International Investment Co., Ltd.	TECO Electric & Machinery Co., Ltd. (100%)
Guang Yuan Industrial Co., Ltd.	Tong-Guang Investment Co., Ltd.(34.46%); Lin-Ho-Hui Huang (51.58%); Ming Yip Investment Limited (HK) (10.0%); Dong-He International Investment Co., Ltd. (0.74%); others(3.22%)
Dong-He International Investment Co., Ltd.	Shang-Li Huang (25.89%); Bo-Yuan Wang(20%); Guang Yuan Industrial Co., Ltd. (29.5%); Yu-Jen Huang(17.78%); others(6.83%)

An-Tai International Investment Co., Ltd.	TECO Electric & Machinery Co., Ltd. (100%)
Sheng Yuan Investment Co., Ltd.	Bo-Yi Hou (99%)
Yu Sheng Investment Co., Ltd.	Bo-Yi Hou (91.09%)
Bo-Chih Investment Co., Ltd.	Bo-Yi Hou (50%)
Long-Yi-Chang Sand & Stone Co., Ltd	Yao-Jheng Huang(9.98%); Jin-Song Yang(4.71%); others(85.31%)
Multilite International Co., Ltd.	Guang Yuan Industrial Co., Ltd. (22.28%); Joyce Investment Corp. (18.38%); Joyce Worldwide Ltd. (15.19%); Mao-Hsiung Huang (10.04%);Tung Kuang Investment Co., Ltd. (9.88%); Hsin-Pei Lin (5.11%); Li-Chun Chang (3.80%); Ho-Hui Huang Lin (3.74%); Li-Yu Chang (3.74%); Ping-Yen Chang (2.27%)
Joyce Worldwide Ltd.	Ming Zheng Investment Co., Ltd. (50.50%), Ample Delight Limited (25.25%); Kai Yue Industrial Co., Ltd. (17.25%); Others (7%)
Joyce Investment Corp.	Ming Zheng Investment Co., Ltd. (37%), Ample Delight Limited (26.25%); Joyce Worldwide Ltd. (9.25%); Kai Yue Industrial Co., Ltd. (8.75%); Others (18.75%)

3. Disclosure of information on the professional qualifications of Directors and independence of Independent Directors

Qualifications Name	Professional Qualifications and Experience (Note 1)	Compliance with Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Yu-Jen Huang, Chairman	1. Refer to "Information of Directors" on pages 4 to 5 for the professional qualifications and experience of Directors. 2. No Director meets conditions specified in Article 30 of the Company Act.	Not applicable	1
Chih-Sheng Hou, Director			0
En-Hsin Hsiao, Director			0
Hsiu-Ming Wang, Independent Director	1. Refer to "Information of Directors" on pages 4 to 5 for the professional qualifications and experience of Directors. 2. No Director meets conditions specified in Article 30 of the Company Act.	All Independent Directors meet the criteria specified below: 1. Compliance with related regulations in Article 14-2 of the Securities and Exchange Act and "Regulations Governing Appointment of Independent Directors"	1
Shih-Ing Huang, Independent Director			3
Yun-Hsiang Hsiao, Independent Director			0

Chi-Tung Ku, Independent Director		<p>and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission</p> <p>2. They (or with shares held in the name of others), their spouses, or underage children do not hold shares of the Company</p> <p>3. They did not provide business, legal, financial, or accounting services provided for the Company or its affiliates or receive compensation for such services in the last two years</p>	1
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Note 1:

A person who is under any of the following circumstances shall not act as a managerial personnel of a company. If he has been appointed as such, he shall be dismissed ipso facto:

1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2:

1. Not a government agency, juristic person, or its representative as specified in Article 27 of the Company Act.
2. Does not serve as an independent director in more than three other public companies.
3. During the two years before being elected or during the term of office, an independent director may not have been or be any of the following:
  - (1) An employee of the Company or any of its affiliates.
  - (2) A director or supervisor of the company or any of its affiliates.

- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial personnel under subparagraph (1) or any of the persons in subparagraphs (2) or (3).
- (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27 of the Company Act.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
- (8) A director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NTD 500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee.

#### 4. Diversity of the Board of Directors:

To strengthen corporate governance and ensure the sound development of the composition and structure of the Board of Directors, the Company established the "Corporate Governance Best Practice Principles", which state that the composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties.

To achieve the ideal goal of corporate governance, the Board of Directors as a whole shall possess the following abilities:

- I. Ability to lead.
- II. Ability to make policy decisions.
- III. An international market perspective.
- IV. Knowledge of the industry.
- V. Ability to conduct crisis management.
- VI. Ability to conduct management administration.
- VII. Ability to perform accounting and financial analysis.

- VIII. Ability to make operational judgments.
- IX. Environmental sustainability.
- X. Social engagement.

#### Management Target

The Board of Directors of the Company shall direct company strategies, supervise the management, and be responsible to the Company and shareholders. The Board of Directors shall comply with all laws and regulations, the provisions of the Articles of Incorporation, and the operations and arrangements for corporate governance to ensure the performance of its duties. The members of the Company's Board of Directors shall have the knowledge, skills, knowledge of the industry, and decision-making and management skills necessary to perform their duties. The Company has established the following diverse management objectives to attain the functional objectives of the Board of Directors.

- (I) Gender diversity with a target of at least one female director.
- (II) Discipline diversity with talents for at least four of the core items including management, leadership and decision making, knowledge of the industry, accounting, and financial analysis.

#### Implementation status of the diversity policy

- The seven members of the Board of Directors of the Company includes one female director.
- Of the four Independent Directors, one has served for less than one year, two have served for three to six years and one has served for more than six years. Of all directors of the Company, two are between 41 and 50 years old, three are between 51 and 60 years old, and two are between 61 and 65 years old, which represent a wide distribution of directors by age group.
- The academic qualifications of the current seven Directors include a master's degree in electrical engineering, master's degree in economic research, master's degree in intellectual property rights, and PhD degree in financial management. Each Director has a different professional background. The Directors Yu-Jen Huang, Chih-Sheng Hou, En-Hsin Hsiao, Chi-Tung Ku and Yun-Hsiang Hsiao specialize in business judgments, leadership and decision making, management, crisis management, environmental sustainability, and international market perspective. The Director Shih-Ing Huang also has accounting and financial analysis expertise. The Director Hsiu-Ming Wang has experience in relevant industries.
- The members of the Company's Board of Directors have complementary academic qualifications and expertise as well as diversity in terms of their disciplines and gender, which meet the target set in the Company's diversity policy for the Board of Directors.

If Directors of any gender fail to reach one-third of the Board of the Company, describe the reasons and plan for measures to be adopted for the improvement in the gender diversification of Directors:

Regarding the seven Directors at present, even though the number of Directors with different gender fails to reach over one-third (inclusive) of the seats of the Board, there is at least one Director with a different gender, accounting for 14.3% (Ms. Huang, Shi-Ying). The composition of the Board primarily considers the professional backgrounds, experiences, and the level of participation and level of contribution to the future development of the Company. There is no



restriction on the gender ratio; however, we will facilitate the gender equality of Board members and set having the number of Directors with a different gender to reach one-third of the Board as a long-term target.

#### Independence of the Board of Directors:

The Company's goal is to ensure that Independent Directors account for at least one third of all Directors, Directors who are also managers of the Company should not exceed one third of all Directors, and no more than two Directors of the Company have a spousal or familial relationship within the second degree of kinship with any other Director. The Company's seven Directors come from diverse backgrounds, including different industries, academic, and legal professional backgrounds, including one female Director. Among the seven Directors, four are Independent Directors who account for more than one third of all Directors. In addition, Directors do not have spousal or familial relationships within the second degree of kinship with any other Director. Therefore, the Board of Directors of the Company retains its independence. The implementation status of the diversity policy for board members is shown in the table below:

Title	Chairman	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Yu-Jen Huang	Chih-Sheng Hou	En-Hsin Hsiao	Chi-Tung Ku	Hsiu-Ming Wang	Yun-Hsiang Hsiao	Shih-Ing Huang
Gender	Male	Male	Male	Male	Male	Male	Female
Nationality	Japan	Republic of China	Republic of China	Republic of China	Republic of China	Republic of China	Republic of China
Age	51-60	41-50	61-65	51-60	61-70	61-70	41-50
Concurrent role as company employee	v						
Professional knowledge and skills							
Business	v	v	v	v	v	v	v
Technology	v	v	v		v		
Financial/accounting							v
Law				v			
Marketing	v	v	v		v	v	
Information security						v	v
Skills and experience							
Leadership abilities	v	v	v	v	v	v	v
Decision-making abilities	v	v	v	v	v	v	v
International market perspective	v	v	v	v	v	v	v

Industry knowledge	v	v	v		v		
Crisis management abilities	v	v	v	v	v	v	v
Business management abilities	v	v	v	v	v	v	v
Accounting and financial analysis abilities	v						v
Ability to make sound business judgments	v	v	v	v	v	v	v
Environmental sustainability	v	v	v	v	v	v	v
Social engagement	v	v	v	v	v	v	v

## (II) Information concerning the president, vice presidents, assistant vice presidents, and department and branch managers

March 22, 2025

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Education and Selected Past Positions	Other Current Positions in Other Companies	Managers who are Spouses or Relatives Within the Second Degree of Kinship			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chief Strategist	Japan	Yu-Jen Huang	Male	April 26, 2022	405,000	0.30%	0	0	0	0	Chairman and president of TECO Image Systems Co., Ltd. CEO of TECO Group, IT Business Unit M.E.E. of Columbia University	(Note 5)	None	None	None	
President	Republic of China	Yao-Ming Wei (Note1)	Male	October 29, 2024	0	0	0	0	0	0	Consultant, TECO Image Systems Co., Ltd. Chung Yuan Christian University Department of Electronic Engineering	(Note 5)	None	None	None	
Acting President	Republic of China	Chi-Chang Yang (Note2)	Male	November 9, 2015	0	0	0	0	0	0	Sales Director of Sunplus Technology Co., Ltd. MBA of Keio University	None	None	None	None	
Vice President	Republic of China	Hsien-Fu Hsiao (Note3)	Male	November 2, 2022	1,000	0	0	0	0	0	President, NanChang Creative Sensor Technology Co., Ltd. Post-doctoral research, Georgia Institute of Technology	None	None	None	None	
Assistant Vice President	Republic of China	Shao-Yang Wu (Note4)	Male	December 30, 2020	0	0	0	0	0	0	Chief Operating Officer of Asia Air Precision Technology Ltd. Department of Mechanical Engineering, National Central University	None	None	None	None	
Senior Manager	Republic of China	Chien-Chung Hung	Male	November 9, 2021	162,000	0.12%	0	0	0	0	Director, Paonan Biotech Co., Ltd. Department of Accounting, Fu-Jen Catholic University	None	None	None	None	
Manager	Republic of China	Chi-Ping Lin	Female	March 13, 2023	117,000	0.09%	0	0	0	0	Deputy Manager, Creative Sensor Inc. Department of Accounting, Ming Chuan University	None	None	None	None	
Corporate Governance Officer	Republic of China	Chiao-Pei Mai	Female	November 9, 2021	54,000	0.04%	4,500	0.003%	0	0	Senior Management Specialist, Taiwan Mobile Master of International Business, National Taiwan University	None	None	None	None	

Note 1: Yao-Ming Wei was appointed on October 29, 2024.

Note 2: Chi-Chang Yang was removed on October 29, 2024, resigned on November 30, 2024.

Note 3: Hsien-Fu Hsiao was resigned on March 27, 2024.

Note 4: Shao-Yang Wu was resigned on July 19, 2024.

Note 5: Other current positions within the Company and in other companies

Title	Name	Other Current Positions within the Company and in Other Companies	
Chief Strategist	Yu-Jen Huang	Chairman:	TECO Image Systems Co., Ltd.,
		Director:	Independent Director of Genetics Generation Advancement Corp., Wuxi Creative Sensor Technology Co., Ltd.; NanChang Creative Sensor Technology Co., Ltd., Creative Sensor (USA) Co., Creative Sensor Co., Ltd. (HK), Creative Sensor Inc. (BVI) 、Sensoreem Photonics India Private Limited
		Others:	Chief Strategist, TECO Image Systems Co., Ltd.
President	Yao-Ming Wei	Chairman:	All-In-One International Co., Ltd.
		Director:	Koryo Electronics Co., Ltd.; All-In-One International Co., Ltd.; Image Systems International Limited
		President	NanChang Creative Sensor Technology Co., Ltd.

## II. Remuneration paid to directors, presidents, and vice presidents in the most recent year

### (I) Remuneration of Directors and Independent Directors

Unit: NTD thousands

No.	Title	Name	Remuneration to Directors								Sum of A, B, C, and D as percentage of net income (%)		Remuneration in the capacity as employees								Sum of A, B, C, D, E, F and G as percentage of net income (%)		Compensation from investees or parent company other than subsidiaries received
			Remuneration (A)		Pension (B)		Remuneration to Directors (C)		For professional practice (D)				Salary, bonuses and special allowances (E)		Pension (F)		Employee compensation (G)						
			The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company		All companies in the Financial Report		The Company	All companies in the Financial Report			
1	Chairman	TECO Image Systems Co., Ltd.	1,200	1,200	0	0	8,692	8,692	155	200	10,047 (2.78%)	10,092 (2.79%)	17,793	17,793	0	0	0	0	0	0	27,840 (7.71%)	27,885 (7.72%)	10,232
2		Representative: Yu-Jen Huang																					
3	Director	Universal Cement Corporation																					
4		Representative: Chih-Sheng Hou																					
5	Director	Koryo Electronics Co., Ltd.																					
6		Representative: Jian-Long Chen (note 1)																					
7	Director	Koryo Electronics Co., Ltd. Representative: En-Hsin Hsiao (note 2)																					
8	Vice Chairman	TECO Image Systems Co., Ltd. Representative: Chi-Chang Yang (note 3)																					
5		Director																					
4	Representative: Chih-Sheng Hou																						
9	Director	Koryo Electronics Co., Ltd. Representative: Mu-Yao Ku(note 4)																					

10	Independent Director	Hsiu-Ming Wang	2,582	2,582	0	0	6,535	6,535	325	325	9,442 (2.61%)	9,442 (2.61%)	0	0	0	0	0	0	0	9,442 (2.61%)	9,442 (2.61%)	0
11	Independent Director	Shih-Ing Huang																				
12	Independent Director	Yun-Hsiang Hsiao																				
13	Independent Director	Chi-Tung Ku(note 5)																				
<p>1. Please state the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, the time spent by the individual, etc.: The remuneration for Directors is determined based on the degree of their participation and contributions to business operations of the Company as well as prevailing rates in the industry in Taiwan and in foreign countries in accordance with the Articles of Incorporation of the Company. If the Company makes a profit in the current year, the Board of Directors may pass a resolution to set aside no more than 5% as remuneration for Directors. The Company established the "Regulations Governing Allocation of Remuneration to Directors". The performance evaluation and the reasonableness of the remuneration is reviewed by the Remuneration Committee and the Board of Directors.</p> <p>2. Except as disclosed above, remuneration received by directors in the latest year for services (e.g., acting as a non-employee consultant of the parent company/any company in the financial statements/investee) provided by the Directors: NT\$73,161 °</p>																						

Note 1: Jian-Long Chen was newly elected as a director of the Company at the Annual Shareholders' Meeting on May 31, 2024; stepped down on December 4, 2024 and Koryo Electronics Co., Ltd. has reassigned its representative director.

Note 2: En-Hsin Hsiao was newly elected on December 4, 2024 and Koryo Electronics Co., Ltd. has reassigned its representative director.

Note 3: Chi-Chang Yang stepped down after the Annual Shareholders' Meeting on May 31, 2024.

Note 4: Mu-Yao Ku stepped down after the Annual Shareholders' Meeting on May 31, 2024.

Note 5: Chi-Tung Ku was newly elected as an independent director of the Company at the Annual Shareholders' Meeting on May 31, 2024.

### Breakdown of remuneration

Breakdown of Remuneration to Directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies in the Financial Report	The Company	All investees included in the financial statements
Under NTD 1,000,000	4、6、7、8、9	4、6、7、8、9	4、6、7、9	4、6、7、9
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	2、3、13	2、3、13	3、13	3、13
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	10、11、12	10、11、12	10、11、12	10、11、12
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	1、5	1、5	1、5、8	1、5、8
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	—	—	—	—
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	—	—	2	2

NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)	—	—	—	—
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	—	—	—	—
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	—	—	—	—
Over NTD 100,000,000	—	—	—	—
Total	1~13	1~13	1~13	1~13

\* Expressed by each Director No.

\* Remuneration disclosed herein is different from the term “income” as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

## (II) Remuneration to Presidents and Vice Presidents

Unit: NTD thousands

No.	Title	Name	Salary (A)		Pension (B) (Note 1)		Bonuses and special allowances (C)		Employee compensation (D)				Sum of A, B, C, and D as percentage of net income (%)		Quantity of shares entitled under employee stock option		Quantity of new restricted employee shares		Compensation from investees or parent company other than subsidiaries received
			The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company		All companies in the Financial Report		The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	
									Cash dividends	Stock dividends	Cash dividends	Stock dividends							
1	Chairman and Chief Strategist	Yu-Jen Huang	8,909	8,909	0	0	14,209	14,209	1,374	0	1,374	0	24,492 3.78%	24,492 3.78%	0	0	0	0	Yes
2	President	Yao-Ming Wei (Note 1)																	No
3	Vice Chairman and Acting President	Chi-Chang Yang (Note 2)																	No
4	Vice President	Hsien-Fu Hsiao (Note 3)																	No

Note 1: Yao-Ming Wei was appointed on October 29, 2024.

Note 2: Chi-Chang Yang was removed on October 29, 2024, resigned on November 30, 2024.

Note 3: Hsien-Fu Hsiao resigned on March 27, 2024.



### Breakdown of remuneration

Breakdown of Remuneration to Presidents and Vice Presidents	Names of Presidents and Vice Presidents	
	The Company	All companies in the Financial Report
Under NTD 1,000,000	2	2
NTD 1,000,000 (exclusive) to NTD 2,000,000 (exclusive)	4	4
NTD 2,000,000 (exclusive) to NTD 3,500,000 (exclusive)	—	—
NTD 3,500,000 (exclusive) to NTD 5,000,000 (exclusive)	—	—
NTD 5,000,000 (exclusive) to NTD 10,000,000 (exclusive)	3	3
NTD 10,000,000 (exclusive) to NTD 15,000,000 (exclusive)	1	1
NTD 15,000,000 (exclusive) to NTD 30,000,000 (exclusive)	—	—
NTD 30,000,000 (exclusive) to NTD 50,000,000 (exclusive)	—	—
NTD 50,000,000 (exclusive) to NTD 100,000,000 (exclusive)	—	—
Over NTD 100,000,000	—	—
Total	1,2,3,4	1,2,3,4

\* Expressed by each managerial personnel No.

\* Remuneration disclosed herein is different from the term “income” as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes

(III) Name of the managerial personnel whom the employee remuneration was allocated to, and status of the allocation

Unit:NTD thousands

	Title	Name	Stock dividends	Cash dividends	Total	Total amount as percentage of net income after tax (%)
Managerial personnel	Chairman and Chief Strategist	Yu-Jen Huang	0	10,049 (Estimated)	10,049 (Estimated)	2.78%
	Vice Chairman and Acting President	Chi-Chang Yang (Note 2)				
	President	Yao-Ming Wei (Note 3)				
	Vice President	Hsien-Fu Hsiao (Note 4)				
	Assistant Vice President	Shao-Yang Wu (Note 5)				
	Senior Manager	Chien-Chung Hung				
	Manager	Chi-Ping Lin				
	Corporate Governance Officer	Chiao-Pei Mai				

Note 1: Please specify the employee remuneration allocated to managerial personnel (including stock dividend and cash dividend) upon resolution by the Board of Directors meeting in the most recent year. If it is impossible to forecast the same, please calculate the amount allocated based on the allocation percentage adopted last year. The net income after tax refers to the net income after tax for the most recent year.

Note 2: Chi-Chang Yang was removed on October 29, 2024, resigned on November 30, 2024.

Note 3: Yao-Ming Wei was appointed on October 29, 2024.

Note 4: Hsien-Fu Hsiao resigned on March 27, 2024.

Note 5: Shao-Yang Wu resigned on July 19, 2024.

(IV) Specify and compare the remuneration to Directors, Supervisors, Presidents, and Vice Presidents of the Company paid by the Company and companies included in the consolidated financial statements in proportion to the net income after tax referred to in the individual financial statements or consolidated financial statements in the past two (2) years, and specify the policies, standards, combinations, procedure of decision-making of remuneration and their relation to business performance and future risk.

1. The remuneration to Directors, Supervisors, Presidents, and Vice Presidents of the Company paid by the Company and companies included in the individual financial statements in proportion to the net income after tax referred to in the individual financial statements or consolidated financial statements in the past two (2) years is stated as following:

Title	The remuneration to Directors, Supervisors, Presidents, and Vice Presidents of the Company paid by the Company and companies included in the standalone financial statements in proportion to the net income after tax referred to in the individual financial statements.	
	2023	2024
Director	17.41%	9.18%
President		
Vice President		

2. The policies, standards, combinations, procedure of decision-making of remuneration and their relation to business performance and future risks

- (1) According to Article 19 of the Company's Articles of Incorporation, if the Company is profitable for the year, not more than 5% of the current year's profits shall be allocated as directors' remuneration. Said remuneration distribution shall be conducted in accordance with the "Directors' Remuneration Distribution Guidelines" promulgated by the Company's Remuneration Committee and approved by resolution of the Board of Directors.

The scope of directors' remuneration includes profit-sharing remuneration, business execution expenses, and compensation. The Board of Directors is authorized to determine directors' compensation based on their degree of participation in company operations, value of contributions, and industry standards, in accordance with Article 13-1 of the Company's Articles of Incorporation. Profit-sharing remuneration: the Remuneration Committee shall consider overall Board performance, company operational results, future operations, and risk appetite to formulate distribution recommendations for Board approval and subsequent reporting to the shareholders' meeting, in accordance with the Company's Articles of Incorporation. Business execution expenses: Travel allowances and per diems paid to each director in attendance per each Board meeting.

- (2) Employee remuneration for executives is allocated at 5% to 15% of the current year's profits, in accordance with the Company's Articles of Incorporation, but should the Company have accumulated losses from prior years, such losses shall be first offset before allocating employee and director remuneration from the remaining balance thereof.

Managerial personnel compensation includes fixed salary, year-end performance bonuses, and employee remuneration. Salaries are determined based on industry market compensation levels, future risk considerations, individual job responsibilities, and professional capabilities and competencies. Year-end performance bonuses and employee remuneration are calculated in accordance with the Company's "Year-End Performance Bonus Guidelines"

and "Employee Remuneration Guidelines." The Chairman is authorized to approve distribution according to established systems for salary amounts, year-end performance bonuses, and employee remuneration amounts after submission to the Remuneration Committee for review, and upon Board approval thereas.

The Company's managerial personnel remuneration is based on comprehensive consideration of the current year's operational results and the executive's performance and contributions, giving due regard to fairness and reasonableness of compensation as reviewed and discussed by the Remuneration Committee, with the remuneration system subject to timely review based on actual prevailing operational conditions and relevant regulations.

### III. Status of Corporate Governance

#### (I) Operation of the Board of Directors

In 2024, the Board of Directors convened 9 meetings. (9th Board of Directors convened 5 meetings; 10th Board of Directors convened 4 meetings.) The attendance of Directors is summarized as follows:

Title	Name	Actual attendance	Attendances by proxy	Actual attendance rate (%)	Remarks
10th Board of Directors (term: May 31, 2024 to May 30, 2027)					
Chairman	TECO Image Systems Co., Ltd. Representative: Yu-Jen Huang	4	0	100	Attendance required for 4 meetings
Director	Universal Cement Corporation Representative: Chih-Sheng Hou	4	0	100	Attendance required for 4 meetings
Director	Koryo Electronics Co., Ltd. Representative: Jian-Long Chen	3	0	100	Attendance required for 3 meetings. (stepped down on December 4, 2024 and reassigned its representative director.)
Director	Koryo Electronics Co., Ltd. Representative: En-Hsin Hsiao	1	0	100	Attendance required for 1 meetings (newly elected on December 4, 2024 and reassigned its representative director.)
Independent Director	Hsiu-Ming Wang	3	1	75	Attendance required for 4 meetings

Independent Director	Shih-Ying Huang	4	0	100	Attendance required for 4 meetings
Independent Director	Yun-Hsiang Hsiao	4	0	100	Attendance required for 4 meetings
Independent Director	Chi-Tung Ku	4	0	100	Attendance required for 4 meetings
9h Board of Directors					
Chairman	TECO Image Systems Co., Ltd. Representative: Yu-Jen Huang	5	0	100	Attendance required for 5 meetings
Vice Chairman	TECO Image Systems Co., Ltd. Representative: Chi-Chang Yang	4	1	80	Attendance required for 5 meetings
Director	Koryo Electronics Co., Ltd. Representative: Chih-Sheng Hou	5	0	100	Attendance required for 5 meetings
Director	Koryo Electronics Co., Ltd. Representative: Mu-Yao Ku	5	0	100	Attendance required for 5 meetings
Independent Director	Hsiu-Ming Wang	5	0	100	Attendance required for 5 meetings
Independent Director	Shih-Ing Huang	5	0	100	Attendance required for 5 meetings
Independent Director	Yun-Hsiang Hsiao	5	0	100	Attendance required for 5 meetings
Other items to be stated:					
<p>I. Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all Independent Directors and the Company's resolution of said opinions:</p> <p>(I) The circumstances referred to in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee starting from the 9th Board of Directors. Therefore, the requirements in Article 14-3 of the Securities and Exchange Act do not apply. Please refer to the Operations of the Audit Committee in the Annual Report for detailed information. All resolution(s) passed by all Independent Directors.</p> <p>(II) Any other resolution(s) passed but with Independent Directors voicing opposing or qualified opinions on the record or in writing: None.</p> <p>II. Directors recusing himself/herself due to a conflict of interest:</p> <p>10-5th Board Meeting (February 27, 2025)</p> <p>Directors: Chih-Sheng Hou</p> <p>Content: Proposal for the supplementary public offering of ordinary shares/stocks under a private placement in 2021 and the application for listing. Reason for the recusal due to the conflicts of interest and participation in voting: Director Hou, Chih-Sheng recused himself due to the conflicts of interest without participating in the</p>					

discussion and voting. Resolution: Except for the recusal of Director Chih-Sheng Hou due to the conflicts of interest, the remaining attending Directors agreed to approve as proposed.

III. The company listed on TWSE/TPEx shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the evaluation of the Board of Directors: The Company's Board of Directors passed the "Regulations for Performance Evaluation of the Board of Directors" on December 16, 2019 and has executed the performance evaluation of the Board of Directors, individual Directors, and functional committees since 2020. Refer to the Board of Directors Evaluation Execution Status for details of the 2024 evaluation.

IV. Measures undertaken during the current year and most recent year to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment of their implementation:

1. To have favorable communication with the management team, we continue to arrange reports to the Board regarding the dynamic development of the Company to allow Directors to have a clear understanding of the Company and the management team for Directors to make professional and appropriate judgments so as to assist in the business development of the Company and effectively improve the functions of the Board.
2. To continue to improve the decision-making quality of the Audit Committee, we require the implementation department to enhance the operation of meeting affairs of the Audit Committee or require relevant responsible departments to provide necessary consultation to ensure the completeness, timeliness, and quality of the information, allowing the content of proposal submitted to the Audit Committee for resolution to be comprehensive and appropriate.
3. To continue to improve the cognition of the duties of the Remuneration Committee, members read and understand the meeting materials before meetings to improve post-meeting communication for the benefit of the decision-making of the Committee and effectively exerting the monitoring function.

## (II) Board of Directors Evaluation Execution Status

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executed once a year	January 1, 2024 - December 31, 2024	Performance Evaluation of Board of Directors, Individual Board Members, The Audit Committee, Remuneration Committee and Sustainable Development Committee.	"Board of Directors Performance Self-Evaluation Questionnaire" for Internal Self-evaluation of Board of Directors	The "Board of Directors Performance Self-Evaluation Questionnaire" measurement items include the five aspects of participation level in the Company's operation, an increase in decision making quality of the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.

## 2024 Board of Directors Performance Evaluation Result

### (1) Board of Directors as a whole:

Scope of Assessment	Number	Score
A. Level of participation in the Company's operations	12	25.0
B. Improvement of the quality of the Board of Directors' decision making	12	25.3
C. Composition and structure of the Board of Directors	7	15.0
D. Election and continuing education of Directors	7	14.1
E. Internal control	7	14.3
Total	45	93.6

### (2) Individual Board Members:

Scope of Assessment	Number	Score
A. Knowledge of the goals and mission of the Company	3	12.2
B. Awareness of the duties of a Director	3	12.6
C. Level of participation in the Company's operations	8	33.0
D. Management of internal relationship and communication	3	12.3
E. Director's professionalism and continuing education	3	12.0
F. Internal control	3	12.0
Total	23	94.2

### (3) The Audit Committee:

Scope of Assessment	Number	Score
A. Level of participation in the Company's operations	4	17.5
B. Knowledge of the duties of The Audit Committee	5	21.8
C. Improvement of the quality of The Audit Committee's decision making	7	29.8
D. Composition of The Audit Committee and election of its members	3	13.2
E. Internal control	3	11.8
Total	22	94.1

(4) Remuneration Committee:

Scope of Assessment	Number	Score
A. Level of participation in the Company's operations	4	19.5
B. Knowledge of the duties of Remuneration Committee	5	23.0
C. Improvement of the quality of Remuneration Committee 's decision making	7	33.5
D. Composition of Remuneration Committee and election of its members	3	13.5
E. Internal control	1	4.5
Total	20	94.0

(5) Sustainable Development Committee:

Scope of Assessment	Number	Score
A. Level of participation in the Company's operations	4	22.4
B. Knowledge of the duties of Sustainable Development Committee	3	16.2
C. Improvement of the quality of Sustainable Development Committee's decision making	7	39.5
D. Composition of Sustainable Development Committee and election of its members	3	17.2
Total	17	95.3



(III) Information on the operation status of the Audit Committee:

(1) The main function of the Audit Committee is to supervise the following matters:

- Fair presentation of the financial reports of the Company.
- Evaluation of the appointment (dismissal) of the CPA and his/her independence and performance.
- Effective implementation of the internal control system of the Company.
- Compliance with relevant laws and regulations by the Company.
- Management of the existing or potential risks of the Company.

(2) The powers of the Committee are as follows:

- Adoption or amendment of internal control systems pursuant to Article 14-1 of the Securities and Exchange Act.
- Evaluation of the effectiveness of internal control systems.
- Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- A matter involving the personal interest of Directors.
- A material asset or derivatives transaction.
- A major monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of equity-type securities.
- The hiring or dismissal of an attesting CPA, or the compensation given thereto.
- The appointment or discharge of a financial, accounting, or internal auditing officer.
- Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial personnel, and accounting officer.
- Any other material matter so required by the company or the Competent Authority.

(3) Term of office: July 9, 2021 till the expiry of the term of the Board of Directors that appointed the members of the Committee. The Audit Committee convened 7 meetings (A) in the most recent year as of the publication date of the Annual Report (1st Audit Committee convened 3 meetings, 2nd Audit Committee convened 4 meetings). The qualifications and attendance of members are as follows:

Title	Name	Actual attendance	Attendances by proxy	Actual attendance rate (%)	Remarks
2nd Audit Committee( term: May 31,2024 to May 30, 2027)					
Independent Director (Convener)	Shih-Ing Huang	4	0	100	Attendance required for 4 meetings

Independent Director	Hsiu-Ming Wang	4	0	100	Attendance required for 4 meetings
Independent Director	Yun-Hsiang Hsiao	4	0	100	Attendance required for 4 meetings
Independent Director	Chi-Tung Ku	4	0	100	Attendance required for 4 meetings
1st Audit Committee					
Independent Director (Convener)	Shih-Ing Huang	3	0	100	Attendance required for 3 meetings
Independent Director	Hsiu-Ming Wang	3	0	100	Attendance required for 3 meetings
Independent Director	Yun-Hsiang Hsiao	3	0	100	Attendance required for 3 meetings

Other items to be stated:

I. The date of the meeting of the Audit Committee, the term, contents of the proposals, objections, qualified opinions, and important recommendations of Independent Directors, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be specified under any of the following circumstances in the operations of the Audit Committee.

(I) Items listed in Article 14-5 of the Securities and Exchange Act.

Audit Committee Date and Term	Proposal Content	Audit Committee Resolution	The Company's response to the opinions of the Audit Committee
1st term 22nd meeting (February 29, 2024)	1. Approved the Company's 2023 business report and financial statements. 2. Approved the Company's 2023 "Statement on Internal Control System". 3. Approved the Company's Proposal for Capital Reduction	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on Feb. 29, 2024
1st term 23rd meeting (March 13, 2024)	1. Approved the Company's 2023 Fiscal Year earnings distribution as cash dividends. 2. Approved the Company's 2023 earnings distribution. 3. Approved the Company's buyback of shares for transfer to employees.	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on March 13, 2024
1st term 24th meeting (May 9, 2024)	Approved the Q1 2024 consolidated financial statements. <sup>2</sup>	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on May 9, 2024
2nd term 1st meeting (August 5, 2024)	1. Approved the election of the second Audit Committee Chairman 2. Approved the Q2 2024 consolidated financial statements. 3. Approved the appointment of Auditor.	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on August. 5, 2024
2nd term 2nd meeting (October 29, 2024)	Approved the Q3 2024 consolidated financial statements.	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on October. 29, 2024

2nd term 3rd meeting (December 17, 2024)	<ol style="list-style-type: none"> <li>1. Approved the Company's 2025 budget.</li> <li>2. Approved the Company's 2025 bank financing contract.</li> <li>3. Approved the evaluation of the independence and competence of the Company's certifying CPAs.</li> <li>4. Approved the newly formulated "Sustainable Information Management" internal control system</li> <li>5. Approved the 2025 audit plan.</li> </ol>	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on December 17, 2024
2nd term 4th meeting (February 27, 2025)	<ol style="list-style-type: none"> <li>1. Approved the Company's 2024 business report and financial statements.</li> <li>2. Approved the Company's 2024 earnings distribution.</li> <li>3. Approved the Company's 2024 earnings distribution.</li> <li>4. Approved the Company's 2024 "Statement on Internal Control System".</li> <li>5. Approved the Company's buyback of shares for transfer to employees.</li> <li>6. approved the public issuance and listing of private placement ordinary shares</li> <li>7. Approved the Conducting a private placement of common shares. °</li> <li>8. Approved the proposal for the Company's appointment of the CPA firm for 2025 and its remuneration.</li> </ol>	Passed as proposed by all members of the Committee in attendance.	Passed as proposed by all members of the Board of Directors in attendance on February 27, 2025
<p>(II) Except for the aforementioned matters, other resolutions which were not approved by the Audit Committee but passed in a resolution by more than two thirds of all Directors: None.</p> <p>II. For the recusal of Independent Directors to motions due to conflicts of interests, the name of the</p>			

Independent Director, content of the motion, reason for recusal, and participation of the resolution shall be listed: No such circumstances.

III. Communications between the Independent Directors, the Company's chief internal auditor and CPAs (information should include the material items, methods and results of audits of corporate finance or operations, etc.).

1. The chief auditor submitted an audit report to the Independent Directors in the month after the completion of the audit of items and attended the regular Audit Committee meeting to report the auditing matters. No Independent Director expressed dissent.

2. Communication between Independent Directors and the Company's chief internal auditor is as follows:

Audit Committee Date and Term	Communication Item	Communication Results
1st term 22nd meeting (February 29, 2024)	Audit report.	Acknowledged by all Independent Directors in attendance
	2024 "Statement of Internal Control System".	Reviewed and passed by all Independent Directors, and submitted to the Board of Directors for resolution
1st term 23th meeting (March 13, 2024)	Audit report.	Acknowledged by all Independent Directors in attendance
1st term 24th meeting (May 9, 2024)	Audit report.	Acknowledged by all Independent Directors in attendance
2nd term 1st meeting (August 5, 2024)	Audit report.	Acknowledged by all Independent Directors in attendance
2nd term 2nd meeting (October 29, 2024)	Audit report.	Acknowledged by all Independent Directors in attendance
2nd term 3rd meeting (December 17, 2024)	Audit report.	Acknowledged by all Independent Directors in attendance
	2025 audit plan.	Reviewed and passed by all Independent Directors, and submitted to the Board of Directors for resolution

3. Communication between independent directors and CPAs:

Audit Committee Date and Term	Communication Item	Communication Results
February 29, 2024	The audit of the 2023 financial statements has been completed. The results of the audit report and the key audit matters were discussed.	Acknowledged by all Independent Directors in attendance
December 17, 2024	2024 Financial Statement Audit Plan and Auditor Independence. Audit Quality Indicator Information	Acknowledged by all Independent Directors in attendance

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

Scope of Assessment	Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
I. Has the Company established and disclosed the governance practice principles according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has approved the amendment of the “Corporate Governance Best Practice Principles” in the 22nd meeting of the 9th Board of Directors’ Meeting (February 3, 2023) and has disclosed it in the Market Observation Post System and Relevant information is disclosed in the Stakeholders section of the Corporate Governance page on the Company’s official website.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
II. Equity structure and shareholders’ rights of the Company (I) Has the Company defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure? (II) Does the Company have the list of the major shareholders who actually control the Company and the persons who control the major shareholders?	✓  ✓		(I) The Group has established the shareholder service and spokesperson systems. The spokesperson or the acting spokesperson will handle the suggestions, questions, and disputes from the shareholders. Relevant matters have been handled in accordance with the internal operating procedures. (II) The Group reports on a monthly basis any change of the shareholding status of the Directors, Supervisors, managerial personnel, and shareholders who hold more than 10% of the shares in the Market Observation Post System designated by the competent authority according to Article 25 of the Securities and Exchange Act.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(III) Has the Company established or implemented some risk control and firewall mechanisms between the Company and its affiliates?	✓		(III) The Group has established the “Regulations Governing Operations Related to Financial Transactions with Affiliated Companies” to ensure sound financial transactions with affiliated	

<p>(IV) Has the Company established internal regulations to prohibit Company insiders from using information not available to the market to trade securities?</p>	<p>✓</p>		<p>companies and the prevention of any abnormality or improper transfer of benefits between affiliated companies in sales and purchasing transactions, acquisition and disposal of assets, endorsements and guarantees, and loans.</p> <p>(IV) We have established the “Internal material information processing”, “Management Procedures for Prevention of Insider Trading” and “Code of Ethical Conduct for Directors and Managers” to prohibit Company insiders from using information not available to the market to trade securities. Insiders of the Company may not trade shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. They also serve as the basis for the handling and disclosing mechanism of our important information to prevent the occurrence of insider trading.</p>	
<p>III. Composition and responsibilities of Board of Directors</p> <p>(I) Has the Company formulated a policy of diversity for the formation of the Board of Directors and implemented it thoroughly?</p>	<p>✓</p>		<p>(I) The Group has specified the board member composition diversity policy in the “Corporate Governance Best-Practice Principles,” and the Company elects directors with the knowledge, skills, and qualifications necessary for execution of duties according to the professional background and field. All board members are elites from the industry and academic sectors such that in addition to sufficient experience in corporate governance and industrial technologies, they also have</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies</p>

			expertise in finance, financial affairs, and accounting. Board members attend board meetings and perform supervision and understand the execution of operational plans. Please refer to "Diversity and independence of the Board of Directors" on page 12 for the Company's specific management targets and implementation status.	
(II) Is the Company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, willing to voluntarily establish any other functional committees?		✓	(II) The Group has established the Remuneration Committee, and established the Audit Committee after the election of the Directors in the shareholders' meeting in 2021. To allow the Company to implement corporate social responsibility and facilitate progress in the economy, environment, and society to achieve the target of sustainable development and reinforce sustainable governance, the 3rd meeting of the 10th session of the Board (October 29, 2024) resolved to establish the "ESG Committee" (please refer to Operations of the ESG Committee). The ESG promotion team is established under the ESG Committee to be responsible for promoting, integrating, and implementing sustainability-related businesses and regularly reporting to the Committee of the implementation achievements.	
(III) Has the Company established guidelines for evaluating the performance of the Board of Directors and conducted regular performance evaluations every	✓		(III) To improve the function and operation efficiency of the Board of Directors, the Board of Directors passed the "Regulations for Performance Evaluation of Board of Directors" on December 16, 2019, specifying that the	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies



year? Does the Company submit results of evaluations to the Board of Directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?			performance evaluation must be completed before the end of the first quarter of the following year. The performance evaluation report of the Board of Directors, individual Directors, and functional committees for 2024 was reported to the 5th meeting of the 10th Board of Directors. Refer to "Board of Directors Evaluation Execution Status" for details.	
(IV) Does the Company assess the CPAs for their independence on a regular basis?	✓		(IV) The Company evaluates the independence and competence of the CPAs regularly every year, examining whether they are shareholders or have received a salary from the Company to ensure they are not our stakeholders. We also ensure that they are not involved in any lawsuit. The Company also obtains the declaration of independence and Audit Quality Indicators (AQIs) issued by the CPA. The financial and accounting department of the Company conducts the preliminary review on the independence and competence of the CPAs, and it is then reported to the Board of Directors for approval. CPAs are replaced periodically based on the adjustments of the accounting firm. Refer to Appendix 1 for the 2024 evaluation procedures. The independence and qualifications of the signing certified public accountant (CPA) were approved by the 2nd Audit Committee at its 3rd meeting on December 17, 2024, and subsequently by the 10th Board of Directors at its 4th meeting.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

IV. Does the TWSE/TPEX listed company set up designated (concurrent) corporate governance units or personnel responsible for related matters (including but not limited to providing information required for Directors and Supervisors to perform their duties, handling matters related to Board of Directors' and shareholders' meetings, dealing with company and change registration, and making minutes of the Board of Directors' and shareholders' meetings, etc.)?	✓		<p>The Group resolved in the 11th meeting of the 9th Board of Directors on November 9, 2021 to appoint Chiao-Pei Mai as the Corporate Governance Officer to take charge of related corporate governance affairs. The main responsibilities include handling matters related to Board of Directors' meetings and shareholders' meetings according to the laws, preparing meeting minutes of the Board of Directors' meetings and shareholders' meetings, assisting assumption of office and continuing education of Directors, providing documents necessary for Directors to perform duties, assisting Directors in legal compliance, and enhancing the functions of the Board of Directors.</p> <p>Report to the Board regarding the examination results on whether the qualification of Independent Directors complies with relevant laws and regulations upon the time being nominated and elected and during the term of office.</p>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
V. Does the Company establish channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), design special web pages for the stakeholders on the website, and appropriately respond to important CSR issues of interest to the stakeholders?	✓		<p>The Group has appointed a spokesperson, acting spokesperson, and shareholder service personnel. We also publish contact information on our website to communicate directly with stakeholders, providing them knowledge on our operational status. The Company has established a dedicated "Stakeholders" section within the Sustainability area of its official website.</p>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VI. Does the Company commission a professional registrar to deal with the affairs of shareholders' meetings?	✓		<p>The Group entrusted the professional stock affairs to the Stock Affairs Agency Department of Yuanta Securities Co., Ltd. (Tel: (02) 2586-5859, Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City) to</p>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

			handle various stock affairs on behalf of the Company.	
VII. Information disclosure (I) Has the Company built a website to disclose the financial and corporate governance information of the Company?	✓		(I) The Group has set up a website to disclose financial and corporate governance information. URL of the Company's website: <a href="http://www.csi-sensor.com.tw">http://www.csi-sensor.com.tw</a>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the Company use other information disclosure methods (e.g., English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, and the broadcasting of investor conferences via the company website)? (III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month ahead of schedule before the specified deadline?	✓	✓	(II) The Group has established an English website ( <a href="http://www.csi-sensor.com.tw/en/index.html">http://www.csi-sensor.com.tw/en/index.html</a> ). We also designated personnel responsible for collecting and announcing all kinds of information and implement the spokesperson system.  (III) The Group publicly announces and reports the annual financial statements (within three months), the first, second, and third quarter financial statements (within 75 days) and the business status of each month (before the 10th of each month) according to the time limits specified in Article 36 of the Securities and Exchange Act. Presently, the Group is temporarily unable to publicly announce and report the annual financial report within two months after each fiscal year. The 2024 financial statements have been publicly announced and reported on March 13, 2025.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies  There are minor deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” but the Company meets the requirements set in the Securities and Exchange Act.

<p>VIII. Does the Company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the interests and care of employees, investor relationships, supplier relationships, rights of stakeholders, continuing education of Directors and Supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and liability insurance coverage for Directors and Supervisors)?</p>	<p>✓</p>	<p>(1) Employee interests and care of employees: We have always treated our employees sincerely. We have developed positive relationships with our employees through all kinds of employee welfare measures and training courses. Please refer to the “Relations Between Laborers and Employer” of this annual report for details.</p> <p>(2) Investor Relations: The Company set up the investor relations page on its website to provide access to information of the Group to investors. We also have set up a spokesperson mailbox to process shareholders’ suggestions.</p> <p>(3) Supplier relations: The Company always maintains a good relationship with suppliers.</p> <p>(4) Rights of stakeholders: Stakeholders can communicate with the Company and provide advice to protect their legal rights.</p> <p>(5) Continuing Education for Directors and Supervisors: The Directors and Supervisors have taken continuing education courses in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE and TPEx Listed Companies” (Note).</p> <p>(6) Implementation status of risk management policies and risk assessment standards: Please refer to the “Risk Assessment Evaluation” description of this annual report for details.</p> <p>(7) Implementation of customer policies: We always maintain stable and good relationships with our customers to create profits for the Company.</p> <p>(8) Liability insurance coverage</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</p>
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			<p>for Directors and Supervisors: The Company has bought liability insurance for all Directors and Supervisors.</p>	
<p>IX. Please specify the status of the improvement made, based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures for any issues that are yet to be rectified. (Not required, if the Company is not included in the companies to be evaluated.)</p> <p>In 2024, the improvements made by the Company are as follows: (1) prepare the 2023 ESG Report based on the GRI Standards and disclose relevant information based on the TCFD; and (2) perform inventory and disclose the GHG emissions, water consumption, and total weight of waste of entities in Taiwan. The Company will continue to improve its sustainable development in the future in the hope of complying with the spirit of corporate governance and sustainable corporate development.</p>				

Note:1. Directors and Supervisors' Continuing Education in 2024

Title	Name	Course date	Organizing agency	Course name	Course hours
Chairman	Yu-Jen Huang	December 20, 2024	Taiwan Corporate Governance Association	Practical Issues of Non-Arm's Length Transactions Directors Shall be Aware of	3
		December 27, 2024	Taiwan Independent Director Association	Necessary for the Self-protection of Directors and Supervisors: Insights of Criminals' Techniques in Utilizing Non-Arm's Length Transactions and Related Party Transactions	3
Director	Chih-Sheng Hou	August 7, 2024	Taiwan Institute of Directors	Global Economic Prospects	3
		December 27, 2024	Taiwan Independent Director Association	Necessary for the Self-protection of Directors and Supervisors: Insights of Criminals' Techniques in Utilizing Non-Arm's Length Transactions and Related Party Transactions	3
Director	En-Hsin Hsiao	December 20, 2024	Taiwan Corporate Governance Association	Practical Issues of Non-Arm's Length Transactions Directors Shall be Aware of	3
		December 27, 2024	Taiwan Independent Director Association	Necessary for the Self-protection of Directors and Supervisors: Insights of Criminals' Techniques in Utilizing Non-Arm's Length Transactions and Related Party Transactions	3
Independent Director	Hsiu-Ming Wang	May 14, 2024	Taiwan Corporate Governance Association	Grasp the AI Risk Management Framework and Improve the Trust in AI Integrated Applications	3
		August 8, 2024	Taiwan Corporate Governance Association	Corporate Management Practices: Strategy and Implementation Force	3

Independent Director	Shih-Ing Huang	May 7, 2024	Taiwan Investor Relations Institute	Ethical Corporate Management Practices and Insider Trading	3
		July 9, 2024	Taipei Exchange	AI Strategy and Governance	3
		November 22, 2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
Independent Director	Yun-Hsiang Hsiao	September 5, 2024	Taiwan Project Management Association	Corporate Governance Performance Management System Operation and Evaluation	3
		September 10, 2024	Taiwan Project Management Association	Digital Transformation and Digital Governance of Enterprises	3
Independent Director	Chi-Tung Ku	July 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6

## 2. Continuing education of managerial personnel

Title	Name	Course date	Organizing agency	Course name	Course hours
Senior Manager	Chien-Chung Hung	Novembr7 to 8, 2024	Accounting Research and Development Foundation	Professional Development Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
		December 20, 2024	Taiwan Corporate Governance Association	Practical Issues of Non-Arm's Length Transactions Directors Shall be Aware of	3
		December 27, 2024	Taiwan Independent Director Association	Necessary for the Self-protection of Directors and Supervisors: Insights of Criminals' Techniques in Utilizing Non-Arm's Length Transactions and Related Party Transactions	3
Manager	Chi-Ping Lin	September 12 to 13, 2024	Accounting Research and Development Foundation	Professional Development Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
		December 20, 2024	Taiwan Corporate Governance Association	Practical Issues of Non-Arm's Length Transactions Directors Shall be Aware of	3
		December 27, 2024	Taiwan Independent Director Association	Necessary for the Self-protection of Directors and Supervisors: Insights of Criminals' Techniques in Utilizing Non-Arm's Length Transactions and Related Party Transactions	3
Corporate Governance Officer	Chiao-Pei Mai	December 12, 2024	Securities and Futures Institute	Strategy for Shareholders' Meeting, Rights to Management, and Equity	3
		December 20, 2024	Taiwan Project Management Association	SDGs and ESG Sustainable Management	3
		December 23, 2024	Taiwan Project Management Association	Sustainable Corporate Development and ESG and SDGs Action Plans and Strategies	3
		December 24, 2024	Taiwan Corporate Governance Association	Net Zero Pathway with Limitless Business Opportunities – Analysis Strategy from the Viewpoint of Industries	3



# Appendix 1: Report on the Evaluation of the independence and competence of the Company's certifying CPAs

According to the regulations in the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company is required to evaluate the independence and competence of CPAs periodically (once every year). The Company thus evaluated the independence and competence of CPAs Po-Chuan Lin and Chun-Yao Lin of PwC Taiwan and did not discover any matter that may affect the independence and competence of the certifying CPAs.

Evaluation of the independence and competence of the Company's certifying CPAs are as follows:

I. Independence evaluation					
Item No.	Evaluation content	Yes	No	Not applicable	Remarks
01	The CPA, or the spouse or a minor child thereof, does not have an investment relationship with the Company.	V			
02	The CPA, or the spouse or a minor child thereof, does not engage in financing or guarantee related to the Company.	V			
03	The CPA or members of the audit service team do not have shareholding or investment relationship with the Company.	V			Verified by the Company and the shareholder stock affairs service provider in Novmber 2024.
04	The CPA or members of the audit service team do not serve as the Company's Director, Supervisor, managerial personnel, or positions that may have significant impact on the audit.	V			The Company obtained the Independence Statement issued by the certifying CPAs of PwC Taiwan and the results are specified therein in December 2024.
05	The CPA or members of the audit service team do not act as an intermediary for the stocks or other securities issued by the Company.	V			
06	The CPA or members of the audit service team do not serve as a defense counsel of the Company or represents the Company in mediating conflicts with third parties.	V			
07	The CPA or members of the audit service team do not have familial relationships with the Company's Director, Supervisor, managerial personnel, or personnel in positions that may have significant impact on the audit.	V			
08	No CPA in the same CPA firm that has resigned within the past year has served as	V			

	the Company's Director, Supervisor, managerial personnel, or other positions that may have significant impact on the audit.				
09	The CPA or members of the audit service team have not received gifts of significant value or special preferential treatment from the Company, its managerial personnel, or major shareholders.	V			
10	The CPA has not engaged in routine work at the Company or received fixed salary from the Company.	V			
11	The CPA has recused him/herself and declined to provide service if he/she has a direct or significant indirect relationship with or interest in a matter he/she is appointed to perform that may affect his/her fairness and independence.			V	There have been no cases where the CPA has a direct or significant indirect relationship with or interest in a matter he/she is appointed to perform that may affect his/her fairness and independence.
12	The CPA has not provided auditing services to the Company for a duration of more than seven consecutive years.	V			CPA Po-Chuan Lin is providing services for the third year this year and CPA Chun-Yao Lin is providing services for the sixth year this year. No such conditions occurred.
I. Independence evaluation					
Item No.	Evaluation content	Yes	No	Not applicable	Remarks
13	Members of the audit service team, other CPAs of the firm, shareholders of the firm, the firm, and the affiliate enterprises or joint CPA firms of the firm have also maintained independence from the Company.	V			
14	The Company has obtained the formal written independence report produced by the certifying CPA firm.	V			PwC Taiwan issued the Independence Statement on December 6, 2024.
15	The CPA maintains a fair and objective attitude when providing professional services and prevents bias or conflicts of interest from affecting his/her professional judgment.	V			
16	The CPA's firm does not have business collaboration relationships with the	V			

	Company's Group.				
17	The CPA's firm does not have litigation relationships with the Company's Group?	V			
II. Competence evaluation					
Item No.	Evaluation content	Yes	No	Not applicable	Remarks
01	The CPA has not been disciplined by the CPA Discipline Committee in the last two years. The CPA firm is not currently involved or has been involved in significant litigation in the last two years.	V			
02	The CPA has the expertise to provide professional advice and training services to the firm and provides information on regulatory updates in a timely manner.	V			The CPA has the expertise to provide consultation and training services to the firm.
03	The CPA has the experience and expertise in the relevant industry sector to perform his or her duties.	V			The CPA has several years of audit experience and expertise in the relevant industry sector.
04	The CPA firm has sufficient scale, resources, and regional coverage to process corporate audit services and meet the auditing requirements of the Company.	V			PwC Taiwan is one of the top four accounting firms in Republic of China. It has an excellent reputation and currently has no significant litigation.
05	The CPA firm has created specific quality control procedures to ensure the quality of financial reports.	V			PwC Taiwan implements strict quality control policies to ensure quality.
06	The CPA firm and its personnel have performed their confidentiality obligations with respect to the Company's confidential information, particularly personal information.	V			The firm and its personnel have fulfilled their confidentiality obligations and there have been no related disputes.
<b>Overall evaluation conclusion:</b> <b>Based on the aforementioned evaluation results, there has been no incident that affected the independence and competence of the Company's certifying CPAs.</b>					

(V) Operation of the Remuneration Committee

1. Information about members of the Remuneration Committee

Criteria		Professional qualifications and experience	Compliance with Independence Criteria	Number of positions as a Remuneration Committee Member in other public listed companies
Title	Name			
Independent Director (Convener)	Hsiu-Ming Wang	Please refer to "Disclosure of information on the professional qualifications of Directors and independence of Independent Directors" on page 9.		1
Independent Director	Yun-Hsiang Hsiao			0
Committee Member	Yu-Chi, Ling	<p>For those possessing over five years of work experience and expertise in business, finance, and other professional areas required by the Company's operations.</p> <p>Educational qualifications and experience:</p> <p>Pepperdine University MBA</p> <p>Independent Director, Fubon Life Insurance Co.,Ltd.</p> <p>Executive Director, West Garden Hospital</p>	<p>In compliance with the independence requirements stipulated in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers of the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter."</p> <ul style="list-style-type: none"> <li>● The individual, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliates.</li> <li>● The individual, spouse, and relatives within the second degree of kinship (or through nominees) do not hold any shares in the Company.Said person has not served as a director, supervisor, or employee of companies with specific relationships with the Company.</li> <li>● Within the past two years said person has not received compensation for providing business, legal, financial, or accounting services to the Company or its affiliates.</li> </ul>	1

## 2. Duties of the Remuneration Committee

The Remuneration Committee shall faithfully fulfill the following functions and powers with the duty of a good manager according to procedures, and submits recommendations to the Board of Directors for discussion:

- (1) Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial personnel.
- (2) Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial personnel.

## 3. Information on the operation status of the Remuneration Committee

I. The Company's 6th Remuneration Committee consists of 3 members.

II. The term of the current members: From Augst 5, 2024 to the expiration date of the term of office of the appointee in such term of board of directors. The Remuneration Committee of this term convened 5 meetings (A) in 2024 and the qualification of the members and their attendance status are described below: ( 5<sup>th</sup> Remuneration Committee convened 2 meetings, 6<sup>th</sup> Remuneration Committee convened 3 meetings)

Title	Name	Actual attendance	Attendances by proxy	Actual attendance rate (%)	Remarks
6 <sup>th</sup> Remuneration Committee ( term: 5 Augst, 2024 to May 30, 2027)					
Convener	Hsiu-Ming Wang	3	0	100%	Attendance required for 3 meetings
Committee Member	Yun-Hsiang Hsiao	3	0	100%	Attendance required for 3 meetings
Committee Member	Yu-Syuan Wu	1	0	100%	Attendance required for 1 meetings (resigned on December 4,2024)
Committee Member	Yu-Chi, Ling	0	0	0	Attendance required for 0 meetings (newly elected on February 27,2025)
5 <sup>th</sup> Remuneration Committee					
Convener	Hsiu-Ming Wang	2	0	100%	Attendance required for 2 meetings
Committee Member	Shih-Ing Huang	2	0	100%	Attendance required for 2 meetings

Committee Member	Yun-Hsiang Hsiao	2	0	100%	Attendance required for 2 meetings
<p>Other items to be stated:</p> <p>I. If the Board of directors does not adopt or revise the Remuneration Committee's proposals, date, period, motion contents, and resolution decisions of the board meeting as well as the method in which the Company handles the Remuneration Committee's opinions shall be disclosed in detail (e.g., if the salary rate passed by the Board of Directors is superior to that proposed by the remuneration committee, the differences and reasons shall be explained): None.</p> <p>II. If the members of the Remuneration Committee have any dissenting opinion or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions should be stated: None.</p>					

Remuneration Committee	Committee Member in Attendance	Proposal Content and Subsequent Handling	Resolution	Response to the Opinions of the Remuneration Committee
5th term 10th meeting January 25, 2024	Hsiu-Ming Wang, Convener Shih-Ing Huang, Committee Member Yun-Hsiang Hsiao, Committee Member	1. The Company's 2022 remuneration distribution status for Directors was filed for discussion. 2. The Company's 2022 remuneration distribution proposal from earnings for managers was filed for discussion. 3. The Company's 2023 year-end bonus proposal for managers and employees was filed for discussion.	Proposal approved by all members of the Committee.	Submitted to the Board of Directors' meeting and approved by all attending Directors.
5th term 11st meeting March 13, 2024	Hsiu-Ming Wang, Convener Shih-Ing Huang, Committee Member Yun-Hsiang Hsiao, Committee Member	1.The proposal for the 2023 distribution of remuneration of employees and remuneration of Directors of the Company was filed for discussion. 2.The proposal for the review of the buyback and transfer of treasury stock to managers and employees was filed for discussion. 3.The proposal for the "talent retention incentive bonuses" for managers was filed for discussion. 4.The proposal for the amendment to the Company's "Regulations for the Distribution of	Proposal approved by all members of the Committee.	Submitted to the Board of Directors' meeting and approved by all attending Directors.

		Directors' Remuneration" was filed for discussion.		
6th term 1st meeting October 28, 2024	Hsiu-Ming Wang, Convener Yu-Syuan Wu, Committee Member Yun-Hsiang Hsiao, Committee Member	1. The proposal for the "talent retention incentive" to the Company's managers was filed for discussion. 2. The recommendation of the salary and remuneration for the Company's managerial personnel was filed for discussion.	Proposal approved by all members of the Committee.	Submitted to the Board of Directors' meeting and approved by all attending Directors.
6th term 2nd meeting December 10, 2024	Hsiu-Ming Wang, Convener Yun-Hsiang Hsiao, Committee Member	Reviewed the proposed distribution of special bonuses for managerial personnel for the year 2024.	Proposal approved by all members of the Committee.	Taken note.
6th term 3rd meeting February 27, 2025	Hsiu-Ming Wang, Convener Yun-Hsiang Hsiao, Committee Member	1. The Company's 2024 remuneration distribution proposal for Directors and employees was filed for discussion. 2. The proposal for the review of the buyback and transfer of treasury stock to managers and employees was filed for discussion. Company's Accounting Manager was filed for discussion. 3. Reviewed the Company's Employee Stock Ownership Trust (ESOT) proposal. 4. Reviewed the proposed amendment to Article 19 of the Company's Articles of Incorporation to include a provision on remuneration distribution to grassroots employees.	Proposal approved by all members of the Committee.	Agenda Item 1、2、4: Submitted to the Board of Directors' meeting and approved by all attending Directors.  Agenda Item 3: Taken note.

## (VI) Operation of the Sustainable Development Committee

### 1. Information about members of the Sustainable Development Committee

Title	Name	Sustainable expertise and capabilities	Professional qualifications and experience
Financial Executive (Convener)	Chien-Chung Hung	accounting and finance, organizational management	For those possessing over five years of work experience and expertise in business, accounting, finance, and other professional areas required by the Company's operations.
Independent Director	Shih-Ing Huang	accounting and auditing	Please refer to "Disclosure of information on the professional qualifications of Directors and independence of Independent Directors" on page 9.
Independent Director	Hsiu-Ming Wang	operational management practices, innovative technology applications	
Independent Director	Yun-Hsiang Hsiao	human rights protection and employee rights safeguards, social participation	
Independent Director	Chi-Tung Ku	legal compliance	

### 2. Duties of the Sustainable Development Committee

The Sustainable Development Committee shall exert the case of a good administrator, faithfully perform the following duties, and submit the recommendations as proposed to the Board for discussion:

- (1) Formulate, promote, and strengthen sustainable development policies, annual plans, and strategies.
- (2) Examine, track, and amend the implementation status and achievements of sustainable development.
- (3) Supervise sustainable information disclosures and review the ESG Report.
- (4) Supervise the business of the Company's Sustainable Development Best Practice Principles or the implementation of other work related to sustainable development resolved by the Board.

### 3. Information on the Operation of the Sustainable Development Committee

- I. The 1st session of the Sustainable Development Committee of the Company has five members.
- II. Term of office of the current members: From October 29, 2024 to the expiry of the term of office of the session of the Board of the appointer. In 2024 and up to the publication date of the annual report, the current Sustainable Development Committee held one meeting, and the member qualifications and attendance are as follows:



Title	Name	Actual attendance	Attendance s by proxy	Actual attendance rate (%)	Remarks
Financial Executive (Convener)	Chien-Chung Hung	1	0	100	Attendance required for 1 meetings
Independent Director	Shih-Ing Huang	1	0	100	Attendance required for 1 meetings
Independent Director	Hsiu-Ming Wang	1	0	100	Attendance required for 1 meetings
Independent Director	Yun-Hsiang Hsiao	1	0	100	Attendance required for 1 meetings
Independent Director	Chi-Tung Ku	1	0	100	Attendance required for 1 meetings
Sustainable Development Committee	Proposal Content and Subsequent Handling		Resolution	Response to the Opinions of Sustainable Development Committee	
1st term 1st meeting October 29, 2024	Elected the first convener and chairman of the Sustainable Development Committee.		Proposal approved by all members of the Committee.	Taken Note.	

(VII) Discrepancies between the implementation of social responsibility status and the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Implementation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
I. Has the Company set up a governance structure for sustainable development, established an exclusively (or concurrently) dedicated unit to implement sustainable development, and have senior executives appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors?	✓		I. To allow the Company to implement corporate social responsibility and facilitate progress in the economy, environment, and society to achieve the target of sustainable development and reinforce sustainable governance, the 3rd meeting of the 10th session of the Board (October 29, 2024) resolved to establish the “ESG Committee” (please refer to Operations of the ESG Committee). The ESG promotion team is established under the ESG Committee to be responsible for promoting, integrating, and implementing sustainability-related businesses and regularly reporting to the Committee of the implementation achievements.	Setup depending on the operation status and scale of the Company
II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operation and establish relevant risk management policies or strategies based on the principle of materiality?		✓	II. Currently, the Group has only established the environmental analysis and risk control procedures to perform the analysis of the Company’s operational environmental internal and external factors, and the identification of risks and opportunities.	Setup depending on the operation status and scale of the Company
III. Environmental issues (I) Has the Company established environmental policies suitable for characteristics of the industry?	✓		(I) The Group does not have any production activity in Taiwan, Nanchang Plant of the Company passed the ISO14001 environmental management system certification, and the validity period is from October 31, 2023 to September 24, 2026. The production activity of oversea subsidiaries in China have passed all the inspections conducted by the environmental agencies and no air, water, waste, poison, noise and other hazardous elements that	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

<p>(II) Is the Company committed to improving the efficiency of the use of resources and using recycled materials which have a low impact on the environment?</p> <p>(III) Does the company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?</p> <p>(IV) Has the Company analyzed the statistics of greenhouse gas emission, water usage and waste total weight over the past years, and has the Company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management?</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>damage the environment are produced. The department that is responsible for the matters related to environmental management regularly reviews on whether the Company complies with related environmental regulations.</p> <p>(II) The Group endeavors to promote the efficient use of available resources. We also sort, recycle, and reduce waste to increase the environmental awareness for protecting the Earth.</p> <p>(III) The Group's air conditioner system has a timer setting, and the subsidiaries overseas set up the operating regulations based on temperature. We also encourage employees to save energy and reduce carbon emissions by turning off lights when leaving and recycling waste.</p> <p>(IV) The Company complies with the document and record preservation requirements of the ISO 14064-1:2018 and its GHG inventory management operation.</p> <p>1. GHG emissions in the most recent two years were as follows:</p> <p>Unit: tCO<sub>2</sub>e</p> <table><tr><td rowspan="2">Scope</td><td>2023</td><td>2024</td></tr><tr><td>Parent company</td><td>Parent company</td></tr><tr><td>Scope1</td><td>12.8761</td><td>12.7592</td></tr><tr><td>Scope2</td><td>127.7429</td><td>124.8781</td></tr><tr><td>Scope3</td><td colspan="2">The GHG inventory of the Company is focused on the information on Scope 1 and Scope 2 at present.</td></tr></table> <p>2. The water consumption in the most recent two years was as follows:</p>	Scope	2023	2024	Parent company	Parent company	Scope1	12.8761	12.7592	Scope2	127.7429	124.8781	Scope3	The GHG inventory of the Company is focused on the information on Scope 1 and Scope 2 at present.		
Scope	2023	2024															
	Parent company	Parent company															
Scope1	12.8761	12.7592															
Scope2	127.7429	124.8781															
Scope3	The GHG inventory of the Company is focused on the information on Scope 1 and Scope 2 at present.																

			Unit: m <sup>3</sup>		
			Item	2023	2024
			Water consumption	0.837048	0.746154
			3. The total weight of waste in the most recent two years was as follows:		
			Unit: ton		
			Item	2023	2024
			General business waste	-	0.0011
			General waste	24.9039	0.0803
			Reduction strategy of the Company:		
			<p>The Company focuses on energy conservation, and the GHG emissions from the Taipei Plant were primarily from electricity.</p> <p>(1) Starting in 2007, we turned off the lights for one hour during the lunch break on a daily basis.</p> <p>(2) In 2013, we complied with the office standard illuminance of approximately 500 to 1,000 Lux and reduced the number of lights.</p> <p>(3) Since 2014, the Company has encouraged employees to adopt carpooling and sharing practices. When two or more employees have similar departure and destination points, carpooling helps reduce fuel consumption equivalent to one car, while also decreasing greenhouse gas emissions and pollution. To further promote low-carbon transportation, starting in 2014, the Company has provided carpool buses for all off-site activities, reducing the use of private vehicles and effectively achieving a substantial reduction in carbon emissions.</p> <p>(4) Since 2015, the Company has gradually replaced lighting fixtures and tubes with LED lights that carry energy-saving labels, opting for certified energy-efficient products. This initiative is part of our ongoing commitment to sustainability and reducing energy consumption.</p>		

			(5) Since 2017, we implemented self-prepared reusable chopsticks in response to environmental protection.	
IV. Social issues (I) Does the Company develop management policies in accordance with relevant regulations and international human rights conventions?	✓		(I) The Company supports and voluntarily complies with the United Nations Universal Declaration of Human Rights, United Nations Global Compact, Conventions of the International Labour Organization, and other international human rights conventions to fulfill corporate social responsibilities and protect the basic human rights of employees, suppliers, and partners. We prohibit all infringements and violations of human rights to ensure that all individuals receive fair and dignified treatment. We comply with labor regulations of the places of operations, establish human rights protection and labor policies, and implement related measures to protect the legal rights of employees. We offer equitable and fair opportunities for employment, remuneration and benefits, training, performance evaluation, and promotions. We also provide effective and suitable complaint mechanisms to prevent and respond to issues that harm employee rights and interests. We organize human rights training to enhance and improve the human rights awareness of employees and stakeholders.	In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave and other welfare etc.), and has the Company appropriately reflected the operation performance or outcome in the remuneration of employees?	✓		(II) The Company has established the work rules and relevant personnel management regulations to specifically regulate the remuneration, working hours, leave, pension payment, labor and health insurance payment, occupational disaster compensation etc. for employees in compliance with the labor law. in addition, the Company also established the Employee Welfare Committee to handle welfare affairs. For basic-level employees within the same job	

<p>(III) Does the Company provide a safe and healthy work environment for its employees? Does the Company regularly provide its employees with safety and health education?</p>	<p>✓</p>	<p>level, the employment packages adopted by the Company are equivalent. In addition, for employees with relevant professions and work experiences, the Company approves their packages based on the educational background, work experience, expertise, and certificates of employees, and there is no difference due to gender or group. Since the establishment of the Company, it had not employed child labor, and there was no labor-capital dispute, corruption, bribery, forced labor, or discrimination; there had been no event involving the infringement of employees' rights. The Company established its "Measures of Prevention of Sexual Harassment at Workplace," prohibited sexual harassment at the workplace, and provided employees and job candidates a work environment free of sexual harassment. It also implemented the "Directions for Prevention and Management of Unlawful Infringement in the Performance of Duties" and "Measures for the Report on Illegal, Immoral, or Unethical Conduct" to provide complaint channels when the rights and interests are harmed or inappropriately disposed of. Female employees account for approximately 46.9% of the employees and 37% of senior executives. The performance bonus system of the Company is linked to the contribution of an individual to the Company and to the overall business operation in order to provide reasonable incentives and rewards.</p> <p>(III) The Group established the "Safety and Health Work Rules" and other regulations and operating procedures. We commission external contractors to implement monthly labor safety and health inspections, biannual drinking water inspection, and annual lighting, fire control, carbon dioxide detection,</p>	
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			<p>fire escape drill and thorough sterilization of the working environment regularly to provide a safe and healthy working environment for employees. We also organize staff health checkups and educational training on labor safety and health every year.</p> <p>The number of occupational accidents in the company in 2024 was 0, the number of employees was 0, and the ratio of occupational accidents to the total number of employees was 0%. Our company regularly holds safety and health on-the-job education training in July every year and provides a safe working environment.</p> <p>The number of fires in the company in 2024 was 0, the number of casualties was 0, and the ratio of casualties to the total number of employees was 0%. Our company routinely inspects and improves fire protection equipment in November every year, and regularly holds fire first aid training courses in the third quarter to enhance colleagues' fire protection knowledge.</p>	
(IV) Has the Company established effective career development training plans for employees?	✓		<p>(IV) The Group organizes supervisor training and courses that help improve their core and professional ability. Related course information is announced on the real time electronic bulletin board for employees to make suitable plans for their career development.</p>	
(V) Has the Company complied with laws and international standards with regards to the customer health and safety of products and services, customer privacy, marketing and labeling of products and services, and has the Company established policies and reporting procedure related to consumer right and benefit protection?	✓		<p>(V) The Group has fully introduced the EU Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS). All of our products comply with the RoHS regulations, ISO14001 and related REACH regulations. Moreover, our suppliers have also established regulations in line with the RoHS and dedicated themselves to promoting corporate social responsibility with us. The Group's website provides information on our products and service, and we have also designated personnel and an email account serving as channels</p>	

(VI) Has the company established supplier management policy, requested suppliers to comply with relevant regulations with regards to the issues of the environmental protection, occupational safety and health or labor rights etc. and the implementation status thereof?	✓		for receiving customer complaints. (VI) All suppliers of the Group follow the corporate social responsibility policies and we request improvement if any supplier creates a significant impact on the environment and society. We request them to improve and to assign the Responsible Business Alliance (RBA) team to perform periodic evaluations of suppliers.	
V. Has the company stipulated standards or guidelines according to internationally accepted reporting standards or guidelines, prepared sustainability report, and other reports for disclosing non-financial information of the Company? Has the Company obtained assurance from a third-party verification unit for the aforementioned reports?		✓	V. The Group prepared its “2024 ESG Report” according to GRI Standards, international report preparation guidelines. It has not yet obtained an assurance or verification opinion from an independent third-party verifier.	Setup depending on the operation status and scale of the Company
VI. If the Company has established sustainable development principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” please describe any discrepancy between the principles and their implementation: None.				
VII. Other information material to the understanding of sustainable development practices: <ol style="list-style-type: none"> <li>1. Environmental protection: The Group has obtained ISO14001 environmental management system certification. Our environment policies are: <ol style="list-style-type: none"> <li>(1) Following and complying with environmental laws and other requirements.</li> <li>(2) Promoting recycling and reuse of resources, and endeavoring to reduce industrial waste to prevent pollution.</li> <li>(3) Reducing the use of hazardous materials, being thorough on pollution control and management, and endeavoring on the design and manufacturing of green products.</li> <li>(4) Preventing accidents and disasters and enhancing disaster prevention drill. Moreover, we take measures such as waste recycling and reduction and conservation of water and electricity to increase the environmental awareness for protecting the Earth.</li> </ol> </li> <li>2. Community participation, society contribution, and social service and welfare: In 2024, the Group donated and sponsored the Epoch Foundation, Entrepreneurs' Organization and National Intercollegiate Athletic Games of CJCUC.</li> <li>3. Consumers' rights: We have designated personnel to provide product consulting and assistance for each customer to maintain a stable and positive relationship with the customers.</li> <li>4. Human rights: We established the “Measures of Prevention, Correction and Punishment of Sexual Harassment” to defend gender equality and human dignity, and reported it to the competent authority for reference.</li> <li>5. Safety and health: The Group established the “Safety and Health Work Rules” and other regulations and operating procedures. We commission external contractors to implement monthly labor safety and health inspections, biannual drinking water inspection, and annual lighting, fire control and carbon dioxide detection, and thorough sterilization of the working environment regularly to provide a safe and healthy working environment for employees. We also organize staff health checkups and educational training on labor safety and health every year.</li> </ol>				



## (VIII)TWSE (TPEX) Listed Company Climate-related Information

### (1) Implementation status of climate-related information

Item	Implementation status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board and the management.	"The Company's Board of Directors and management place a high priority on climate-related risks and opportunities. We are committed to actively promoting relevant policies and actions at both the oversight and governance levels. This includes regularly reviewing the impact of climate risks and opportunities on the Company's short-, medium-, and long-term strategies, and overseeing the management's implementation of corresponding mitigation measures to ensure sustainable operations and fulfill our social responsibilities.
2. Describe the effects of climate risks and opportunities identified on the Company's business, strategy, and finance (short-, mid-, and long-term).	
3. Describe the impact of extreme weather events and transformation actions on finance.	
4. Describe the incorporation method of the identification, evaluation, and management procedures of climate risks in the overall risk management system.	
5. If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors used, and major financial impacts shall be specified.	The Company is committed to the effective use of energy within our controlled areas, and conducts an annual greenhouse gas inventory, setting reduction targets to demonstrate our commitment to addressing the potential impacts of GHG emissions on global warming and the environment.  To achieve the goal of sustainable operations, the Company will continue to uphold its corporate social responsibility and meet the environmental regulatory requirements of customers and governments. We will rigorously implement our carbon reduction policy and offer ongoing training programs for our employees to ensure they understand and actively engage in supporting these initiatives.  The Company has carried out greenhouse gas inventory operations for the years 2022 to 2024 in line with the planned schedule:
6. If there is a transformation plan in response to the management of climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical risks and transformation risks shall be specified.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be specified.	
8. If climate-related goals are set, the activities covered, the scope of GHG emissions, the planned period, and the progress of each year shall specified; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of RECs used for exchange shall be specified.	
9. GHG inventory and assurance status, as well as reduction targets, strategies, and substantial action plans (otherwise indicated in 1-1 and 1-2).	Greenhouse gas emissions accounting has been completed on schedule.  The GHG inventory and report have been finalized.  Current operations are focused on preparing the internal verification plan."

## 1-1 The Company's GHG inventory and assurance status in the most recent two years

1-1-1 GHG inventory information The GHG emissions in the most recent two years were as follows:

Unit: tCO<sub>2</sub>e

Scope	2023		2024	
	Parent company		Parent company	
	Total emissions	Intensity (Note 1)	Total emissions	Intensity (Note 1)
Scope 1	12.8761	0.0042	12.7592	0.0030
Scope 2	127.7429	0.0418	124.8781	0.0297
Scope 3	The GHG inventory of the Company is focused on the information on Scope 1 and Scope 2 at present.			

Note 1: The calculation of GHG emissions intensity is based on the data calculated at total emissions/turnover (NT\$ million).

1-1-2 Information on GHG assurance : None.

## 1-2 GHG reduction targets, strategies, and substantial action plans

The Company adopted 2023 as the base year for inventory and carried out the inventory based on the ISO14064-1 : 2018 for the first year. The Company adheres to the philosophy of sustainable operation and continues to improve. To effectively use resources and duly fulfill corporate social responsibility, its GHG emissions were primarily from indirect emissions from energy for the year of inventory.

The Company focuses on energy conservation and promotes the following energy-saving and carbon reduction strategies and substantial action plans for GHG reduction. The estimated reduction target is 10%, and it has achieved a reduction of 3% at present.

Reduction strategy of the Company:

The Company focuses on energy conservation, and the GHG emissions from the Taipei Plant were primarily from electricity.

- (1) Starting in 2007, we turned off the lights for one hour during the lunch break on a daily basis.
- (2) In 2013, we complied with the office standard illuminance of approximately 500 to 1,000 Lux and reduced the number of lights.
- (3) Since 2014, the Company has encouraged employees to adopt carpooling and sharing practices. When two or more employees have similar departure and destination points, carpooling helps reduce fuel consumption equivalent to one car, while also decreasing greenhouse gas emissions and pollution. To further promote low-carbon transportation, starting in 2014, the Company has provided carpool buses for all off-site activities, reducing the use of private vehicles and effectively achieving a substantial reduction in carbon emissions.
- (4) Since 2015, the Company has gradually replaced lighting fixtures and tubes with LED lights that carry energy-saving labels, opting for certified energy-efficient products. This initiative is part of our ongoing commitment to sustainability and reducing energy consumption.
- (5) Since 2017, we implemented self-prepared reusable chopsticks in response to environmental protection.

(IX) Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
<p>I. Enactment of ethical management policy and program</p> <p>(I) Has the Company established ethical management policies approved by the board of directors’ meeting and stated in its memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the Board of Directors and the management committed in fulfilling this commitment?</p> <p>(II) Has the Company established assessment mechanism for unethical conduct risk, performed periodic analysis and assessed operating activities of relatively higher unethical conduct risk in the scope of business, and has established unethical conduct solution accordingly, and at least covering the preventive measures for the conducts described in each subparagraph of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”</p> <p>(III) Has the Company established any operational procedures, behavioral guidelines, disciplinary actions and complaint systems in the plan for preventing unethical conducts, and is such plan implemented properly? In addition, is the aforementioned plan reviewed periodically before amendment?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Group has resolved at 19th meeting of the 8th Board of Directors to establish the “Corporate Ethical Management Best-Practice Principles” and disclosed the same on the MOPS and the Company’s website.</p> <p>(II) The Group has established the “Work Rules” and a series of ethical systems requiring that employees shall not accept money or financial gift from customers or suppliers, and any employee violating the Rules under the circumstance deemed material, the Company may discharge the employee without prior notice and the employee should indemnify the Company against the loss therefor.</p> <p>(III) The Group’s “Work Rules,” “Business Secrets Management regulations,” and “Reward &amp; Punishment Rules” have defined the policy against unethical conduct. The Company’s overseas subsidiaries</p>	<p>In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>

			also established the same and performed employees' educational training and promotion periodically to enable the employees to understand the Company's determination, policy and preventive program for ethical management, and the consequence of unethical conduct.	
<p>II. Implementation of ethical management</p> <p>(I) Has the Company assessed a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?</p> <p>(II) Has the Company established a dedicated unit for promoting the corporate ethical management under the Board of Directors and reporting its ethical management policy and plan for preventing unethical conducts as well as the supervision of implementation status to the Board of Directors periodically (at least once annually)?</p> <p>(III) Has the Company established policies to prevent conflicts of interests, provided adequate communication channels, and implemented such policies and communication channels?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Group regularly checks the financial and credit positions of the customers to avoid trading with anyone with unethical conduct record, and also set forth the ethical conduct-related provisions in its business contracts.</p> <p>(II) The Group appointed its Auditing Office to act as the unit dedicated to promoting ethical corporate management, which shall be responsible for reporting the status thereof to the Board of Directors periodically, and also urged its HR Section to handle the amendments, execution, interpretation and advice about ethical management rules.</p> <p>(III) The employment agreement between the Group and its employees included non-competition provisions. The overseas subsidiaries also set up the conflict of interest reporting</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

			<p>system under which the employees may declare the conflict of interest independently.</p> <p>Meanwhile, the Directors recuse themselves from any motions proposed at a board meeting if they have a conflict with their own interest or the interest of the juristic persons they represent pursuant to laws for preventing conflicts of interest.</p> <p>The Group also set up the mailbox for workers and the “employee complaint management system” to provide the employees with appropriate channels to state their opinions.</p>	
<p>(IV) Has the Company implemented effective accounting system and internal control system for the purpose of maintaining ethical operation? Has the internal audit unit established relevant audit plan according to the assessment result of unethical conduct risk and audit the status of compliance with the prevention against unethical conduct plan, or entrust CPA to perform audit?</p>	✓		<p>(IV) In order to ensure the fulfillment of ethical management, the Group established an effective accounting system and internal control system, and had its internal audit officers audit the compliance with the accounting system and internal control system periodically, and report the status thereof to the Board of Directors on a quarterly basis.</p>	
<p>(V) Has the Company organized internal/external education training program for ethical management periodically?</p>	✓		<p>(V) The Group organizes relevant programs periodically to help employees understand the ideas and regulations regarding ethical corporate management.</p>	

<p>III. Status of the Company's complaint system</p> <p>(I) Has the Company defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?</p>	✓		<p>(I) The Group has established the "Operating Procedure for Handling the Complaints Against Illegal and Unethical or Dishonest Conduct". We also set up the complaint mailbox and hotline, delegated the dedicated personnel by different issues, and had its HR unit render reward or punishment based on the investigation results.</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
<p>(II) Has the Company established any investigation standard operation procedures for accepting reported misconducts, subsequent measures and relevant confidentiality measures required to be performed after the completion of the investigation?</p>	✓		<p>(II) The Group maintains the confidentiality of all complaints, and specifies the non-disclosure obligation in the non-disclosure agreement signed with employees.</p>	
<p>(III) Has the Company adopted any measures to prevent the complainants from abuse after filing complaints?</p>	✓		<p>(III) The Company adopted strict measures to maintain the confidentiality of the complainant's information and prevent the complainant from abuse or unfair treatment.</p>	
<p>IV. Enhancing information disclosure</p> <p>(I) Has the Company has disclosed the Ethical Management Principles it established and the effect of implementation thereof on its website and Market Observation Post System?</p>	✓		<p>The Group set up its official website to disclose the Group's business overview, product information, and financial information. The Company's information is promptly and publicly disclosed on the MOPS for the Company to engage in business activities in a fair and transparent manner.</p>	<p>The Company shall process the disclosure based on actual needs or regulatory requirements.</p>
<p>V. If the Company has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and their implementation: None.</p>				

VI. Other information material to the understanding of ethical management operation (e.g., discussion of an amendment to the ethical management best practice principles defined by the Company):

The Group assigns Directors and Supervisors to attend training programs related to ethical management and corporate governance, and the competitive actions which the Directors Supervisors and managerial personnel were engaged in were already reported to and approved by shareholders' meetings and Board of Directors meetings.

(X) Other information enabling better understanding of the Company's corporate governance: Please visit the Company's website at [www.csi-sensor.com.tw](http://www.csi-sensor.com.tw), and the MOPS at [mops.twse.com.tw](http://mops.twse.com.tw).

(XI) Operation Status of the Internal Control System

1. Statement on Internal Control System

**Creative Sensor Inc.**  
**Statement on Internal Control System**

Date: Febaury 10, 2025

We make the following statement based on the result of the self-inspection of the internal control system in 2024:

- I. We acknowledge that the Board of Directors and managers are responsible for the establishment, operation and maintenance of the internal control system. We have established such a system to provide reasonable assurance for achievement of the objectives concerning the effectiveness and efficiency of operations (including profits, performance and protection of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
- II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance for the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may vary as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.
- III. We judge the design and operation of the internal control system for their effectiveness with reference to the items to be judged for the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The internal control systems are divided into the following five constituent elements in the management control process in terms of the items to be judged pursuant to the "Regulations": 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element contains a number of items. Refer to the provisions of the above-mentioned "Regulations.
- IV. We have adopted the judgment items of the internal control system to assess its design and operation for their effectiveness.
- V. Based on the results of the above-mentioned assessment, we confirm that our internal control system on December 31, 2024 (including monitoring and management of subsidiaries) was effective in terms of its design and operation with respect to understanding the effectiveness and efficiency of operations, the reliability, timeliness, transparency, and regulatory compliance of

reporting, and the compliance with applicable laws, regulations, and bylaws in order to reasonably ensure that these objectives are achieved.

VI. The Statement will be the major part of our annual reports and prospectuses, and will be open to the public. If there is any misrepresentation, nondisclosure or other illegality in the contents open to the public referred to above, legal responsibility specified in Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall apply.

VII. The Statement was approved at the Board of Directors' meeting on February 27, 2025. None of the 7 Directors present at the meeting expressed any dissent and all of them approve the contents of the Statement as stated herein.

Creative Sensor Inc.

Chairman: Yu-Jen Huang

President: Yao-Ming Wei

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

## (XII) Major Resolutions Made by Shareholders' Meetings and Board Meetings in 2024 and Up to the Printing Date of Annual Report

1. Important resolutions made by the general shareholders' meeting and execution thereof

Date	Resolution	Implementation Status
May 31, 2024	Acknowledged 2023 business report and financial statement.	Proposal recognized as proposed according to the voting result.
	Acknowledged 2023 earnings appropriation	1. Proposal recognized as proposed according to the voting result. 2. The cash dividend to be allocated was NTD 1.1 per share. The ex-dividend date was set as July 13, 2024, and the cash dividend to be allocated on July 31 2024.
	Approved the proposal for amendment to the "Articles of Incorporation" of the Company	Proposal approved as proposed according to the voting result.
	Approved the Cash Capital Reduction	Proposal approved as proposed according to the voting result.
	Election of 10th Term of Directors (including Independent Directors) of the Company.	There are a total of seven Directors (including four Independent Directors) of the 10th session. The Administration of Commerce, MOEA, approved the alteration registration of new Directors on June 26, 2024.
	Proposal on removal of non-compete restriction for new directors.	Proposal approved as proposed according to the voting result.

2. Major Resolutions Made by the Board of Directors in 2024 and Up to the Printing Date of Annual Report



<b>Date</b>	<b>Important Resolutions</b>	<b>Dissent and qualified opinion by Independent Directors</b>
9th Board of Directors 30th meeting (January 25, 2024)	None.	No comment
9th Board of Directors 31st meeting (February 29, 2024)	<ol style="list-style-type: none"> <li>1. Approved the Company's 2023 business report and financial statements.</li> <li>2. Approved the Company's 2023 "Statement on Internal Control System."</li> <li>3. Approved the election of the Company's 10<sup>th</sup> session of Directors (including Independent Directors).</li> <li>4. Approved the organization of the 2024 annual shareholders' meeting.</li> <li>5. Approved the Company's capital reduction in cash.</li> </ol>	No comment No comment No comment No comment No comment
9th Board of Directors 32nd meeting (March 13, 2024)	<ol style="list-style-type: none"> <li>1. Approved the Company's 2023 remuneration distribution proposal for Directors and employees.</li> <li>2. Approved the Company's cash dividend distribution from earnings for 2023.</li> <li>3. Approved the Company's 2023 table of earning distribution.</li> <li>4. Approved the Company's buyback of shares for transfer to employees.</li> <li>5. Approved the amendment to the Company's "Articles of Incorporation."</li> <li>6. Approved the addition of the reasons for convening the 2024 annual shareholders' meeting.</li> </ol>	No comment No comment No comment No comment No comment No comment
9th Board of Directors 33rd meeting (April 16, 2024)	<ol style="list-style-type: none"> <li>1. Approved the Director (including Independent Director) candidates nominated by the Board.</li> <li>2. Approved the list of Director (including Independent Director) candidates reviewed by the Company.</li> <li>3. Approved the proposal to remove the non-compete clause for the new Directors.</li> </ol>	No comment No comment No comment
9th Board of Directors 34th meeting (May 9, 2024)	Approved the Q1 2024 consolidated financial statements.	No comment
10th Board of Directors 1st meeting (May 31, 2024)	Approved the election of the 10th Chairman of the Board.	No comment
10th Board of Directors 2nd meeting (August 5, 2024)	<ol style="list-style-type: none"> <li>1. Approved the Q2 2024 consolidated financial statements.</li> <li>2. Approved the Member of the 6th Remuneration Committee of the Company.</li> <li>3. Approved the Company's chief auditor personnel proposal.</li> </ol>	No comment No comment No comment
10th Board of Directors 3rd meeting	<ol style="list-style-type: none"> <li>1. Approved the Q3 2024 consolidated financial statements.</li> <li>2. Approved the newly formulated "Rules of Sustainable Development Committee."</li> </ol>	No comment

(October 29, 2024)	3. Approved the Member of the 1st Sustainable Development Committee of the Company °	No comment
	4. Approved the appoint our manager	No comment
	5. Approved the proposal to remove the non-compete clause for the manager.	No comment
		No comment
10th Board of Directors 4th meeting  (December 17, 2024)	1. Approved the Company's budgets for 2025.	No comment
	2. Approved the Company's 2025 bank financing contract.	No comment
	3. Approved the independence and adequacy evaluations of the Company's CPAs.	No comment
	4. Approved the newly formulated "Sustainable Information Management" internal control system	No comment
	5. Approved the 2025 audit plan.	No comment
10th Board of Directors 5th meeting (February 27, 2025)	1. Approved the Company's 2024 business report and financial statements.	No comment
	2. Approved the Company's 2024 remuneration distribution proposal for Directors and employees.	No comment
	3. Approved the Company's 2024 earnings distribution.	No comment
	4. Approved the Company's 2024 earnings distribution.	No comment
	5. Approved the Company's 2024 "Statement on Internal Control System".	No comment
	6. Approved the Company's buyback of shares for transfer to employees.	No comment
	7. Approved the amendment to the Company's "Articles of Incorporation."	No comment
	8. Approved the members of Compensation Committee.	No comment
	9. Approved the public issuance and listing of private placement ordinary shares	No comment
	10. Approved the Conducting a private placement of common shares.	No comment
	11. Approved the proposal for the Company's appointment of the CPA firm for 2025 and its remuneration.	No comment
	12. Approved the organization of the 2025 annual shareholders' meeting.	No comment

(XIII) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the board meetings in 2024 and up to the printing date of the annual report: None.

#### IV. Information of Independent Auditors Fee

Unit: NTD thousands

Accounting Firm Name	CPA Name	CPA Audit Period	Audit Fees	Non-Audit Fees	Total	Remarks
Pricewaterhouse Coopers Certified Public Accountants	Po-Chuan Lin	January 1, 2024 to December 31, 2024	3,320	50	3,370	Non-audit fees refer to the salary information review table
	Chun-Yao Lin	January 1, 2024 to December 31, 2024				
Pricewaterhouse Coopers Certified Public Accountants	Yen-Tan Tsai	January 1, 2024 to December 31, 2024	0	695	695	Other non-audit fees refer to business income tax audit and certification
KPMG Taiwan	Cai-Huang, Chen	January 1, 2024 to December 31, 2024	0	572	572	Other non-audit fees mainly refer to transfer pricing and Group master file report
	Wei-Sin, Chang	January 1, 2024 to December 31, 2024				

Note: Where any CPA or accounting firm was changed in the current year, the audit period shall be enumerated for each CPA or accounting firm. Reasons for the change shall be indicated in the Remarks column and the information on the payment of the audit and non-audit fees shall be disclosed in sequence. Non-audit fees shall be enumerated by service items.

(I) Replacement of independent auditing firm and reduction in audit fees paid during the year of replacement compared with the previous year: No such occurrences.

(II) The amount of the audit fees is reduced by more than 10% from the previous year: No such occurrences.

#### V. Information on Change of CPAs: None.

VI. The Auditing Firm or Its Affiliates at Which the Company's Chairman, General Managers, or Managers Responsible for Financial or Accounting Matters Was an Employee over the Past Year, His/Her Name, Position and Employment Period Shall Be Disclosed: No such occurrences.

VII. Change of Shares Transferred and Pledged for Directors, Managers and any Shareholder Who Holds More Than 10% of the Company's Shares During the Most Recent Year Until the Date on Which the Annual Report was Printed.

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

Unit: shares

Title	Name	2024		2025 as of March 22	
		Number of shares held Increase (decrease)	Increase (decrease) in shares pledged Increase (decrease)	Number of shares held Increase (decrease)	Increase (decrease) in shares pledged Increase (decrease)
Major shareholder / Director	TECO Image Systems Co., Ltd.	(2,890,626)	-	-	-
Director	TECO Image Systems Co., Ltd. representative: Yu-Jen Huang	105,000	-	-	-
Director	TECO Image Systems Co., Ltd. representative: Chi-Chang Yang (Note 1)	(54,373)	-	-	-
Major shareholder / Director	Universal Cement Corporation Representative	(1,315,800)	-	-	-
Director	Universal Cement Corporation representative: Chih-Sheng Hou(Note 2)	-	-	-	-
Director	Koryo Electronics Co., Ltd.	(570,100)	-	-	-
Director	Koryo Electronics Co., Ltd. representative: Jian-Long Chen (Note 3)	-	-	-	-
Director	Koryo Electronics Co., Ltd. representative: En-Hsin Hsiao (Note 4)	-	-	-	-
Director	Koryo Electronics Co., Ltd. representative: Chih-Sheng Hou (Note 2)	-	-	-	-
Director	Koryo Electronics Co., Ltd. representative: Mu-Yao Ku(Note 5)	-	-	-	-
Independent Director	Hsiu-Ming Wang	-	-	-	-
Independent Director	Shih-Ing Huang	-	-	-	-
Independent Director	Yun-Hsiang Hsiao	-	-	-	-
Independent Director	Chi-Tung Ku(note 6)	-	-	-	-
President	Yao-Ming Wei (note 7)	-	-	-	-

Acting President	Chi-Chang Yang (note 1)	(54,373)	-	-	-
Chief Strategist	Yu-Jen Huang	105,000	-	-	-
Vice President	Hsien-Fu Hsiao (Note 8)	-	-	-	-
Assistant Vice President	Shao-Yang Wu (note 9)	50,000	-	-	-
Senior Manager	Chien-Chung Hung	42,000	-	-	-
Manager	Chi-Ping Lin	17,000	-	-	-
Corporate Governance Officer	Chiao-Pei Mai	(6,000)	-	-	-

Note 1: Chi-Chang Yang was removed on October 29, 2024, resigned on November 30, 2024.

Note 2: Chih-Sheng Hou was newly elected as an director of the Company at the Annual Shareholders' Meeting on May 31, 2024.

Note 3: Jian-Long Chen was newly elected as an director of the Company at the Annual Shareholders' Meeting on May 31, 2024; stepped down on December 4, 2024 and Koryo Electronics Co., Ltd. has reassigned its representative director.

Note 4: En-Hsin Hsiao was newly elected as an independent director of the company at the Annual General Meeting on July 9, 2021, and resigned from his position on June 24, 2022. On December 4, 2024, Koryo Electronics Co., Ltd. appointed En-Hsin Hsiao as their representative director.

Note 5: Mu-Yao Ku stepped down after the Annual Shareholders' Meeting on May 31, 2024.

Note 6: Chi-Tung Ku was newly elected as an independent director of the Company at the Annual Shareholders' Meeting on May 31, 2024.

Note 7: Yao-Ming Wei was appointed on October 29, 2024.

Note 8: Hsien-Fu Hsiao resigned on March 27, 2024.

Note 9: Shao-Yang Wu resigned on July 19, 2024.

2. Information on transfer of equity from a director, supervisor, manager and major shareholder to a related party: None.
3. Information on pledge of equity created by a director, supervisor, manager and major shareholder for a related party: None.

VIII. Relationship Information, if Any of the Top 10 Shareholders is a Related Party, or is the Spouse or a Relative Within the Second Degree of Kinship with Another

March 22, 2025

Unit:shares; %

NAME (NOTE 1)	SHAREHOLDINGS BY THE SHAREHOLDER		SPOUSE & MINOR SHAREHOLDING		SHARES HELD IN THE NAME OF OTHER PERSONS		DISCLOSURE OF INFORMATION ON RELATED PARTIES OR SPOUSE RELATIONSHIP OR RELATIONS WITHIN THE SECOND DEGREE OF KINSHIP, AMONG TOP TEN SHAREHOLDERS, INCLUDING THEIR NAMES AND RELATIONSHIPS		REMARKS
	NUMBER OF SHARES	SHAREHOL DING RATIO	NUMBER OF SHARES	SHAREHOLDING RATIO	NUMBER OF SHARES	SHAREHOLDING RATIO	NAME (OR INDIVIDUAL NAME)	RELATIONSHIP	
TECO IMAGE SYSTEMS CO., LTD. REPRESENT ATIVE: YU-JEN HUANG	26,015,634	19.39%	0	0	0	0	CREATIVE SENSOR INC.	1. CHAIRMAN ARE THE SAME PERSON 2. IS A DIRECTOR OF TECO IMAGE SYSTEMS CO., LTD.	NONE
Universal Cement Corp. REPRESENT ATIVE: BO-JHIH INVESTMEN T CO., LTD	11,842,200	8.83%	0	0	0	0	NONE	NONE	NONE
TIEN DA INVESTMEN T CO., LTD. REPRESENT ATIVE: CHIEN-KUO YANG	11,105,515	8.28%	0	0	0	0	KORYO ELECTRONICS CO., LTD.	IS A DIRECTOR OF TIEN DA INVESTMENT CO., LTD.	NONE

UNIVERSAL CEMENT INVESTMENT CO., LTD. REPRESENTATIVE: PO-I HOU	8,100,000	6.04%	0	0	0	0	UNIVERSAL CEMENT CORPORATION	IS A DIRECTOR AND SUPERVISOR OF UNIVERSAL CEMENT INVESTMENT CO., LTD.	NONE
KORYO ELECTRONICS CO., LTD. REPRESENTATIVE: SHUN-JUNG LIAO	5,130,900	3.82%	0	0	0	0	TECO IMAGE SYSTEMS CO., LTD.	IS A DIRECTOR OF KORYO ELECTRONICS CO., LTD.	NONE
							CREATIVE SENSOR INC.	IS A DIRECTOR OF KORYO ELECTRONICS CO., LTD.	
CREATIVE SENSOR INC. REPRESENTATIVE: YU-JEN HUANG	4,528,800	3.38%	0	0	0	0	TECO IMAGE SYSTEMS CO., LTD.	1. CHAIRMAN OF TECO IMAGE SYSTEMS CO., LTD. ARE THE SAME PERSON 2. IS A DIRECTOR OF CREATIVE SENSOR INC.	NONE
							KORYO ELECTRONICS CO., LTD.	IS A DIRECTOR OF CREATIVE SENSOR INC.	
							Universal Cement Corp.	IS A DIRECTOR OF CREATIVE SENSOR INC.	
Gao-Huang, Lin	2,090,000	1.56%	0	0	0	0	NONE	NONE	NONE
A-Jhong, Hou	1,732,000	1.29%	0	0	0	0	NONE	NONE	NONE
Han-Guei, Lai	1,000,000	0.75%	0	0	0	0	NONE	NONE	NONE
Rong-Huang, Liou	770,000	0.57%	0	0	0	0	NONE	NONE	NONE

Note 1: Specify the ten largest shareholders in whole, and the names of shareholders and their representatives separately in the case of institutional shareholders.

Note 2: The shareholding refers to the shareholding of the person and his/her spouse, minors, or held by the person under others' names.

IX. The Total Number of Shares and Total Equity Stake Held in the Same Investee by the Company, Its Directors and Managerial Personnel, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2024 / Unit: thousand shares

Investee	Investment by the Company		Investment by Directors, and Managerial Personnel or by directly or indirectly controlled enterprises		Total investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Creative Sensor Inc. (BVI)	15,415	100%	0	0	15,415	100%
Creative Sensor (USA) Co.	100	100%	0	0	100	100%
Creative Sensor Co., Ltd. (Hong Kong)	0	0	15,501	100%	15,501	100%
Wuxi Creative Sensor Technology Co., Ltd.	0	0	Investment certificate	100%	Investment certificate	100%
NanChang Creative Sensor Technology Co., Ltd.	0	0	Investment certificate	100%	Investment certificate	100%
TECO Image Systems Co., Ltd.	33,408	29.69%	12,799	11.38%	46,207	41.07%
Tien Da Investment Co., Ltd.	21,340	29.85%	0	0	21,340	29.85%

Note: Investments accounted for using the equity method



### Three. Fundraising Status

#### I. Corporate Capital and Shares

##### (I) Equity capital sources

March 22, 2025

Unit: NTD thousands; thousand shares

Year/ Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Equity capital sources	Offset against the equity capital by property other than cash	Others
June 1998	10.0	4,000	40,000	1,000	10,000	Incorporation	None	—
May 1999	10.0	6,000	60,000	6,000	60,000	Capital increase in cash by NTD 50,000 thousand	None	—
June 2000	12.5	72,000	720,000	36,000	360,000	Capital increase in cash by NTD 300,000 thousand	None	Note 1
June 2002	12.5	72,000	720,000	50,000	500,000	Capital increase in cash by NTD 140,000 thousand	None	Note 2
November 2002	18.0	72,000	720,000	70,000	700,000	Capital increase in cash by NTD 200,000 thousand	None	Note 3
July 2004	10.0	112,900	1,129,000	78,239	782,390	Recapitalized from earnings by NTD 82,390 thousand	None	Note 4
June 2005	10.0	112,900	1,129,000	87,331	873,316	Recapitalized from earnings by NTD 90,926 thousand	None	Note 5
November 2005	43.0	112,900	1,129,000	98,968	989,686	Capital increase in cash by NTD 116,370 thousand	None	Note 6
March 2006	55.8	112,900	1,129,000	99,821	998,216	Conversion of domestic unsecured convertible corporate bonds into common stock totaling 853,030 shares	None	—

August 2006	10.0	160,000	1,600,000	123,027	1,230,277	Recapitalized from earnings by NTD 232,060 thousand	None	Note 7
January 2007	36.23	160,000	1,600,000	123,560	1,235,603	Conversion of domestic unsecured convertible corporate bonds into common stock totaling 532,690 shares	None	—
April 2007	36.23	160,000	1,600,000	126,663	1,266,627	Conversion of domestic unsecured convertible corporate bonds into common stock totaling 3,102,351 shares	None	—
July 2007	36.23	160,000	1,600,000	126,682	1,266,820	Conversion of domestic unsecured convertible corporate bonds into common stock totaling 19,320 shares	None	—
August 2008	10.0	160,000	1,600,000	130,000	1,300,000	Recapitalized from earnings by NTD 33,180 thousand	None	Note 8
February 2009	10.0	160,000	1,600,000	127,000	1,270,000	Annulment of treasury stock by NTD 30,000 thousand	None	Note 9
April 2010	30.1	160,000	1,600,000	127,035	1,270,350	Conversion of employee stock warrant to common stock totaling 35,000 shares	None	—
April 2011	28.94	160,000	1,600,000	127,055	1,270,550	Conversion of employee stock warrant to common stock totaling 20,000 shares	None	—

July 2020	10.0	250,000	2,500,000	127,055	1,270,550	Increase of authorized capital of 90,000,000 shares	None	Note 10
November 2021	23.49	250,000	2,500,000	149,055	1,490,550	Cash capital increase through private placement of 22,000,000 shares	None	—
September 2024	10.0	250,000	2,500,000	134,149.5	1,341,495	Cash capital reduction of NT\$149,055 thousand.	None	Note 11

Note 1: Approval letter for issuance of new shares upon capital increase: Letter by Securities and Futures Commission, Ministry of Finance under (2000) Tai-Tsai-Cheng (1) No. 520523 dated June 23, 2000.

Note 2: Approval letter for issuance of new shares upon capital increase: Letter by Securities and Futures Commission, Ministry of Finance under (2002) Tai-Tsai-Cheng (1) No. 111551 dated March 25, 2002.

Note 3: Approval letter for issuance of new shares upon capital increase: Letter by Securities and Futures Commission, Ministry of Finance under (2002) Tai-Tsai-Cheng (1) No. 0910161006 dated November 14, 2002.

Note 4: Approval letter for issuance of new shares upon recapitalization from earnings: Letter by Securities and Futures Commission, Ministry of Finance under (2004) Tai-Tsai-Cheng (1) No. 0930127004 dated June 17, 2004.

Note 5: Approval letter for issuance of new shares upon recapitalization from earnings: Letter by Financial Supervisory Commission, Executive Yuan under Chin-Kuan-Cheng-Yi No. 0940122245 dated June 2, 2005.

Note 6: Approval letter for issuance of new shares upon capital increase: Letter by Financial Supervisory Commission, Executive Yuan under Chin-Kuan-Cheng-Yi No. 0940149562 dated November 25, 2005.

Note 7: Approval letter for issuance of new shares upon recapitalization from earnings: Letter by Financial Supervisory Commission, Executive Yuan under Chin-Kuan-Cheng-Yi-Zi No. 0950127763 dated June 30, 2006.

Note 8: Approval letter for issuance of new shares upon recapitalization from earnings: Letter by Financial Supervisory Commission, Executive Yuan under Chin-Kuan-Cheng-Yi-Zi No. 0970033055 dated July 2, 2008.

Note 9: Approval letter for annulment of treasury stock: Letter by Financial Supervisory Commission, Executive Yuan under Chin-Kuan-Cheng-Yi-Zi No. 0970069736 dated December 19, 2008.

Note 10: Approval No. for the increase of authorized capital: Letter Jing-Shou-Shang-Zi No. 11001197750 dated November 1, 2021.

Note 11 : Approval for the cash capital reduction is documented under Approval No. 1130906, with the corresponding Commercial Letter No. 11330160790 issued by the Ministry of Economic Affairs.

March 22, 2025

Unit: shares

Types of shares	Authorized capital stock			Remarks
	Outstanding shares (Note 1)	Unissued Shares (Note 2)	Total	
Common stock	114,349,500	115,850,500	250,000,000	Listed stocks
	19,800,000			Private placement of stocks

Note 1: Listed stocks.

Note 2: Unissued shares include the reserve for convertible corporate bonds.

Note 3: Information about offering and issuance of securities by shelf registration: Not applicable.

(II) Name list of major shareholders: Ten largest shareholders

March 22, 2025

Major shareholder	Shares	Number of shares held	Shareholding ratio
TECO Image Systems Co., Ltd.		26,015,634	19.39%
Universal Cement Corporation		11,842,200	8.83%
Tien Da Investment Co., Ltd.		11,105,515	8.28%
Universal Cement Investment Co., Ltd.		8,100,000	6.04%
Koryo Electronics Co., Ltd.		5,130,900	3.82%
Creative Sensor Inc.		4,528,800	3.38%
Gao-Huang, Lin		2,090,000	1.56%
A-Jhong, Hou		1,732,000	1.29%
Han-Guei, Lai		1,000,000	0.75%
Rong-Huang, Liou		770,000	0.57%

(III) Dividend Policy and execution thereof

1. The stock dividend policy defined under the Articles of Incorporation:

Earnings concluded at the end of a year shall be allocated in the priority listed below:

I. Payment of tax.

II. Covering of loss.

III. 10% provision for statutory reserve, unless the balance of statutory reserve has accumulated to the same amount as the Company's paid-up capital.

IV. Provision or reversal of special reserve according to the authority's rules.

V. If there is a remaining balance after deducting the amount specified in Subparagraphs 1 to 4, the Company authorizes the Board of Directors to distribute all or part of the distributable dividends or bonuses in cash with a resolution by a majority in a meeting attended by two-thirds of the Directors, and report to the shareholders' meeting.

The Company operates in a growing industry. Given the likelihood of future factory expansion and investment plans, the Company shall distribute no more than 80% of its earnings as dividends. Cash dividends shall comprise no lesser than 5% and no more than 50% of total dividends each year.

2. The Board of Directors of the Company passed a resolution in the board meeting on February 27, 2025 to distribute cash dividends of NTD 2.10 per share. It shall distribute the cash dividends in accordance with operating procedures after the ex-dividend date is set.

(IV) Effect of the allocation of stock dividends proposed at the shareholders' meeting to the Company's business performance and earnings per share: Not applicable.

(V) Remuneration to employees and Directors:

1. Percentage or scope of the remuneration to employees and Directors referred to in the Articles of Incorporation:

Profits concluded by the Company in a financial year are subject to employee remuneration of 5% to 15%, and director remuneration of no more than 5%. In addition, according to the "Regulations for Issuance of Remuneration of Directors," the evaluation items specified in these Regulations include: participation level in the Company's operation, contribution value and level of responsibility fulfillment, and the remuneration is issued based on the determination of the domestic and external standards. In addition, the Company also timely review the director remuneration system depending upon the actual operation condition and relevant laws at all times. When the Company has accumulated losses from the previous year, if there is a profit in the current year, it is necessary to make up the losses first before the profit is appropriated as the remuneration of employees as well as the remuneration of directors. Appropriation may then be made according to the percentages specified.

2. The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The discrepancy between the actual distributed amount and the estimated figure, if any, will be treated as the changes in accounting estimates and stated as the income of 2025.
3. The motion for allocation of remuneration passed by the Board of Directors:

(1) The remuneration to employees and Directors in cash or in the form of stock. If there is any discrepancy between the amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The Company's Board of Directors approved the 2024 allocation of remuneration to Directors and employees in a resolution on February 27, 2025. As a result, the remuneration to be allocated to Directors totaled NTD 15,227,003, and the remuneration to employees totaled NTD 45,681,006. All remuneration shall be allocated in cash and are expected to be reported at the shareholders' meeting on May 20, 2025.

(2) The amount of remuneration to any employee allocated in the form of stock, and the size of that amount as a percentage of the sum of the net income after tax stated in the individual or separate financial reports for the current period and total employee remuneration: No stock dividend was allocated.

4. The actual allocation of remuneration to employees and directors for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual allocation and the recognized remuneration to employees and directors, please also specify the discrepancy, cause, and how it is treated:

Unit: NTD

Item	Recipients	Amount for distribution approved in the Board of Directors' resolution	Actual distributed amount	Disbursement method
Employee remuneration	The Company's employees	28,145,542	28,145,542	Cash
Directors' remuneration	The Company's Directors	9,381,848	9,381,848	
Total		37,527,390	37,527,390	

(VI) The Company's buyback of the Company's shares: None.

II. Issuance of Corporate Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Overseas Depository Receipts: None.

V. Issuance of Employee Stock Option Certificates: None.

VI. Information About New Restricted Employee Shares: None.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions of, or Succession to Shares of Other Companies: None.

VIII. Implementation of Capital Utilization Plan: None.

## Four. Operation Overview

### I. Business Activities

#### (I) Business scope

##### 1. Main content of business operated by the Company

- (1) Electronic Components Manufacturing
- (2) Computers and Peripheral Equipments Manufacturing
- (3) Wired Communication Mechanical Equipment Manufacturing
- (4) Wireless Communication Mechanical Equipment Manufacturing
- (5) Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- (6) Optical Instruments Manufacturing
- (7) International Trade
- (8) Restricted Telecom Radio Frequency Equipments and Materials Import
- (9) Wholesale of Electronic Materials
- (10) Wholesale of Computers and Clerical Machinery Equipment
- (11) Wholesale of Telecommunication Apparatus
- (12) Wholesale of Precision Instruments
- (13) Retail Sale of Electronic Materials
- (14) Retail sale of Computers and Clerical Machinery Equipment
- (15) Retail Sale of Telecommunication Apparatus
- (16) Retail Sale of Precision Instruments
- (17) Information Software Services
- (18) General Instruments Manufacturing
- (19) CC01040 Lighting Equipment Manufacturing
- (20) CC01990 Manufacturing of other Electrical and Electronic Machinery and Equipment.
- (21) CD01010 Ships and Parts Manufacturing
- (22) CD01020 Rail Vehicle and Parts Manufacturing
- (23) CD01030 Motor Vehicles and Parts Manufacturing
- (24) CD01040 Motorcycles and Parts Manufacturing
- (25) CD01050 Bicycles and Parts Manufacturing
- (26) CD01060 Aircraft and Parts Manufacturing
- (27) CD01990 Other Transport Equipment and Parts Manufacturing
- (28) CE01990 Other Optics and Precision Instrument Manufacturing
- (29) F114070 Wholesale of Aircraft and Component Parts Thereof
- (30) F116010 Wholesale of Camera Equipment
- (31) F213090 Retail Sale of Traffic Sign Equipments and Materials
- (32) F214070 Retail Sale of Aircraft and Component Parts Thereof
- (33) C805050 Industrial Plastic Products Manufacturing
- (34) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Operating revenue breakdown

Unit: NTD thousands

Item	2023		2024	
	Revenue	Revenue	Revenue	Operating revenue percentage (%)
Image sensors	3,056,224	100	4,200,192	100
Total	3,056,224	100	4,200,192	100

### 3. Current products of the Company

The main business items of the Group include the design, manufacturing and sales and purchase businesses of CISM (Contact Image Sensor Module).

### 4. New products planned for development

With regard to the CIS main application products and market demand, the Group has developed a complete series of products to satisfy the demands of various types of scanning input devices (such as MFP scanner, printers etc.). The focus of the research and development works for 2024 is as follows:

- A. Mass production of CISM with high depth of field.
- B. Mass production of a new generation of CISM light source with high brightness
- C. CISM with an optimized cost design.
- D. Smart pattern comparison sensor.
- E. Optimize the IR thermal imaging module.
- F. Develop an IR thermal imaging module with ultra-high resolution.
- G. Improvement in automated production process capacity.

## (II) Industry Overview:

### 1. Current state and development of the industry:

The main businesses of the Group consist of the design, manufacturing and sales of CISM, and the product application scope includes computer peripheral scanners for personal use, office or workstation printing MFP, digital printers, electronic white boards, fingerprint and banknote recognition system etc. Consequently, the development of computer peripheral industry is closed related to the business of the Company.

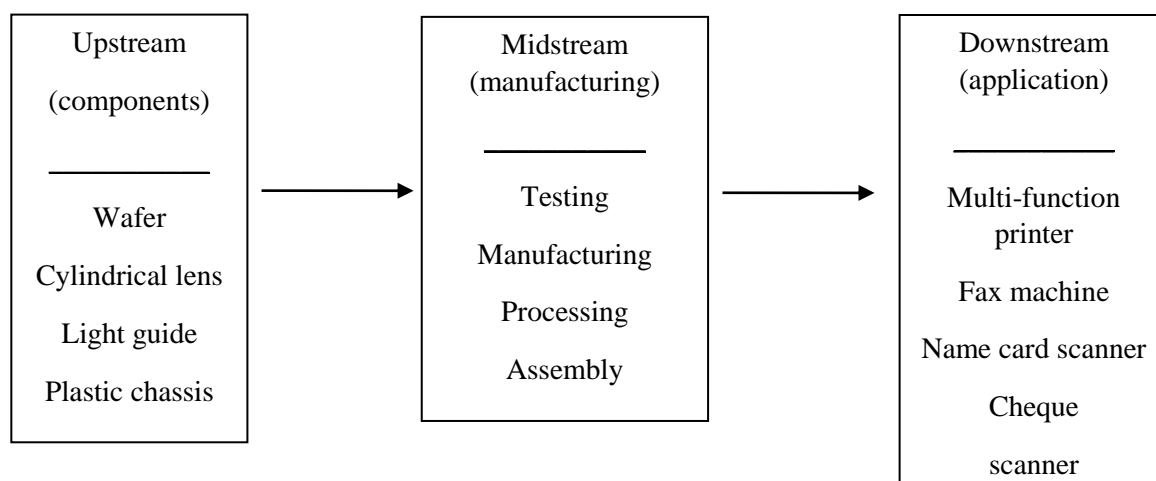


As the modular design of CISM is advantageous to the application assembly of system operators, over the past years of development, products with scanning functions for personal and SOHO commercial purposes and CISM use have become mainstream products in the market. The main products of the Group are used for scanners, fax machines, and MFP for use.



## 2. Correlation among upstream, midstream and downstream in the industry:

For the CISM products of the Group, wafer, cylindrical lens, light guide, plastic chassis and other electronic components are purchased. Through the front-end processing of the wafer testing, wafer cutting, loading, wire bonding, assembly and after the back-end processing, testing, and inspection are performed. Once products are completed, they are directly sold to professional manufacturing OEM operators. The correlation among the upstream, midstream and downstream in the industry is as follows:



## 3. Development trends of products and competition status:

### (1) Product development trend

CISM is an essential component for MFP, and the key development relies on low cost, low power consumption, light weight, and compactness, which form the niche of the Group's product development. Through cooperative development of new products with customers, the Group aims to create solutions with ultra-high speed, high precision, and high depth of field. Creative Sensor's team has gained customers' trust in terms of research and development, price, quality, and services. The Company is also actively developing new products and exploring new markets.

### (2) Industry and market competition

After experiencing a period of low shipment volumes in 2023 due to weak global end-user demand and inventory adjustments, the global economy rebounded in 2024. With the inventory depletion effect in the semiconductor and related electronics industries, demand recovery emerged, leading to an increase in shipment volumes. The Group currently maintains its market leadership.

Through fully automated production across all lines, the Group aims to minimize costs and optimize quality in response to the rising labor costs in production. Market competition remains focused on mastering the supply chain and controlling costs.

## (III) Technology and Research and Development Overview

Annual research and development expense invested in the most recent year and technology or product developed successfully in the most recent year:

1. The consolidated research and development expenses invested in 2024 totaled NTD 79,265 thousand.
2. Technology or product developed successfully:
  - (1) Annual mass production models of main Taiwanese, Japanese, and U.S. customers.
  - (2) Completion of development of high speed A4 & A3 CIMS and start of mass production.
  - (3) A4 CISM with introduction of self-developed components and mass production.
  - (4) Complete the prototype of CISM with a high depth of field.
  - (5) Complete the prototype of the Smart pattern comparison sensor.
  - (6) High- and low-resolution infrared thermal imaging module to mass production.

#### (IV) Long-term and Short-term Business Development Plan

1. Short-term business development plan:
  - (1) Actively monitor the inventory of downstream customers and adjust the inventory of materials to reduce risks.
  - (2) Improve production efficiency and strictly control costs so as to maintain gross profit.
  - (3) Carry out the mass production of image input modules with a high field of depth in order to strengthen the competitiveness in the high-end MFP market.
  - (4) Actively promote the use of infrared imaging cores in “safety monitoring” and “industrial tests.”
2. Long-term business development plan:
  - (1) Develop a new generation of linear scanning light source, and further reduce cost and improve lighting efficacy.
  - (2) Develop high-end infrared imaging core and multispectral imaging modules to enter the niche market with high gross profits for use.
  - (3) Develop a smart pattern comparison sensor and industry barcode scanner to expand the application markets of the scanning module.
  - (4) Market development of other optical input/output devices.

## II. Market and Production/Sales Overview

### (I) Market Analysis

#### 1. Sales region of main products

The sales region of the products of the Group mainly consists of information technology and consumer electronic operators in Asia, the U.S., and Europe. Most current customers are well-known international OEM or system operators.

#### 2. Market share

Unit: NTD thousands

Annual Revenue	2023	2024
Creative Sensor Inc.	3,056,224	4,200,192
Asia Tech Image Inc.	3,539,084	4,393,068

Source: Market Observation Post System (MOPS)

### 3. Market future supply and demand status and growth

#### (1) Supply side:

In 2024, extreme weather events (such as heatwaves, floods, and droughts) have become more frequent, with widespread impacts. Additionally, geopolitical risks remain high, requiring cautious response. The company continues to maintain strong relationships with both upstream and downstream supply chains, while also strengthening raw material inventory management to ensure a stable supply of materials and prevent production capacity from being affected by shortages.

#### (2) Demand side:

It is expected that global economic growth in 2025 will be on par with that of 2024, driven primarily by strong demand for advanced semiconductor processes and servers, as well as innovations in the energy sector. However, following the change in U.S. administration, the implementation of higher tariffs on trade partners may push up commodity prices, leading to reduced consumer spending and slower economic activity. As a result, demand for consumer-oriented products is expected to continue weakening, while demand for commercial models is expected to remain stable, driven by new product development plans from customers and the need for business color printing. In the long term, the multifunctional office equipment market is expected to see a gradual decline in shipment volumes, influenced by the shift towards paperless operations and the development of generative AI.

### 4. Competitive niche

#### (1) Rigorous quality requirements and advanced manufacturing process technology:

As all customers of the Company are major international brands, customers have high requirements for product quality, and the Company continues to implement quality improvement plans to attain improvements. The Company has obtained ISO 90001 and ISO 14001 international quality system certifications. Our plants also implement the overall cleanroom ESD protective environment upgrade, and gradually introduced complete automation to production lines as well as precise and reliable production lines to manufacture high-quality products. With regard to product quality design, the Company is also able to satisfy different customer demands and provide greater design integration capacity in the industry. Consequently, the Company's overall product quality standard is higher than the standards of the industry.

#### (2) Excellent supplier integration capability:

Since the development of key CISM components such as sensing element, circuit boards, focusing lens, and light source require close cooperation with relevant suppliers, quality demand is extremely important. Therefore, we have adopted close cooperation and collaboration for research and development design to gain business opportunities from customers. Moreover, through close cooperative relationship and purchase scale, the Group is able to obtain raw materials at stable and reasonable price for production, thereby increasing the product competitiveness of the Group.

#### (3) Complete R&D team and technical capabilities:

The R&D team of the Group has extensive experience in the research and development of CISM. The team is equipped with independent design capabilities and has obtained numerous patents. The team also engages in joint research and development with suppliers to develop

important raw materials. Consequently, the quality of the R&D technology and technical innovation capacity of the Group now lead competitors in the same industry.

(4) Expansion of product applications:

The Group made use of the CISM production technologies accumulated over the years to enter the fields of relevant technologies and upstream and downstream product development. Apart from the existing products, it also successfully developed the smart pattern comparison sensor used in large-scale printers, which gained the recognition of customers. Infrared thermal imaging products have been successfully introduced to the system of multiple customers. The Group will continue to reach out to end customers in the industrial test and monitoring markets to improve the shipping volume of products.

5. Favorable and unfavorable factors for development prospects and response strategies:

Item	Favorable factors	Unfavorable factors	Response strategy
I. Industry prospects	MFP remains mainstream products for office/home applications, and the demand is stable. In addition, the CIS industry is still an oligopoly market with high barriers to entry. With limited domestic and foreign competing operators in the market, the medium and long-term market demand remains high.	The multifunctional office equipment market has reached its maturity stage, and growth has slowed down, resulting in a gradual moderation of the Company's revenue growth from this product.	(1) Develop products with higher speed and higher resolution for applications in high-end ink jet and laser MFP, thereby expanding the product penetration rate and maintaining continuous revenue growth. (2) Engage in cooperative research and development of important raw materials with domestic suppliers to reduce the cost. (3) Utilize the COB packaging and imaging technology capacity to enter the industries of pattern comparison sensors and infrared thermal imaging sensors to expand the profit base and develop new application fields.
II. Position in the industry	The Group currently ranks first in the world in terms of the market share of color contact image sensors. The Group has superior production scale competitiveness and cost control capabilities.	Both the upstream and downstream sections of the industry are oligopoly markets with lower price control capabilities. Price competition occurs as competing operators seek business opportunities in the market.	(1) Enhance the development of high-end products and low-price module products and increase the added value and market share to increase the differentiation from the operators in the industry. (2) Continue to improve manufacturing process and engage in development of high-performance and low-cost raw materials with suppliers to reduce production cost.

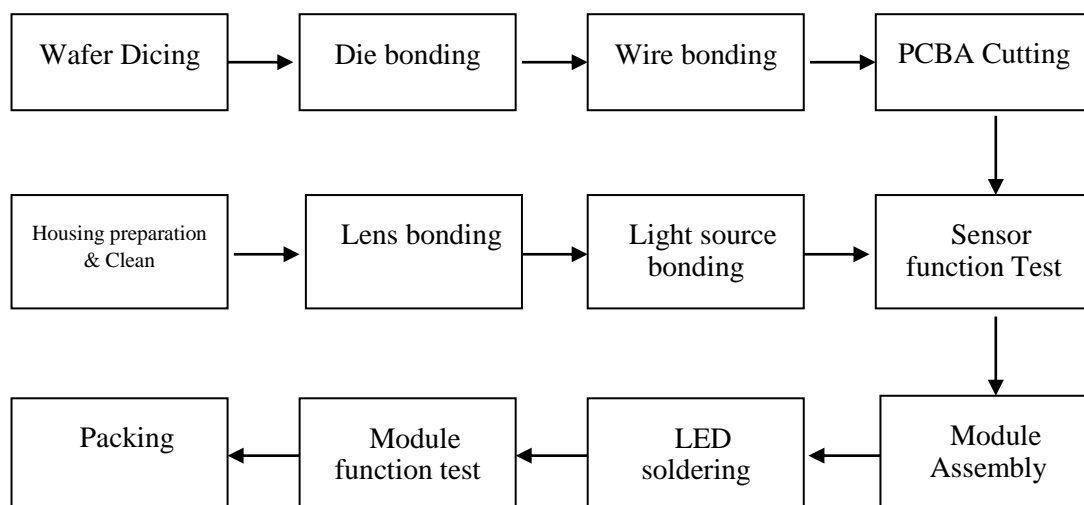
III. Primary raw material supply status	The Group has created long-term strategic alliances with primary raw material suppliers, and is able to control the quality and quantity of raw materials and components supplied.	Parts of the products of the primary raw material suppliers are sourced from oligopoly markets with lower price flexibility.	(1) Engage in cooperative research and development of important raw materials with suppliers to reduce the cost. (2) Continue to maintain excellent business relationship with suppliers and obtain stable supply sources.
IV. Sales status of main products	The product quality and delivery of the Group have long been recognized by the customers, and the Group continues to maintain the leading position in the market share for color CIS. In addition, the Group continues to develop new customers and engages in joint development of new products with customers. As a result, the sales quantity will continue to increase.	(1) Downstream product market with distinctive high and low seasons, affecting the production capacity planning. (2) Customer concentration is high.	(1) Actively expand business, attract new customers and new orders to increase customer diversification. (2) Obtain stable long-term orders to facilitate appropriate adjustments of the production capacity and reduce the obvious gap between operating costs during the high and low seasons.
V. Financial status	The Group has maintained stable profit for a long period of time. In addition, the management values the importance of accounts receivable and control of inventory; therefore, the operating activities indicate cash inflow status and a sound financial structure. The Group has sufficient funding and no financial concerns.	Products are devoid of diversity and the industry has matured as growth in both the revenue and profit fell and weakened profitability.	Develop new businesses to stimulate future business profits. The Group has sufficient funding to meet requirements for future capital expenditures.

## (II) Key purpose and manufacturing process of main products

### 1. Key purpose of main products:

Item	Main products	Purpose
Contact image sensors	CIS	MFP Fax machine Image scanner Printer Name card scanner Banknote recognition machine

## 2. Manufacturing process



### (III) Primary raw material supply status

Primary raw material	Supply source	Supply status
Wafer	Japan, Singapore, USA, Philippines	Excellent
Cylindrical lens	Japan, Mainland China	Excellent
Light source light guide	Japan, Taiwan, Mainland China	Excellent
Printed circuit board	Mainland China	Excellent

### (IV) Name of customers accounted for more than 10% of total purchase (sales) amount of the company in the last two years or in any year and the purchase (sales) amount and ratio thereof

#### 1. Information of main suppliers of the Company in the last two years

Unit: NTD thousands

Item	2023				2024			
	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer
1	Company A	324,523	16.22%	None	Company A	472,621	16.57%	None
2	Company B	323,530	16.17%	None	Company B	450,562	15.80%	None
3	Company C	317,871	15.89%	None	Company C	247,724	8.69%	None
	Other	1,034,896	51.72%	--	Other	1,680,863	58.94%	--
	Net purchase amount	2,000,820	100.00%		Net purchase amount	2,851,770	100.00%	

Reason of increase/decrease: In the last two years, there were no major changes in the incoming material supplier ranking of the Company. However, we must actively seek new suppliers to diversify supply risks and stabilize supply sources without affecting the quality of raw materials.

## 2. Information of main customers of sales of the Company in the last two years

Unit: NTD thousands

Item	2023				2024			
	Name	Amount	Annual net sales percentage (%)	Relationship with the issuer	Name	Amount	Annual net sales percentage (%)	Relationship with the issuer
1	Company Alpha	478,789	15.67%	None	Company Alpha	615,865	14.66%	None
2	Company Beta	393,954	12.89%	"	Company Beta	525,504	12.51%	"
3	Company Gamma	366,840	12.00%	"	Company Gamma	443,558	10.56%	"
4	Company D	270,681	8.86%	"	Company D	411,713	9.80%	"
	Others	1,545,960	50.58%	--	Others	2,203,552	52.47%	"
	Net sales amount	3,056,224	100.00%		Net sales amount	4,200,192	100.00%	

Reason of increase/decrease: As the Company produces a single type of products, the sales targets are all major international manufacturers and the customer source is stable. The Company maintains excellent relationship with the existing customers and actively develops new customers.

III. Number of Employees in the Last Two Years and the Employee Information of the Group up to the Publication Date of the Annual Report

Year		2023	2024	2025 as of March 31
Item				
Number of employees	Indirect labor	280	311	314
	Direct labor	368	749	687
	Total	648	1060	1001
Average age		38.9	37.5	37.9
Average years of service		5.25	5.7	5.6
Education background distribution ratio (%)	PhD	1%	0%	0%
	Master	2.5%	2.0%	2.1%
	College	20.5%	27.9%	29.1%
	Senior High School	36%	36.5%	35.6%
	Below Senior High School	40%	33.6%	33.3%

IV. Information on Environmental Protection Expenditures

Total amount of losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken, and please explain the future response measures (including improvement measures) and possible expenses (including possible loss, penalty and estimated compensation amount due to failure in adopting response measures; if reasonable estimation cannot be made, the fact for such failure in providing reasonable estimation shall be explained): The Group is in the component manufacturing industry and does not produce waste gas, wastewater, and noise pollution in the manufacturing process. Consequently, there have been no losses due to environmental pollution in the last two years. It does not expect to incur major capital expenditures in environmental protection in the future.

V. Labor-Management Relationship

(I) Company's employee welfare measures, continued education, training, retirement system and implementation thereof, and labor management agreement and various employee benefit protection measures status:

1. Employee welfare measures implementation status thereof:

A. Starting from the job onboard date of employees of the Company, employees enjoy the labor insurance and national health insurance. Employees of overseas subsidiaries enjoy the local insurance system starting from the onboard date.



- B. According to the employee stock subscription regulations of the Company, during the capital increase by cash, 10% to 15% of stocks are reserved for employees' subscription according to the regulations, and the employee bonus sharing system is implemented.
  - C. The Company has established the Employee Welfare Committee, which handles and manages the operations of all welfare measures. Presently, all of the labor criterion of leave applications, working hours etc. are handled according to the Labor Standards Act, and various welfare measures are planned.
  - D. Current employee welfare measures are as follows:
    - ① Three-holiday bonuses, gift vouchers.
    - ② Year-end bonus, performance bonus.
    - ③ Organization of year-end party activity.
    - ④ Organization of employees' domestic and overseas travel activities.
    - ⑤ Employee marriage, funeral monetary gifts.
    - ⑥ Subsidies to children education.
    - ⑦ Apply for labor, health insurance and group insurance enrollment for employees.
    - ⑧ Provide stock subscription opportunity for employees during capital increase by cash.
2. Employees continuing education, training system, and implementation status
- A. With regard to the employee educational training, employee educational training is implemented according to the Company's training related regulations of "Educational Training Implementation Regulations," "Internal Educational Training Implementation Regulations," "External Training Implementation Regulations," "Language Proficiency Examination Subsidy Regulations," "On-Job Continuing Education Subsidy Regulations" etc. We actively provide employees various learning and development opportunities and environment to cultivate outstanding talents with international vision and active learning.
  - B. 2024 educational training hours statistics: In 2024, supervisor training and internal and external training courses for core ability and professional ability improvement were organized; a total of 246 persons participated in the training, and the total hours were 1,000 hours. In 2024, each person received 15 hours of training on average; the training expenditures throughout the year totaled NT\$732,618.
3. Retirement system and implementation status:
- A. With regard to the employee retirement system and regulations of the Company, the Company handles such matters according to the relevant regulations of the Labor Standards Act and the Labor Pension Act. Overseas subsidiaries handle such matters according to the retirement and insurance system of People's Republic of China (PRC).

B. The Company has also established the “Labor Retirement Reserve Fund Supervisory Committee” to supervise the implementation status of the retirement system.

C. According to the regulations specified in the Generally Accepted Accounting Principles (GAAP) of R.O.C. No. 18, the Company entrusts an actuary to perform assessment and calculation of the labor retirement reserve fund and to submit actuarial assessment report.

Since July 1, 2005, the Company has appropriated 6% of the employee wage into the employee individual pension account on a monthly basis according to the Labor Pension Act. Overseas subsidiaries follow the retirement insurance system of PRC to make a certain ratio of appropriation according to the employee’s total salary amount, and the monthly pensions of employees are managed and arranged uniformly by the government.

4. Labor management agreement and various employee benefit protection measures status:

The Group has always adopted the operational method of self-management and all staff participation. Supervisors and employees of each department engage in effective communication through periodic business meeting and educational training, and the labor-management relationship is therefore harmonious.

5. Employee code of conduct or ethical rules:

To maintain order in the workplace, the Group explicitly specifies the rights and obligation relationships between labor and management. The Group also has established the “Work Rules” according to laws and publicly disclosed them after obtaining approval from the competent authority. Furthermore, the Company has specified the following rules and actively promotes them to reduce the operational risks of the Company, prevent occurrence of conducts damaging the interests of shareholders, and provide guidance to employees of the Company:

A. Ethical management best practice principles: It is prohibited to directly or indirectly provide, commit, request or accept any illegal benefits, or engage in any conduct violating the ethics or violating the obligation entrusted for fulfillment.

B. Comply with antitrust requirements: It is necessary to remain vigilant when responding to competitors and dealing with business counterparties, and it is necessary to provide clear response without disclosing sensitive information. Employees also may not provide or receive in any special offers or benefits.

C. Report illegal and unethical conducts: In case where an employee discovers any conducts violating the ethical standards of the Company, including misappropriation of Company properties, matters affecting accuracy of the financial statements of the Company, collection of illegal benefits from the external, such employee shall report such issue via internal normal channel of the Company.

6. Internal Material Information Handling Operation Procedure:

To establish proper internal material information handling and disclosure mechanism, to prevent improper disclosure of information and to ensure

consistency and accuracy of information published by the Company to external entities, the Group has also amended the “Management for Preventing Insider Trading” in the internal control system. It was reported to the Board of Directors’ meeting for resolution and approval on December 21, 2022, and all employees and managerial personnel have been informed accordingly.

7. Working environment and employee personal safety protective measures:

A. Working environmental protective measures

- ①The Group has obtained ISO14001 environmental management system certification. Our environment policies are: (1) Following and complying with environmental laws and other requirements. (2) Promoting recycling and reuse of resources, and endeavoring to reduce industrial waste to prevent pollution. (3) Reducing the use of hazardous materials, being thorough on pollution control and management, and endeavoring on the design and manufacturing of green products. (4) Preventing accidents and disasters and enhancing disaster prevention drill.
- ②Equipment safety: The Company implements periodic inspections of elevators and cargo elevators in the building, and appoints external contractors to perform monthly labor safety and health inspections to prevent the increase of labor risks and require workers to wear personal protective equipment.
- ③Fire safety: Comprehensive fire control systems have been installed in accordance with the regulations in the Fire Services Act, including fire sprinkling system, evacuation systems such as escape slings and emergency lighting etc. We also organize annual inspections of the lighting, fire safety, and carbon dioxide detection systems.
- ④The Group performs semi-annual drinking water machine tests as well as complete disinfection of the work environment each year to maintain the sanitation of the working environment.

B. Employee personal safety protective measures

- ①The Group has established the “Safety and Health Work Rules” to protect the rights and benefits related to workers’ physical and mental health, and to reduce all major hazards caused during operation. Furthermore, the Company has also established the “Regulations for Attending to Accidents of Natural Disaster, Power Outage, Pending for Material Supply etc.” To facilitate immediate response actions in case of occurrence of disasters.
- ②Medical health care: The Group provides one physical examination for employees every year.
- ③The Group holds periodic labor safety and health educational training each year to increase relevant knowledge of employees and reduce employees’ occupational injuries.
- ④The Group’s reception counter is equipped with alcohol and masks at all times for use by employees and visitors to reduce likelihood of spreading of infectious diseases, such as flu and cold, among employees at the working environment.

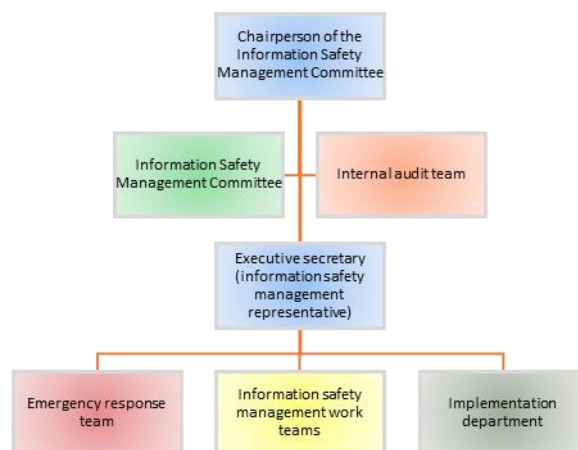
⑤To prevent accident that threaten workers’ personal safety, we require workers to wear personal protective equipment and establish relevant operation procedures.

(II) Any losses suffered by the Company in the most recent year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

## VI. Cyber Security Management:

(I) Cyber security risk management framework

Organization:



(II) Information Security Policy

Based on the operating requirements of the Company, we established the “information safety management system” according to ISO/IEC 27001, ISO/IEC 31000, ISO/IEC 31010, ISO/IEC Guide 73, other international standards, Cyber Security Management Act, Personal Information Protection Act, and other laws and regulations to ensure the information and communication infrastructures and information system comply with the requirements related to confidentiality, completeness, availability, and legitimacy so as to optimize the existing management system of the Company. We also adopted the PDCA circular procedure management model established by the International Organization for Standardization to integrate and reinforce the information safety management system, establish an institutionalized,

documented, and systematic management system, and continue to monitor and review management performance so as to realize the philosophy of information safety management, personal information protection, and business continuity and achieve the following targets:

- (1) Implement the information safety management policy of the Company.
- (2) Introduce the information safety management system.
- (3) Improve the literacy of the Company's information safety management.
- (4) Strengthen the information safety management response capabilities of the Company.
- (5) Achieve the measurement indicators of the information safety policy.

### (III) Specific management plans

We initiated the “information management system introduction and verification project” in September 2024, and the ISO 27001 information safety management system verification is estimated to be conducted in 2025. The major work includes external threat prevention work and internal management work as follows:

Content of external threat prevention work:

1. Regularly implement vulnerability screening, system updates, and social engineering attack exercises to reduce the invasion of hackers.
2. Use firewalls to filter malicious websites and programs.
3. Use e-mail filter software to filter mail viruses and spam.
4. Update anti-virus software to prevent the infection of different viruses.
5. Carry out audits of software and hardware suppliers and enter into the “non-disclosure agreement of personnel of consigned companies.”
6. Regularly collect threat intelligence and carry out the report, response, and assistance in handling information safety events.

Content of internal management work:

1. Improve information safety promotion, education, and training.
2. Encrypt confidential documents to prevent the leakage of data.
3. Regularly back up the crucial mainframe and implement business continuity exercises each year.
4. Regularly review privileged access management accounts and general accounts to control accounts.
5. Set up a system development testing environment to reduce human-made errors.
6. Ban access to intranet resources for computers that do not belong to the Company.
7. Collect the system track records and prevent others from entering the system illegally.
8. Prohibit the use of flash drives on the Company's computers.
9. Carry out information asset grade classification and conduct information safety risk evaluation and improvement plan.

#### (IV) Information system control

- (1) Introduce ISO27001:2022, set up a dedicated supervisor and personnel for information safety, establish the information safety risk management structure, establish an information safety policy and substantial management plan, and regularly examine the information safety policy to ensure information safety.
- (2) Carry out information safety health inspection for the information environment, replace the firewall equipment of the headquarters, update the EDR anti-virus software, change the system structure of the official website for revision, replace the UPS, and upgrade the backup system.
- (3) Introduce the HCI system to establish a flexible building module through the combination of hardware at the shared data center for the storage of resources and smart software, improve the flexibility and agility of new applications deployed, rapidly respond to business requirements, and improve the efficacy of the relational databases and other crucial business applications that indirectly improve safety.

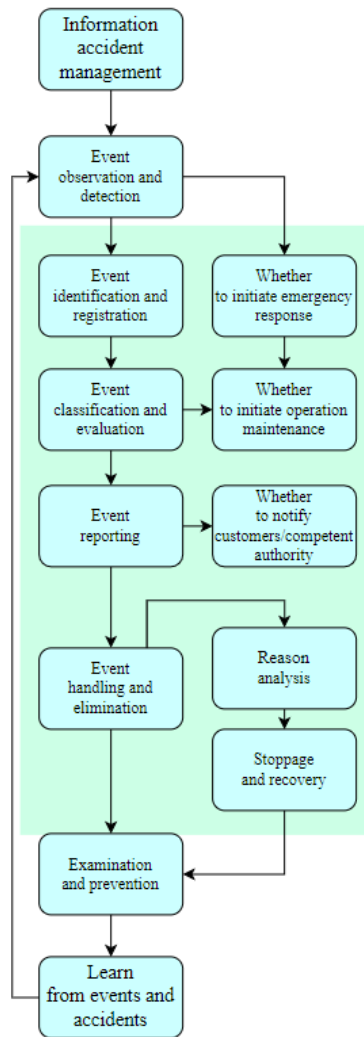
#### (V) Emergency report procedures

Information safety accidents include virus infection, data leakage, unauthorized access, system or equipment service interruption, data losses or alteration, and other circumstances of information safety events that cause substantial harm to information and communication assets.

If any accident occurs in the information safety management system, it shall be reported and handled within the shortest time. The Company has established the Procedures for Information Safety Accident Management, recorded, handled, and managed information safety events and accident data, and eliminated management accidents in a timely manner to minimize the possible harm and effects caused by information safety accidents.

Based on the requirements of the Cyber Security Management Act, the Company shall report to customers and the competent authority when any information safety accident occurs according to the requirements of the contracts.

The information safety event reporting procedures of the Company are as follows:



#### Subsequent remedial measures for information safety events

According to the implementation principles of the Procedures for Information Safety Accident Management, if any material information safety event occurs, the Company will handle it according to the procedures in the first place and mitigate impacts.

#### Implementation achievements

1. Established the “Information Safety Management Committee,” introduced the ISO27001 information safety management system, and continued to carry out information safety improvements.
2. In 2024, there was no information safety event that affected the Company’s operations.
3. In 2024, a total of 49 persons participated in 136 hours of information safety courses, education, and training.

List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts: None.

## Five. Review and Analysis of Financial Status and Operational Results and Risks

### I. Financial Status

#### (I) Financial status comparison and analysis table

Unit: NTD thousands

Year Item	2024	2023	Difference		
			Amount	%	Description
Current assets	4,312,223	3,410,424	901,799	26.44	1
Fixed assets	144,408	150,450	(6,042)	(4.01)	—
Other assets	4,611,279	3,660,838	950,441	25.96	2
Total assets	9,067,910	7,221,712	1,846,198	25.56	3
Current liabilities	2,684,513	1,993,466	691,047	34.66	4
Total liabilities	2,829,848	2,058,472	771,376	37.47	4
Capital stock	1,341,495	1,490,550	(149,055)	(10.00)	—
Capital surplus	986,117	984,201	1,916	0.19	—
Retained earnings	2,127,582	1,902,174	225,408	11.85	—
Total shareholders' equity	6,238,062	5,163,240	1,074,822	20.81	5
<p>The description of the variation in ratios between the two periods: The analysis shall be provided when the change increase/decrease reaches 20% and the absolute amount exceeds NT\$10,000 thousand.</p> <ol style="list-style-type: none"> <li>Mainly due to the increase in cash inflow from operating activities.</li> <li>Mainly due to the increase in the value of securities.</li> <li>Mainly due to the increase in cash inflow from operating activities and the increase in the value of securities.</li> <li>Mainly due to the increase in accounts payable for purchases resulting from the increase in sales.</li> <li>Mainly due to the increase in net profit of the period.</li> </ol>					

### II. Financial Performance

#### (I) Financial performance comparison analysis

Year Item	2024	2023	Increase (decrease) amount	Change ratio %	Analysis and explanation for change of ratio
Operating revenue	4,200,192	3,056,224	1,143,968	37.43	1
Operating costs	3,341,806	2,482,393	859,413	34.62	1
Gross profit	858,386	573,831	284,555	49.58	1
Operating expenses	376,440	336,640	39,800	11.82	—
Net operating profit	481,946	237,191	244,755	103.18	1
Non-operating revenue and expenses					—



Other income	175,601	166,519	9,082	5.45	—
Other interest and loss	(89,736)	(49,888)	(39,848)	(79.87)	2
Finance costs	(24,859)	(21,968)	(2,891)	(13.16)	—
Share of profits/losses on equity-accounted associated companies and joint ventures	10,709	(2,603)	13,312	511.40	3
Net profit before tax	553,661	329,251	224,410	68.15	1
Income tax expenses	(192,390)	(82,461)	(109,929)	(133.31)	1
Net profit	361,271	246,790	114,481	46.38	1
<p>The description of the variation in ratios: If the change increase/decrease is less than 20% or less than NT\$10,000 thousand, the analysis may be exempted; the analysis is as follows:</p> <ol style="list-style-type: none"> <li>1. Operating income and gross profit increased due to the recovery of demand in the end market.</li> <li>2. Due to the effects of exchanges.</li> <li>3. Due to the increase in the net profit of investees.</li> </ol>					

### III. Cash Flow

(I) Analysis of cash flow changes in the most recent year:

Item \ Year	2024	2023	Increase (decrease) ratio
Cash flow ratio (%)	28.13	9.12	208.44
Cash flow adequacy ratio (%)	181.62	157.29	15.46
Cash reinvestment ratio (%)	7.56	(1.29)	686.04
The increase in cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio was mainly due to the increase in cash flows from operating activities resulting from the increase in operating income and gross profit.			

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

(III) Cash liquidity analysis for the next year:

Unit: NTD thousands

Cash balance at the beginning of the year (1)	Expected annual net cash flow from operating activities (2)	Expected annual cash flow from investing and financing activities (3)	Expected Cash surplus (deficit) amount (1)+(2)+(3)	Estimated remedial measures for cash deficit	
				Investment plan	Financial management plan
3,103,866	376,430	(689,228)	2,791,068	\$ -	\$ -
<p>1. Analysis of changes in cash flow during the year</p> <p>(1) Operating activities: The net cash inflow was primarily generated from the stable operating income, continuous profits, and current effective control over inventory and accounts receivable.</p> <p>(2) Investing activities: It is expected that the cash outflow from investing activities in 2025 will be for capital expenditures.</p> <p>(3) Financing activities: It is expected that the cash outflow from financing activities in 2025 will</p>					

primarily be for the payment of cash dividends. In the future, should there be a need for operational expansion, the Company will consider adopting the most favorable financing approach based on market conditions.

2. Remedial measures for the estimated cash deficit and liquidity analysis: Not applicable.

IV. Impact of Significant Capital Expenditures in the Most Recent Year on the Financial and Operating Conditions of the Company: There were no significant capital expenditures in the most recent year.

V. Investment Policy for the Most Recent Year, Main Reasons for Profits/Losses Generated, Improvement Plans, and Investment Plans for the Next Year

(I) Investment policy

The investments of the Group mainly focus on the core business of image sensors. The Company has adopted a conservative attitude for the review of investment plans in line with the Company's long-term development plans.

(II) Main cause of profit or loss

The share of profit or loss from associates and joint ventures accounted for using the equity method amounted to NT\$10,709 thousand, an increase of NT\$13,312 thousand compared to a loss of NT\$2,603 thousand in 2023, primarily due to the improved profitability of the invested enterprises.

(III) Investment plan for the next year

With regard to the investment plan for next year, in addition to the continuous focus in the investment of the core business, the Group will make adjustments and implement future development strategy based on the future economic changes along with the new product development progress of the Group.

VI. Risk Analysis and Assessment Made in the Most Recent Year and up to the Printing Date of the Annual Report

(I) Impact of interest rate, exchange rate fluctuation and inflation condition on the profit/loss of the company and future response measures

1. Impact on company profit (loss)

Unit: NTD thousands

Item	2024 amount	Percentage of operating revenue %	Percentage of net income before tax %
Net interest income	16,249	0.38	2.93
Net foreign exchange gain (loss)	73,811	1.75	13.33
Net forward hedging gain (loss)	(109,517)	(2.60)	(19.78)

## 2. Interest rate change

The interest rate risk of the Group mainly came from the short-term borrowings. Due to the borrowings at floating interest rate, the Group borne the cash flow interest rate risk, and a portion of the interest rate risk was being offset by the cash and cash equivalents held. While facing the impact of the fluctuation of the loan interest rate, the Group reviews the market change at all times and implements timely adjustments for the financing strategy.

## 3. Exchange rate change

When the Group's business involves non-functional currency (the functional currency of the Company and certain subsidiaries is NTD, the functional currency of certain subsidiaries is CNY), in case of exchange rate fluctuations, the Company establishes a natural hedging strategy via the assets and liabilities recognized in conjunction with the spot transactions, forward exchange and currency exchange, etc. to achieve hedging. Furthermore, the Group also adopts the principle of stability for hedging, thereby reducing the impact of the exchange rate risks on the Company's income. Information on the foreign currency assets and liabilities with significant exchange rate fluctuation impacts of the Company is as follows (Unit: NTD thousands):

December 31, 2024						
Sensitivity analysis						
	Foreign currency (thousands)	Exchange rate	Carrying amount (NTD)	Change percentage	Impact on profit/loss	Impact on other comprehensive income
<b>(Foreign currency: Functional currency)</b>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 66,093	32.73	\$ 2,163,224	1%	\$ 21,632	\$ -
RMB:NTD	300	4.55	1,356	1%	14	-
USD:RMB	53,222	7.19	1,741,956	1%	17,420	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 34,167	32.73	\$ 1,118,286	1%	\$ 11,183	\$ -
USD:RMB	27,371	7.19	895,853	1%	8,959	-
December 31, 2023						
Sensitivity analysis						
	Foreign currency (thousands)	Exchange rate	Carrying amount (NTD)	Change percentage	Impact on profit/loss	Impact on other comprehensive income
<b>(Foreign currency: Functional currency)</b>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 43,557	30.71	\$ 1,337,635	1%	\$ 13,376	\$ -
RMB:NTD	300	4.34	1,302	1%	13	-
USD:RMB	32,940	7.08	1,011,587	1%	10,116	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$ 15,470	30.71	\$ 475,084	1%	\$ 4,751	\$ -
USD:RMB	12,160	7.08	373,434	1%	3,734	-

#### 4. Inflation

Inflation has not adversely impacted the operations of the Group. The Group will closely monitor the impact of interest rate, exchange rate, and inflation on the income of the Group and will propose relevant response measures in a timely manner.

(II) Policies on engaging in high risk, high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main causes of profit and loss as well as future response measures

1. In the most recent year, the Group did not engage in high-risk or high-leverage investments.
2. Up to December 31, 2024, both the balance of the loans to others and the balance of guarantee/endorsement made by the Company was zero.
3. As of December 31, 2024, the Group's forward exchange contracts for derivative financial products used for evading risks arising from the exchange rate fluctuations totaled USD 28 million, swap exchange contracts for derivative financial products used for evading risks arising from the exchange rate fluctuations totaled USD 26 million. Since the Company uses derivatives for the purpose of hedging risk and since the “Procedures for Acquisition or Disposal of Assets” of the Company impose strict requirements for such transactions, the profit or loss arising from such transactions has not caused material impact on the profit or loss of the Company. The Company will continue operations for the purpose of hedging risks in future operations.
4. Hedge accounting adopted for financial products and its purpose and method: The Group has not adopted hedge accounting.

With regard to the execution of aforementioned relevant policies, in addition to careful assessment, periodic report, and management, the execution is also based on the requirements specified in the “Procedures for Acquisition or Disposal of Assets,” “Procedures for Loaning Funds to Others,” and “Procedures for Making Endorsements and Guarantees” of the Company.

(III) Future R&D plan and expected investment in R&D budget

##### 1. Future R&D plan

- (1) Continuous improvement for CIMS cost and quality.
- (2) Digital CISM design with high depth of field.
- (3) New generation of CISM light source design with high brightness.
- (4) Smart pattern comparison sensor.
- (5) Development of the high-end infrared thermal imaging module.
- (6) Development of the multispectral imaging module.

2. Expected R&D expenditures: The expected R&D expenditures for 2025 total approximately NTD 91 million.

(IV) Impacts of domestic/foreign important policies and changes of laws on the financial business of the Company and response measures

The management team of the Group has always paid close attention to domestic and foreign policies and laws that may affect the finance and business of the Company. Up to the present

day, changes of relevant policies and laws have no material impact on the finance and business of the Company.

(V) Impacts of changes in technology and industry on the financial business of the Company and response measures

Emails have replaced facsimile to become the primary channel of communication. In view of such trend and development, processing facsimile will no longer compel consumers to purchase MFPs. Therefore, the functions of scanning and photocopying are the key niches for MFPs. From fax machines and scanners to integrated MFP with multiple functions such as facsimile, scanning, photocopying, and printing, the Company has been able to meet market demand and maintains high sensitivity to the changes in technology in the industry to swiftly respond to and satisfy customer demand.

(VI) Impacts of change of corporate image on the corporate crisis management and response measures

The Group is committed to maintaining its corporate image and compliance with laws and regulations. There has been no occurrence of incidents capable of affecting the Company's image.

(VII) Expected benefits, possible risks, and response measures for merger: The Group did not engage in any merger or acquisition in the most recent year.

(VIII) Expected benefits, possible risks, and response measures for expansion of facilities: The Group did not perform any expansion of facilities in the most recent year.

(IX) Risks resulting from consolidation of purchasing or sales operations and response measures

The market of MFPs is mainly controlled by brands, and the market share of the Group's key customers accounts for more than half of the global market. The concentration of sales is the norm in this industry. With regard to the demand and supply of color image sensors, as very few domestic manufacturers that have the technical know-how for manufacturing color image sensors, and as there is high market demand and high barriers to entry, an oligopoly has been created in the industry. Only a few manufacturers among domestic and foreign manufacturers, such as Asia Tech Image Inc., Canon (Japan) and the Company, are currently capable of mass producing CIS. Due to limited supply, major system manufacturers have concentrated the sources of their procurement.

(X) Impacts, risks, and response measures of Directors or shareholders with shareholding percentage exceeding 10%, large equity transfer or change on the company: In the most recent year, Directors or major shareholders with shareholding percentage exceeding 10% of the Company did not engage in large equity transfer or change.

(XI) Impact, risks, and response measures for changes in management rights: None.

(XII) For litigation or non-litigation cases, the Company and Directors, General Managers, substantial responsible person, major shareholder with shareholding exceeding 10% of the Company and affiliates that are involved in major lawsuits with affirmative judgment or is pending in the court proceeding, non-litigation or administrative dispute cases with results capable of causing material impacts on the interests of shareholders or stock price, the dispute fact, claim amount, litigation starting date, primary litigation parties, and handling status up to the printing date of the annual report shall be disclosed: None.

(XIII) Other significant risks and response measures: None.

VII. Other Important Matters: None.

## **Six. Special Disclosure**

### **I. Affiliated Enterprise Information :**

Please refer to the Chinese version of Market Observation Post System (MOPS). The access path is as follows: Market Observation Post System > Single Company > Electronic Document Download > Related Party Transactions Section

### **II. Any Private Placement of Securities within the Latest Fiscal Year and as of the Date of the Annual Report: None.**

### **III. Additional Information Required to be Disclosed: None.**

### **IV. Events with Major Impacts on Shareholder Equity or Share Value in the Most Recent Year as of the Printing Date of the Annual Report: None.**

CREATIVE SENSOR INC.

Yu-Jen Huang